AGENCY FOR INTERNATIONAL DEVELOPMENT

Fiscal Year 1976
Submission to the Congress

East Asia Programs

May 1975

EAST ASIA DEVELOPMENT ASSISTANCE

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EAST ASIA
KOREA
JAPAN
REPUBLIC OF CHINA
PHILIPPINES
VIETNAM
GUAM
CAROLINE ISLANDS
MALAYSIA
BRUNEI
SINGAPORE
I N D O N E S I A
SOLOMON ISLANDS
TIMOR

EAST ASIA DEVELOPMENT ASSISTANCE

THE INTERDEPENDENCE OF EAST ASIA AND THE UNITED STATES

The primary objectives of United States policy in East Asia are:

-- To reduce tensions in the region;

-- To promote a condition of peaceful, evolutionary political and economic progress.

The East Asia region is an area of immense importance to the United States; it is diverse in cultures, political structures and stages of economic development.

-- The volume of two-way trade between the United States and East Asia exceeded our trade with the European Common Market in 1974.

** Total trade with the region was over $48 billion--24% of our total world trade.

** Major United States exports to the area during 1974 included foods - $4.8 billion, capital goods - $6.2 billion, transportation equipment - $1.8 billion, and other consumer goods $1.2 billion.

** Imports from East Asia included more than 80% of our total imports of tin and natural rubber and imports also from the area have included petroleum, bauxite, lumber and manufactured goods such as electric components, steel and consumer products.

-- The value of our investment in the region is almost $11.0 billion. There is an impressive potential for further growth.

In spite of the worldwide economic recession, 1974 was not a bad year for United States investments in East Asia.

Japan is our major trading partner in the East Asia region.

-- It accounts for about half our total trade with the area.

-- Other important East Asian commercial partners in 1974 include: Australia $3.2 billion, Taiwan $3.7 billion, Indonesia $2.4 billion, Philippines $1.9 billion, Singapore $1.6 billion and Malaysia $1.1 billion.

PROGRAM SUMMARY
(In millions of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health	Education and Human Resources Development	Selected Development Problems	Selected Countries and Organizations	Other Programs 3/
1974 1/							
Loans	181.0 2/	57.3	42.5	-	31.2	50.0	-
Grants	36.9	7.2	17.3	5.4	.6	.7	5.7
Total	217.9 2/	64.5	59.8	5.4	31.8	50.7 2/	5.7
1975 1/							
Loans	88.4	76.4	5.0	5.0	2.0	-	-
Grants	31.6	9.7	14.2	6.4	.1	1.0	.2
Total	120.0	86.1	19.2	11.4	2.1	1.0	.2
1976 4/							
Loans	52.0	32.0	10.0	5.0	5.0	-	-
Grants	36.0	6.1	20.4	6.2	2.1	1.2	-
Total	88.0	38.1	30.4	11.2	7.1	1.2	-
5th Quarter							
Loans	4.6	4.6	-	-	-	-	-
Grants 4/	8.0	.8	5.1	1.6	.2	.3	-
Total	12.6	5.4	5.1	1.6	.2	.3	-

1/ Includes Population Funds for Laos and Vietnam.
2/ Includes $50.0 million Development Loan for Vietnam.
3/ Supporting Assistance
4/ Includes Population Funds for Laos.

EAST ASIA DEVELOPMENT ASSISTANCE

The United States has, since the Second World War, contributed generously to the objective of assisting the developing nations in East Asia.

-- It believes that economic development is a wise investment.

-- It is an essential ingredient in our strategy of securing our prosperity by contributing to peaceful and evolutionary political change and social progress.

-- There is an inseparable relationship between economic growth and political stability. Political disarray contributes to economic disorganization. Economic stagnation and deep poverty weaken the political fabric of a country.

STAGES OF EAST ASIAN DEVELOPMENT

The United States has used different techniques to achieve its East Asian development objectives.

-- Massive capital intensive programs such as those in the reconstruction of Japan and our assistance to Taiwan and Korea.

-- People-oriented rural development programs.

While the techniques have changed over time, the investment has demonstrably paid off.

-- Japan has become one of our most important trading partners.

-- Korea has a prosperous industrialized economy with a per capita GNP of over $500 and a level of trade with the United States exceeding $3.0 billion.

-- Thailand has taken a massive step forward in political democracy.

** It manages its economy with conservative prudence.

** Thailand looks to the United States for development assistance support.

-- Indonesia has reaped substantial benefits from the increase in crude oil prices.

** It has taken a moderate stance in OPEC councils and did not participate in the oil embargo.

** Its new foreign exchange earnings have offset the country's very substantially increased import bills.

** The great majority of Indonesians still live in abject poverty.

** Indonesia's per capita GNP is less than $140.

** It suffers from a severe shortage of trained manpower.

-- Philippines looks to the United States as a major source of support for its efforts in land reform, rural development and ultimate self-sufficiency.

** It has extremely close emotional and economic ties to the United States.

PROBLEMS AND OPPORTUNITIES FOR DEVELOPMENT

The problems and the opportunities of the developing nations of East Asia correspond in substantial measure to the priority developmental concerns expressed by the Congress in the Foreign Assistance Act of 1973.

-- East Asia is now a food deficit area. Many East Asian countries have the potential to produce quantities of tropical and sub-tropical fruits, vegetables, spices, sea food and other foodstuffs to meet their own requirements.

-- Another important problem is the need to develop adequate distribution systems.

** The small farmer or business man cannot benefit, unless means exist to transport goods from producer to consumer.

** Inequitable income distribution creates wasteful surpluses in higher income areas, it causes devastating shortages of essential commodities among the very poor.

-- The third major problem in East Asia is burgeoning populations.

** 17% of the world's population lives in the free countries of East Asia (excluding Australia and New Zealand).

** This population is increasing at the rate of 2.4 percent per year. Excluding Japan, the annual rate is a more alarming 2.7 percent.

** Population growth rates outstrip growth rates for food production. Population is a serious factor in the fight against disease and ignorance.

** The United States and the other developed nations help East Asian countries by making available the economic and sociological remedies including necessary health, nutritional and maternal/child services.

-- Finally, the technically advanced nations must assist East Asia countries build the human resources in which they are so potentially rich and currently so deficient.

** In some cases, such as Japan, an entire people have been able to absorb in a few generations Western technological advances of centuries.

** There is a need for technologies in agriculture, transportation, banking and finance, medicine, communications and education.

** What one people have accomplished, others can do provided they have the right assistance at the right time, the will and the political stability required.

ROLE OF OTHER DONORS

The United States has functioned within an international framework provided by consultative groups in Korea, Thailand, Indonesia and the Philippines.

-- These groups represent the combined interest of 19 developed nations, plus the OECD, IBRD, EEC and IMF organizations, in the development of East Asia.

** Japan, has taken a prominent position as a major contributor of both financial resources and technical expertise to its less developed neighbors.

EAST ASIA DEVELOPMENT ASSISTANCE

THE ROLE OF UNITED STATES DEVELOPMENT ASSISTANCE

U.S. Development Assistance objectives address the critical problems of developing countries.

-- Agricultural Development and Nutrition

-- Family Planning and Health.

-- Education and Human Resources Development.

Bilateral development assistance to the developing countries of East Asia will continue to give the highest priorith to undertakings submitted by host governments which:

-- Directly improve the lives of their poor people;

-- Increase the capacity of the poor to participate in the development of their countries;

-- Affect the lives of the majority of the people in the developing countries.

-- Reflects, to the maximum extent practicable, the role of United States private investment in such economic and social development programs.

It is our determination, to help the poor to improve their lot by active engagement in production.

--Thus leading to fuller employment, gradually improved distribution of income, and eventually, to increased economic growth.

-- To concentrate on strengthening the economy from the bottom up.

The development objectives also extend to enhancing closer long-term commercial and investment relationships.

-- Others will provide the financial sinews required to sustain economic expansion.

FOOD AND NUTRITION

The overriding development priority for most East Asia nations is to increase food production. The largest single component (42%) of our total FY 1976 program is concentrated on helping achieve this target.

In Indonesia we are proposing $16.1 million in FY 1976.

-- $15.0 million in loans to finance Higher Agriculture Education and the Citanduy/Ciseel River Basin Floor and Irrigation projects.

-- $1.1 million in grants for the Area Development Agricultural Resources Assessment and the Voluntary Agencies Co-financing scheme.

The Korea program is undergoing transition in FY 1976.

-- We are phasing to limited A.I.D.-financed concessional assistance. We are proposing $227,000 for funding of the Michigan State University contract in Agriculture Planning.

The Philippines program includes $14.6 million.

-- It includes $12.0 million in loans for the Bicol River Basin project and feasibility studies. Grants in the amount of $2.6 million will finance projects in Agrarian Reform, Local and National Planning, Rural Electrification, and Food and Nutrition.

The Thailand program emphasizes seed production area development, and economic and social development effort designed to benefit the larger portion of Thailand's rural populace.

POPULATION PLANNING AND HEALTH

The population growth problem is important to East Asia's future.

EAST ASIA DEVELOPMENT ASSISTANCE

-- We are proposing $19.8 million in Title X funds for Family Planning programs in the region. The programs focus attention on education and information activities.

-- On training of family planning workers and the creation of health and family planning distribution systems.

-- Health programs account for an additional $600,000 of development assistance funds in the region.

-- In addition, a $10.0 million Provincial Water Supply loan is proposed for the Philippines.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

A major focus is on non-formal education and middle level management.

-- We are proposing $11.2 million for education activities of which $5.0 million is a loan for Training and Manpower Development in Indonesia.

-- Assistance is continuing to the East Asia Regional Education project which encompass cooperative efforts among eight countries.

SELECTED DEVELOPMENT PROBLEMS

Grants for regional transportation feasibility studies, project development, design and evaluation, and sectoral studies.

SELECTED COUNTRIES AND ORGANIZATIONS

Continued activities of the Southeast Asia Development Advisory Group under the auspices of the Asia Society, and general program development and Support activities comprise the $1.2 million requested under this category.

SUMMARY OF PROGRAM BY COUNTRY AND APPROPRIATION

(in thousands of dollars)

REGION: EAST ASIA

TABLE I

COUNTRY	Total 1/			Food and Nutrition			Population Planning and Health 1/			Education and Human Resources Development			Selected Development Problems			Selected Countries and Organizations			Other Programs		
	1974	1975	1976	1974	1975	1976	1974	1975	1976	1974	1975	1976	1974	1975	1976	1974	1975	1976	1974	1975	1976
Indonesia	78,700	44,001	30,601	19,743	37,400	16,100	31,132	4,901	8,101	1,182	1,700	6,400	26,643	-	-	-	-	-	-	-	-
Korea	27,251	20,358	5,592	22,676	6,858	292	3,880	5,560	-	530	5,840	300	165	2,100	5,000	-	-	-	-	-	-
Philippines	43,476	44,993	31,996	21,464	39,171	14,608	21,194	5,615	17,288	274	50	100	-	-	-	-	-	-	544	157	
Thailand	7,126	4,280	12,029	-	2,071	7,100	2,019	1,309	4,529	-	900	400	-	-	-	-	-	-	5,107	-	-
Regional Development	9,790	4,539	7,300	600	600	-	69	29	-	3,424	2,910	4,000	5,000	-	2,100	697	1,000	1,200	-	-	-
Total	2/ 217,891	119,996	88,040	64,483	86,100	38,100	59,842	19,239	30,440	5,410	11,400	11,200	31,808	2,100	7,100	2/ 50,697	1,000	1,200	5,651	157	

1/ Includes Population Funds for Laos and Vietnam in FYs 1974 and 1975, and Laos in FY 1976.

2/ Includes $50.0 million Development Loan for Vietnam.

1976 FIFTH QUARTER
SUMMARY OF PROGRAM BY COUNTRY AND APPROPRIATION
(in thousands of dollars)

REGION: EAST ASIA

TABLE Ia

COUNTRY	Total *	Food and Nutrition	Population Planning and Health *	Education and Human Resources Development	Selected Development Problems	Selected Countries and Organizations	Other Programs
Indonesia	2,525	275	2,025	225	-	-	-
Philippines	6,772	4,925	1,822	25	-	-	-
Thailand	1,433	200	1,133	100	-	-	-
Regional Development	1,750	-	-	1,300	150	300	-
Total.....	12,611	5,400	5,111	1,650	150	300	-

* Includes Population Funds for Laos.

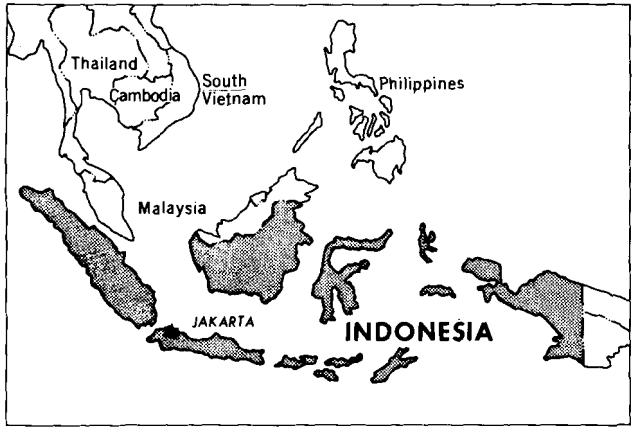
TABLE II

SUMMARY OF TECHNICIANS AND PARTICIPANTS BY COUNTRY

REGION: EAST ASIA

Country	NUMBER OF U.S. TECHNICIANS On Duty At Close Of Fiscal Year												NUMBER OF PARTICIPANTS Programmed During Fiscal Year								
	A.I.D. employed			Participating agency			Contractor technicians			Total			Non-contract			Contract			Total		
	1974	1975	1976	1974	1975	1976	1974	1975	1976	1974	1975	1976	1974	1975	1976	1974	1975	1976	1974	1975	1976
Indonesia	-	-	-	3	1	-	14	14	20	17	15	20	210	274	251	107	127	24	317	401	275
Korea	2	-	-	-	-	-	-	8	5	2	8	5	155	188	81	-	-	-	155	188	81
Philippines	24	20	18	5	3	3	38	18	16	67	41	37	154	200	137	-	-	-	154	200	137
Thailand	33	3	2	7	5	2	21	16	9	61	24	13	241	487	338	-	-	-	241	487	338
East Asia Regional	1	1	2	-	1	1	16	-	-	17	2	3	-	-	-	-	4	50	-	4	50
Total.....	60	24	22	15	10	6	89	56	50	164	90	78	760	1,149	807	107	131	74	867	1,280	881

Indonesia - GENERAL ECONOMIC DATA



BASIC DATA

Population (millions - mid-1974)	137.0
Annual Growth Rate (percent)	2.3
Area (1,000 square miles)	735
Population Density per square mile	186
Agricultural Land as % of Total Area	15
Percent of Labor Force in Agriculture	62
Life Expectancy (years)	48
People per Doctor	27,240
Literacy Rate (percent)	60
Students as Percent of 5-19 Age Group (Primary & Secondary)	54

GROWTH INDICATORS	1970	1971	1972	1973	1974 Est.
Total GNP (millions of 1973 dollars)*	12,410	13,290	14,230	15,370	16,350
Per Capita GNP (1973 dollars)	99	104	109	115	119
Investment - millions of 1973 $	1,726	2,089	2,487	2,910	n.a.
- percent of GNP+	14	16	20	19	n.a.
Domestic Savings - millions of 1973 $	1,350	1,673	2,077	n.a.	n.a.
- percent of Investment+	67	71	79	77	n.a.
Agricultural Production Index (1961-65=100)	125	128	125	142	149
Index per Capita	105	105	100	110	113
Rice, rough (1,000 MT)	18,720	19,640	19,040	22,620	23,540
Petroleum, crude (1,000 MT)	42,100	43,790	54,080	67,120	71,300
INTERNATIONAL TRADE ($ millions)[a]					
Total Exports (f.o.b.)	1,161	1,247	1,778	3,211	7,000
Petroleum and products	(446)	(565)	(913)	(1,609)	(5,200)
Total Imports (c.i.f.)	-1,002	-1,103	-1,562	-2,347	-4,000
Trade Balance	159	144	216	864	3,000
GOLD & FOREIGN EXCHANGE ($ millions)++					
Official Reserves	160	187	574	807	1,492
CONSUMER PRICE INDEX (1970=100) (Jakarta)	100	104	111	146	205

CENTRAL GOVERNMENT FINANCES*	- Million Dollar Equivalents -		
	1972	1973	1974 Est.
Total Expenditures	1,678	2,678	5,047
(Defense Expenditures)	(364)	(452)	(709)
(As % of Total Expenditures)	(22%)	(17%)	(14%)
(Capital Outlays)	(704)	(1,069)	(2,322)
Total Domestic Revenues	1,423	2,332	4,513
As percent of GNP+	13%	15%	19%
Deficit (-) or Surplus (+)	-255	-346	-534

* - Converted at 415 rupiahs per U.S. dollar. + - Based on data in current prices. ++ - Gross basis, end of year. E - Estimate. n.a. - Not available. a - Customs data.

INDONESIA

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INDONESIA'S IMPORTANCE TO U.S. FOREIGN POLICY

Indonesia is important to U.S. interests because:

--It has the largest population of any country in Southeast Asia.

--It is the principal supplier of raw materials from the region.

**Japan's continued economic prosperity depends heavily on oil and other raw materials supplied by Indonesia.

**Existing American investments in Indonesia are substantial, and our trading relationship is growing rapidly.

**Indonesia will probably become an increasingly important supplier of U.S. energy needs.

**Indonesia is a member of OPEC, but it assumed a moderate stance in its deliberations, and did not participate in the oil embargo.

--The Indonesian archipelago sits astride strategic waterways, and the Government of Indonesia is playing a significant role in the law-of-the-sea negotiations which are vital to our security and commercial interests.

For these reasons, the United States desires that Indonesia continue its stabilizing role in international affairs.

--Recollection of the Sukarno era points to the exceedingly disruptive consequences which political instability in that country can bring to Southeast Asia.

Key objectives of United States policy in Indonesia are to support:

--economic progress and improved living conditions for the majority of Indonesians;

--a stable government and full participation by the majority of Indonesians in the political process.

SOCIO-ECONOMIC SETTING

With access to substantially increased oil revenues in the past 18 months, Indonesia has entered a decidedly more hopeful phase of national development.

Nevertheless, Indonesia remains a seriously underdeveloped country:

--GNP, even with oil revenues, is estimated to be less than $120 per capita.

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health	Education and Human Resources Development	Selected Development Problems	Selected Countries and Organizations	Other Programs
1974							
Loans	68,000	17,100	24,700	-	26,200	-	-
Grants	10,700	2,643	6,432	1,182	443	-	-
Total	78,700	19,743	31,132	1,182	26,643	-	-
1975							
Loans	34,900	34,900	-	-	-	-	-
Grants	9,101	2,500	4,901	1,700	-	-	-
Total	44,001	37,400	4,901	1,700	-	-	-
1976							
Loans	20,000	15,000	-	5,000	-	-	-
Grants	10,601	1,100	8,101	1,400	-	-	-
Total	30,601	16,100	8,101	6,400	-	-	-
5th Quarter							
Loans	-	-	-	-	-	-	-
Grants	2,525	275	2,025	225	-	-	-
Total	2,525	275	2,025	225	-	-	-

--More than 80% of Indonesia's population lives on $100 a year or less.

--Forty percent of the population is functionally illiterate.

--Unemployment or underemployment in the cities and in the countryside is extremely high.

--Health and nutrition conditions are primitive at best. Only one percent of the rural population has access to potable water.

--Indonesia is not self-sufficient in food production.

The demographic situation intensifies these already enormous problems.

--Indonesia's population will increase from 130 million to 240 million by the end of the century if the present annual growth rate of 2.5% is not reduced to less than 2%.

--More rapid growth is possible if mortality declines sharply from its current high levels.

The Government of Indonesia is aware of these problems and is determined to tackle them.

--The Second Five-Year Plan, adopted in 1974, is designed to spread the benefits of economic and social progress to the urban and rural poor.

--Rising foreign exchange earnings, largely from oil exports, now enable Indonesia to finance its development efforts without the heavy reliance on concessional foreign assistance characteristic of the past eight years.

**Over that period, a consortium of aid donors (the Inter-governmental Group on Indonesia - **IGGI) has provided almost $5.0 billion of foreign aid to Indonesia.

**A key portion of this amount--approximately one-fourth of IGGI assistance--has come from the United States, largely in the form of commodity import credits and loans for the rehabilitation and improvement of economic infrastructure.

THE FY 1976 PROGRAM

The program proposed for FY 1976, which is lower in dollar value than prior year A.I.D. programs, departs from the strategy of the past eight years.

--It will encourage Indonesia to invest more of its expanding resources on the needs of the poor majority.

--It will focus on key development problems, namely:

**breaking the bottleneck posed by inadequately trained manpower;

**increasing food production;

**improving health and slowing population growth.

The economic assistance we are seeking for Indonesia in FY 1976 includes $30.6 million in A.I.D. funds, consisting of:

--$20.0 million in development loans;

--$2.8 million in technical assistance grants;

--$7.8 million in Title X population grants.

PL 480 Title II assistance planned for FY 1976 includes:

--$937,000 in commodities to be distributed by voluntary agencies;

--$3.1 million in commodities earmarked for Indonesia

under the World Food Program.

A description of our proposed activities, by appropriations category, follows.

FOOD AND NUTRITION

Indonesia is a nation of peasant farmers.

--About 85% of the population is rural, and about 70% of the population derives its income primarily from agriculture.

--Productivity in most subsistence crops is stagnant and real incomes for the majority of Indonesia's farmers may have declined since 1968.

--Rural underemployment is as high as 30%.

--Average caloric and protein intake are well below recommended minimum levels.

To promote progress in the agricultural sector, the Indonesian Government, with assistance from many foreign donors, is encouraging increased production especially by small farmers.

--Administrators and technicians are being trained to identify better policies and projects and to implement them more effectively.

--Research is being funded to produce high-yielding, fertilizer-responsive varieties of rice and other crops tailored to specific regions in Indonesia.

--Irrigation and flood-control projects are being undertaken in areas where the returns on such investments are very large.

--Projects impacting on well-defined target groups among the poor majority of farmers are being supported.

In FY 1976, we plan to continue our must successful grant projects and to undertake several new loan projects that will have a significant impact on agricultural development in Indonesia over the long term. Our projects will include:

--A $9.5 million loan to increase farmer productivity in one of the most depressed areas on the island of Java. Thousands of small farmers in the Citanduy River Basin are unable to rise above subsistence levels of living largely because of frequent flooding in the Basin.

**Our loan will support a major Indonesian effort to control flooding and develop irrigation systems in the Basin;

**Technical assistance provided under the loan will assist in the formation of water-user associations and in other activities designed to help poor farmers within the Basin.

--A $5.5 million loan to continue our assistance to Indonesia's agricultural faculties in the second half of a ten-year development program.

**U.S. assistance in the first five years was provided under an Institutional Development Agreement with grant funding.

**In the second half of the program, emphasis will shift to making the agricultural faculties more effective in supporting agricultural development within the provinces where the faculties are located.

--A continuing grant project that will share with U.S. voluntary agencies the financing of small-scale technical assistance efforts having a direct impact on Indonesia's poor majority.

--A grant project initiated in FY 1975 that will

reinforce Indonesian efforts to decentralize planning by increasing the capacity of provincial planning authorities to allocate funds in the agriculture sector for the benefit of the rural poor.

POPULATION PLANNING AND HEALTH

The national family planning program is only six years old and has not yet had a measurable impact on the rate of population growth. However, rapid progress has been made in terms of program administration and the recruitment of acceptors.

To help meet the ambitious targets of the program, A.I.D. in FY 1976 will continue to finance a grant project that:

--furnishes the bulk of the oral contraceptives distributed in the Indonesian family planning program;

--provides technical assistance to strengthen program management;

--promotes experiments to develop new means of delivering family planning services suitable to local conditions.

Indonesia's health problems are similar to those of many other developing countries.

--The death rate of 18-20 per 1,000 population is high and 50% of the mortality occurs in preschool children.

--The only major diseases under control are smallpox and yaws.

--Infectious and parasitic diseases combined with malnutrition are the primary killers of both young and old.

--Lack of safe drinking water in rural and urban areas is one of the major menaces to public health.

--Medical facilities, especially in rural areas, are primitive. Doctors, nurses and health workers are in short supply, and the quality of medical training is generally poor.

In the Second Five-Year Plan, the Government of Indonesia is sharply expanding its health program with emphasis on rural public health.

--One of the targets is to establish a health clinic in each one of the 3,000+ sub-districts in the country.

A.I.D. will support Indonesia's efforts in FY 1976 by financing a continuing grant project to identify and develop low-cost health delivery systems that will benefit the rural poor.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

Education standards in Indonesia have not increased appreciably during the past 20 years.

--There is a very high drop-out rate in primary schools, classrooms are in short supply, textbooks are not available, curricula are out of date, teachers are poorly trained, and school fees deprive many capable youths from poor families of the educational opportunities afforded to less qualified individuals.

--Also, for a country of its size, Indonesia is woefully short of skilled technicians and managers in all key development sectors.

--Successful development over the next generation requires that the stock of skilled manpower expand sharply in the next few years.

INDONESIA

--The rapid pace of development has accentuated the shortage of managers and technicians.

In 1974, the Indonesian Government appointed a new Minister of Education who appears determined to push through necessary reforms.

--The Ministry has been reorganized to make it more efficient.

--The budget of the Ministry has been sharply increased.

Along with assistance from other donors, assistance from the United States will support the reform efforts of the Ministry of Education. Our assistance will focus on manpower training and on new efforts in educational finance and non-formal education. The specific projects are:

--A $5.0 million loan to provide training in the United States and third countries for Indonesians who will occupy key technical and managerial positions when they return.

**Although women already enjoy equal status with men in Indonesia's development efforts, we are encouraging special consideration for women in the selection of candidates for this A.I.D. project.

**This loan is intended to supplement the grant-funded General Participant Training project.

--Continuation of two highly-innovative grant projects that began in FY 1975.

**One project will assist the Ministry of Education in developing systems for the allocation of funds for education to ensure equitable access to education for depressed regions and low-income groups.

**The other project will assist the Indonesian Office of Educational Development and Research in evaluating and strengthening non-formal education activities for the benefit of the poor majority.

Country: INDONESIA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Assistance to Agriculture	Food and Nutrition	FY 76 $540	5th Q. $140
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 497-11-110-189	P. 64, FY 1975 Asia PDB	FY: 1969	FY: 1977

Project Target and Course of Action: The purpose of this project is to increase the capability of the Indonesian Ministry of Agriculture to identify policies and to plan and implement programs that increase food production as well as the income and welfare of small farmers. A.I.D. assistance is focused on: (a) improving the marketing of agricultural inputs; (b) strengthening the planning staff of the Ministry of Agriculture; and (c) developing pilot programs in secondary-crops intensification and fisheries expansion.

Progress to Date: During Indonesia's First Five-Year Plan (1969-1974), rice production increased 37% to a total of 14 million tons in 1973/74. A.I.D. provided critically needed technical assistance under this project when the Ministry of Agriculture was attempting to deal with early problems in the national rice program. For example, advisors provided under this project helped the Ministry of Agriculture to analyze policy alternatives which permitted the Ministry to recommend policies benefitting small farmers. Other advisors pointed out shortcomings in the government's domestic procurement operations which had the effect of discouraging production. Corrective actions were taken as a result. In FY 1975, A.I.D.-funded advisors from the TVA worked on fertilizer marketing problems and provided training for fertilizer inspectors. Four planners from the Ministry were sent to the United States for graduate degrees, and several short-term consultants assisted in the reorganization of the Planning Bureau. In addition, survey teams assisted the Ministry in the design of new programs to increase the productivity of small farmers through secondary-crops intensification and fisheries expansion.

FY 1976 Program: Funds totaling $540,000 are requested. Technical services include (a) two short-term technicians from the TVA to work in the fertilizer marketing area; (b) two long-term and two short-term contract experts in fisheries extension work; and (c) three short-term experts to assist in developing a secondary crop intensification program ($250,000). Training will be provided for 23 participants in fertilizer management, agricultural economics, fisheries, and secondary crops ($165,000). Commodities include materials for in-country training programs, equipment for fisheries extension centers, and equipment for the secondary crop program ($75,000). Other costs cover local expenses of in-country training ($50,000).

5th Quarter: A.I.D. is requesting $140,000 to continue the program as described above.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	1,666	1,149	517
Estimated FY 75	260	618	
Estimated through 6/30/75	1,926	1,767	159
Proposed FY 76	540	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	140	694	3,300

OBLIGATIONS

Cost Components	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians . .	–	80	80	–	250	250	–	70	70
Participants	140	–	140	165	–	165	40	–	40
Commodities	30	–	30	75	–	75	20	–	20
Other Costs	10	–	10	50	–	50	10	–	10
Total Obligations . .	180	80	260	290	250	540	70	70	140

PRINCIPAL CONTRACTORS/ AGENCIES

TVA; other contractors to be determined

Country: INDONESIA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Voluntary Agencies Co-Financing	Food and Nutrition	FY 76 $417	5th Q. $100
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 497-13-899-225	P. 64, FY 1975 Asia PDB	FY: 1974	FY: 1977

Project Target and Course of Action: The purpose of this project is to promote activities benefiting Indonesia's poor majority. Funds provided under this project in conjunction with funds provided by U.S.-registered voluntary agencies and by Indonesian organizations are used to support selected local development projects. The project enhances the ability of U.S. voluntary agencies to plan and implement development projects designed to meet basic human needs.

The voluntary agencies have full responsibility for project selection, project planning, and project monitoring. All U.S.-registered voluntary agencies active in Indonesia are eligible to request A.I.D. assistance for specific projects within their overall programs. The projects proposed by the voluntary agencies, however, are subject to A.I.D. approval and audit.

A.I.D. provides funding up to 75% of the costs of each project selected for co-financing. However, A.I.D. funds never exceed 50% of the costs of all projects selected in any one year. These funds are obligated by means of grant agreements with the voluntary agencies. Funds are transferred to the U.S. headquarters of each voluntary agency.

Progress to Date: In FY 1974, the first year of the project, three U.S. voluntary agencies (CARE, Catholic Relief Services, and Church World Service) received grants totalling $115,000 in support of five projects. A.I.D. grants represented 43% of the total costs of these projects, the remainder being contributed by the U.S. voluntary agencies, their Indonesian counterparts, the communities benefiting from the projects, and the Government of Indonesia. The first joint annual review of the co-financing project is scheduled in June 1975. In the review, an evaluation of the effectiveness of each voluntary agency project will be made. To date, FY 1975 grant agreements have been made for nine projects and several additional proposals are under review. The grants this year will be awarded to CRS, CWS, CARE, SAWS (Seventh-Day Adventist Welfare Society), and the YMCA.

FY 1976 Program: A.I.D. is requesting $417,000 for voluntary agencies to undertake approved development projects.

5th Quarter Program: A total of $100,000 is requested to continue the program through the 5th Quarter.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	97	-	97
Estimated FY 75	217	314	
Estimated through 6/30/75	314	314	-
Proposed FY 76	417	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	100	169	1,000

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	-	-	-	-	-	-	-	-
Participants	-	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-
Other Costs	-	217	217	-	417	417	-	100	100
Total Obligations	-	217	217	-	417	417	-	100	100

PRINCIPAL CONTRACTORS/ AGENCIES

Catholic Relief Services (CRS), CARE, Church World Service (CWS), YMCA, SAWS, and other voluntary agencies

Country: INDONESIA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Area Development Agricultural Resources Assessment	Food and Nutrition	FY 76 $143	5th Q. $35
NUMBER 497-11-199-238	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1975	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: The purpose of this project is to improve the ability of provincial planning authorities to develop programs, design projects, and allocate funds in the agriculture sector. Particular attention will be given to addressing the problems of small farmers and other impoverished groups in rural areas of the provinces participating in this project. A.I.D. assistance will primarily take the form of assisting in the design and implementation of about six planning studies. The studies will be carried out by the provincial universities, local contractors, and U.S. advisors. The studies will generate basic data for setting development priorities for agricultural programs within the province, provide pre-feasibility information for specific projects, and analyze and recommend improvements in the provincial planning systems. In addition to financing advisors for the studies, A.I.D. will finance a portion of the local costs of the studies. Key provincial planners will also be selected for short-term training in the United States and low-income countries.

Progress to Date: FY 1975 is the initial year of funding for this project. At the time the Congressional Presentation was prepared, implementation had not yet begun. Delays in beginning the project resulted from efforts to redesign the project to make it more responsive to A.I.D.'s Congressional Mandate. The Indonesian Government recently acted to decentralize the planning process by providing a greater role for provincial planning authorities. This project will support the decentralizing trend based on the idea that planning at the provincial level can be more responsive to the problems of the poor majority than was the highly-centralized planning characteristic of the First Five-Year Plan period (1969-1974).

FY 1976 Program: A total of $143,000 is requested for eight short-term advisors to assist in the design and implementation of the planning studies ($75,000); short-term training for two provincial planners ($15,000); and commodities ($5,000); local-currency costs of the studies ($48,000).

5th Quarter Program: Funds totaling $35,000 are requested to continue the project as described above.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	285	35	
Estimated through 6/30/75	285	35	250
Proposed FY 76	143	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	35	87	550

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	110	110	-	75	75	-	20	20
Participants	30	-	30	15	-	15	-	-	-
Commodities	5	-	5	5	-	5	-	-	-
Other Costs	140	-	140	48	-	48	15	-	15
Total Obligations	175	110	285	68	75	143	15	20	35

PRINCIPAL CONTRACTORS/ AGENCIES

Personal services and local contracts

Country: INDONESIA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Family Planning	Population Planning and Health	FY 76 $7,801	5th Q. $1,950
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 497-15-580-188	P. 55, FY 1975 Asia PDB	FY: 1968	FY: Continuing

Project Target and Course of Action: The purpose of this project is to support Indonesia's efforts to reduce population growth rates sufficiently so that the country's population in the year 2000 will not exceed 220 million. Currently the population is 137 million, and the annual growth rate is 2.3%. Without a substantial decline in fertility rates, the population growth rate will rise and Indonesia will have nearly 300 million people by the year 2000. Rapid population growth is a serious problem.

Indonesia launched a national family planning program six years ago. A.I.D. has provided advisors to assist the National Family Coordinating Board in managing the rapid growth of the program, and has supplied nearly all of the oral contraceptives distributed through the family planning clinics.

Progress to Date: During the first five years of the family planning program, efforts were concentrated on the densely-populated islands of Java and Bali. As of August 1974, two million women in Java and Bali, representing 14% of all eligible couples on these islands, were practicing contraception. In addition to supplying contraceptives, A.I.D. has assisted in the development of a logistics system and a service statistics program. Pilot schemes for the distribution of contraceptives through the private sector have been initiated with A.I.D. assistance, and a number of experimental efforts are being investigated which have a potential for rapidly spreading family planning practices.

FY 1976 Program: A total of $7.801 million is requested under this project of which $6.723 million is earmarked for the procurement in the United States of contraceptives and $375,000 for vehicles and medical equipment. Even though Indonesian funding of contraceptives is rapidly increasing, this large level of support is considered essential to maintain the pace of the program. One long-term and three short-term consultants will be funded ($104,000), 18 long-term and 19 short-term participants ($249,000), and local currency costs of research and development efforts ($350,000).

5th Quarter: Funding for the fifth quarter ($1,950,000) will continue A.I.D. support as described above.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	18,026	10,448	7,578
Estimated FY 75	4,701	6,510	
Estimated through 6/30/75	22,727	16,958	5,769
Proposed FY 76	7,801	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	1,950	Continuing	

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	–	174	174	–	104	104	–	26	26
Participants	399	–	399	249	–	249	62	–	62
Commodities	3,728	–	3,728	7,098	–	7,098	1,775	–	1,775
Other Costs	400	–	400	350	–	350	87	–	87
Total Obligations	4,527	174	4,701	7,697	104	7,801	1,924	26	1,950

PRINCIPAL CONTRACTORS/ AGENCIES

University of Hawaii School of Public Health

Country: INDONESIA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Health Research and Development	Population Planning and Health	FY 76 $300	5th Q. $75
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 497-11-599-230	P. 57, FY 1975 Asia PDB	FY: 1975	FY: 1977

Project Target and Course of Action: The purpose of this project is to assist the National Health Research and Development Institute to: perform program analysis for the health sector by building a base of statistical information; test new concepts in health-delivery systems such as paramedical personnel, rural health clinics, and training for traditional medical practitioners; and conduct research on social, cultural and medical factors affecting public health in Indonesia.

By June 1976, about ten pilot sub-projects will be underway on Java and the outer islands of Indonesia. Indonesia's public health problems are typical of other less-developed countries. The poor majority of the population does not have access to modern health services; doctors and health technicians are poorly trained; and modern medicines are too expensive for most Indonesians to afford. Certain communicable diseases--gastro-intestinal illnesses, tuberculosis and cholera-- are endemic to the country and, as a result, infant mortality is very high.

The Indonesian Government plans to expand health services and improve the health environment in Indonesia during the period of the Second Five Year Plan (1974-79).

Progress to Date: A preliminary field study, which will provide baseline data for use in the research sub-projects, is currently underway. This study, focusing on two districts, will determine: current health problems; the pattern of utilization of existing health services in the districts; and the patterns of activity of physicians, nurses, mid-wives, sanitarians and other health workers in the districts.

FY 1976 Program: A total of $300,000 is requested for: two short-term U.S. advisors to assist in health sector planning and the development of pilot projects ($38,000); two long-term participants from the Department of Health Health's Institute for Health Research and Development for training in the United States ($20,000); data-processing equipment for the Institute ($30,000); and local currency to finance 10-12 specific sub-projects ($212,000).

5th Quarter: A total of $75,000 is requested to continue the project along the lines described above, including $20,000 for technicians, participants and commodities, and $55,000 for two additional sub-projects.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	175	55	
Estimated through 6/30/75	175	55	120
Proposed FY 76	300	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	75	450	1,000

Cost Components	OBLIGATIONS									PRINCIPAL CONTRACTORS/ AGENCIES
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.			
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
U.S. Technicians . .	-	30	30	-	38	38	-	8	8	Personal services and local contracts
Participants	-	-	-	20	-	20	6	-	6	
Commodities	40	-	40	30	-	30	6	-	6	
Other Costs	105	-	105	212	-	212	55	-	55	
Total Obligations . .	145	30	175	262	38	300	67	8	75	

Country: INDONESIA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
General Participant Training	Education & Human Resources Development	FY 76 $955	5th Q. $100
NUMBER 497-11-690-183	PRIOR REFERENCE P. 64, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The purpose of this project is to overcome critical shortages of skilled managers and technicians. The scarcity of well-trained Indonesians seriously hampers planning and project implementation and impedes efforts to improve the lot of the nation's poor majority and to encourage a greater degree of participation by women in development. Training programs in Indonesia do not have the capacity to provide the manpower required; therefore, the United States, along with other donors, is providing training abroad for qualified Indonesian men and women. This project finances training in the United States and low-income countries with an emphasis on : (1) management training for Indonesian Government personnel with major planning and implementation responsibilities under Indonesia's Second Five-Year Plan; (2) training for candidates in the sectors of Education and Manpower Development, Health and Population, and Food and Nutrition who do not fall within the scope of our more narrowly-focussed technical assistance projects. The men and women to be trained are drawn from a broad range of backgrounds and diciplines for key personnel whose day in and day out activities move the wheels of government. They represent important staff members of Government ministries, organizations, and agencies such as the Ministry of Education, the Central Bureau of Statistics, the National Development Planning Board, the Ministry of Finance, and the Ministry of Health.

Progress to Date: This project has funded, since its inception in 1967, training for over 1,100 Indonesians in the United States and third countries. Virtually all of these people have returned to Indonesia and many hold key positions in the development effort.

FY 1976 Program: A total of $955,000 is requested for 178 people, of which 111 will be new trainees. Fields of study include rural development, manpower economics, public administration, budgeting and auditing, and education administration. In addition, 67 people will continue their training in the United States. Special consideration will be given to training women who are needed for Indonesia's development.

5th Quarter Program: In order to continue the project along the lines described above, $100,000 is requested for 20 participants including seven new trainees.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	8,369	7,349	1,020
Estimated FY 75	1,031	1,250	
Estimated through 6/30/75	9,400	8,599	801
Proposed FY 76	955	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	100	Continuing	

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians	-	-	-	-	-	-	-	-	-
Participants	1,026	-	1,026	950	-	950	100	-	100
Commodities	-	-	-	-	-	-	-	-	-
Other Costs	5	-	5	5	-	5	-	-	-
Total Obligations	1,031	-	1,031	955	-	955	100	-	100

PRINCIPAL CONTRACTORS/ AGENCIES

Country: INDONESIA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Educational Finance	Education & Human Resources Development	FY 76 $175	5th Q. $50
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 497-11-680-229	P. 60, FY 1975 Asia PDB	FY: 1975	FY: 1977

Project Target and Course of Action: The purpose of the project is to develop within the Ministry of Education a staff capability to recommend allocation criteria for education funds consistent with the objectives of the Second Five-Year Plan for providing equitable educational opportunities.

At the present time, funds for education in Indonesia are allocated without any specific reference to the equity objectives of the Second Five-Year Plan. As a result, there is a tendency to allocate funds in a fashion that favors target groups who already have access to better education. The Ministry of Education is anxious to develop allocation criteria that will ensure that education funds benefit the poor majority to a greater degree. The Office of Educational Development and Research has the responsibility for developing staff competence in this field.

Progress to Date: A.I.D. efforts during the past year have been concentrated on preparing the project for implementation beginning in FY 1975. American experts in the field of educational finance and the Indonesian education system have collaborated closely with the Office of Educational Development and Research to define clearly the objectives of the project and the inputs required to make it successful. Funds obligated in FY 1975 were used to support a series of studies on critical areas relating to the allocation of education funds. The areas addressed include: (a) current allocation criteria, (b) school operation costs, (c) compensation for teachers, and (d) the role of school fees. Two long-term and three short-term advisors assisted in the design and evaluation of these studies. In addition, three long-term and four short-term participants were sent to the U.S. for training.

FY 1976 Program: A total of $175,000 is requested for two long-term and three-short-term technicians ($85,000); two long-term participants to be continued and four additional short-term participants to be sent to the United States for training ($40,000); and preparation of materials for in-country workshops and research materials procured from the U.S. ($50,000).

5th Quarter: A total of $50,000 is requested to continue the project as discussed above.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	–	–	–
Estimated FY 75	200	24	
Estimated through 6/30/75	200	24	176
Proposed FY 76	175	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	50	50	475

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians . .	–	80	80	–	85	85	–	30	30
Participants	50	–	50	40	–	40	10	–	10
Commodities	30	–	30	10	–	10	–	–	–
Other Costs	–	40	40		40	40	–	10	10
Total Obligations . .	80	120	200	50	125	175	10	40	50

PRINCIPAL CONTRACTORS/AGENCIES

To be determined

Country: INDONESIA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Non-Formal Education	Education & Human Resources Development	FY 76 $270	5th Q. $75
NUMBER 497-11-670-234	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1975	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: The purpose of the project is to develop within the Ministry of Education a staff capability to identify and promote programs in the area of non-formal education.

Indonesia's formal education system lacks adequate learning opportunities for Indonesia's poor; children in remote locations, youths who cannot afford school fees, and members of the workforce who are employed during formal school hours. Many non-formal education activities take place within Indonesia, but so far the Government has not attempted to coordinate and channel these activities in order to enhance their effectiveness. In the meantime, researchers in the United States have concluded that non-formal education can provide a low-cost means of transferring skills and knowledge essential to the success of development programs in many developing countries. They have also devised techniques for making non-formal education more effective.

Progress to Date: Although the project did not appear in the FY 1975 Congressional Presentation, implementation is scheduled to begin in FY 1975 following the necessary congressional notification. The unusually rapid development of this project is attributable to a high degree of interest generated in a very short period of time in a series of meetings between U.S. experts in the field of non-formal education and Indonesian officials in the Ministry of Education. Funds provided in FY 1975 will be used to provide long-term and short-term consultants and to send a team of participants to the United States to attend a course specially designed for the Indonesian situation.

FY 1976 Program: A.I.D. assistance in FY 1976 will focus on supporting a series of studies by the Office of Educational Development and Research that will provide the Office with experience in designing effective projects in non-formal education. One of the studies will focus on women's organizations as vehicles for providing non-formal education. Another study will develop baseline data on the costs of current non-formal education activities. Funds are requested to finance four long-term and six short-term advisors to assist in planning and implementing these studies ($180,000), and to train four long-term and 20 short-term participants in the United States ($90,000).

5th Quarter: Funds totaling $75,000 are requested to continue the project along the lines described above.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	300	82	-
Estimated through 6/30/75	300	82	218
Proposed FY 76	270	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	75	105	750

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	220	220	-	180	180	-	50	50
Participants	80	-	80	90	-	90	25	-	25
Commodities	-	-	-	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-
Total Obligations	80	220	300	90	180	270	25	50	75

PRINCIPAL CONTRACTORS/ AGENCIES

To be determined

Country: INDONESIA

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Citanduy/Ciseel River Basin Flood Control, Irrigation and Drainage	Food and Nutrition	$9,500
	KIND OF LOAN: Project	INITIAL OBLIGATION: FY: 1976

The purpose of this project is to increase agricultural production, principally rice, and improve the well-being of rural poor in the Citanduy/Ciseel River Basin of Southern Java through rehabilitation and upgrading of flood-control, irrigation and drainage systems. The project involves the construction of a diversion of the Ciseel River, the strengthening of levees, and the completion of two new irrigation systems. Assistance will be provided to establish a water-management authority for the river basin which will be responsible for the operation and maintenance of all major flood-control and irrigation works. In addition, two rural extension centers will be established and assistance will be provided to ensure that the benefits of the project accure to the poor majority of farmers in the river basin.

The beneficiaries of the project are about 26,000 farm families that live in the areas that will be protected from flooding. The average farm size in the river basin is about one-half hectare. The region is considered one of the poorest on Java and per capita income is estimated at $50-$60 per year.

The A.I.D. loan will finance foreign-exchange costs of supervisory engineers and other consultant services, training, equipment and construction materials. A portion of the local-currency costs of construction and farm-level implementation activities will also be financed.

Country: INDONESIA

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Higher Agricultural Education	Food and Nutrition	$5,500
	KIND OF LOAN: Project	INITIAL OBLIGATION: FY: 1976

The purpose of this loan is to complete the task of preparing the agricultural faculties of Gajah Mada University and the Bogor Institute of Agriculture to play a more effective role in increasing agricultural production in Indonesia.

The shortage of trained manpower in the agricultural sector is particularly critical in view of the magnitude and complexity of the task of increasing agricultural production. During the First Five-Year Plan, Indonesia's agricultural faculties concentrated on producing top-level planners, administrators, technicians and researchers. During the Second Five-Year Plan, the emphasis will shift to supporting the development efforts of provincial authorities and local communities.

For the past five years, A.I.D. has been involved in strengthening the leading agricultural faculties at Gajah Mada University and the Bogor Institute of Agriculture through a grant project. The project is being implemented by the Midwest Universities Consortium for International Activities under an Institutional Development Agreement. A recent evaluation concluded that the extension of the project through a second five-year phase, with certain changes in emphasis, is both reasonable and necessary if the project is to meet its original institution-building objectives. The new emphasis in the second phase of the project will enable the agricultural faculties more directly to support the sector goals of expanding agricultural production and increasing incomes of poor farmers.

This proposed loan will fund the dollar costs of advisors and participant training, plus small amounts of educational and scientific equipment. It is anticipated that 312 man-months of advisory services and 2,300 man-months of participant training will be funded under the loan.

Country: INDONESIA

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Training and Manpower Development	Education & Human Resources Development	$5,000
	KIND OF LOAN	INITIAL OBLIGATION
	Project	FY: 1976

With the prospect of expanded financial resources in the future, Indonesia has a pressing need for highly-skilled technical and managerial manpower to identify, plan, and carry out programs to use these resources effectively for national development. A.I.D. has assisted the Government of Indonesia (GOI) in training skilled manpower through its grant-funded General Participant Training Project. Since its inception in 1967, this project has financed overseas study and training for approximately 1100 Indonesians. The project has been highly productive in that the GOI has effectively utilized the trained personnel, and many now occupy key policy and administrative positions.

This loan will be used to continue the grant training project on a loan basis. A.I.D. funds will finance the foreign-exchange costs of international travel and overseas study. The GOI will finance other costs including salaries and administration. An important objective of this project is to institutionalize the current system of selecting and processing tranieers so that the GOI may carry on the activity after the loan is fully disbursed without the benefit of concessional aid.

It is estimated that the loan will enable 130 Indonesians to undertake degree programs and 100 others to pursue non-degree programs of study. The GOI will designate in advance positions to be filled by the trainees after their return. The trainees will be obligated to serve in these positions for a period of time equal to twice the duration of training. The program will be administered by the Cabinet Secretariat in cooperation with the National Development Planning Board, the Ministry of Finance, and the Ministry of Foreign Affairs.

The participants will be selected primarily for training in the sectors of agriculture, health and education. In particular, emphasis will be placed on training officials responsible for programs and projects which have a direct bearing on the problems of the poor majority.

COUNTRY: INDONESIA

TABLE V

GRANT ACTIVITY SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1974 Obligations	Through FY 1974 Expenditures	Through FY 1974 Unliquidated Obligations 6/30/74	Estimated FY 1975 Obligations	Estimated FY 1975 Expenditures	Estimated FY 1975 Unliquidated Obligations 6/30/75	Proposed Program FY 1976	Proposed 5th Q.	Future Year Obligations	Estimated Total Cost
FOOD AND NUTRITION								2,500			1,100	275		
Assistance to Agriculture	*	497-11-110-189	1969	1977	1,666	1,149	517	260	618	159	540	140	694	3,300
Higher Agricultural Education		497-11-660-190	1969	1975	5,714	4,419	1,295	1,310	1,585	1,020	-	-	-	7,024
Agricultural Research		497-11-110-198	1971	1975	919	598	321	428	407	342	-	-	-	1,347
Voluntary Agencies Co-financing	*	497-13-899-225	1974	1977	97	-	97	217	314	-	417	100	169	1,000
Area Development Agricultural Resources Assessment	*	497-11-199-238	1975	1977	-	-	-	285	35	250	143	35	87	550
POPULATION PLANNING AND HEALTH								4,901			8,101	2,025		
Family Planning	*	497-15-580-188	1968	Cont.	18,026	10,448	7,578	4,701	6,510	5,769	7,801	1,950	Continuing	
Health Research and Development	*	497-11-599-230	1975	1977	-	-	-	175	55	120	300	75	450	1,000
Project Development		497-11-999-2334	1974	1975	26	18	8	25	28	5	-	-	-	51
EDUCATION AND HUMAN RESOURCES DEVELOPMENT								1,700			1,400	225		
General Participant Training	*	497-11-690-183	1967	Cont.	8,369	7,349	1,020	1,031	1,250	801	955	100	Continuing	
Educational Finance	*	497-11-680-229	1975	1977	-	-	-	200	24	176	175	50	50	475
Non-formal Education	*	497-11-670-234	1975	1977	-	-	-	300	82	218	270	75	105	750
Project Development		497-11-999-2355	1974	1975	42	16	26	169	140	55	-	-	-	211
SELECTED DEVELOPMENT PROBLEMS								-			-	-		
Geological Survey Assistance		497-11-210-193	1970	1974	1,745	1,549	196	-	196	-	-	-	-	1,745
							Total	9,101	11,244	8,915	10,601	2,525		

*Detailed project narrative—See Table III.

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year: Actual FY 1974	Estimate FY 1975	Proposed FY 1976
A.I.D. employed	-	-	-
Participating agency	3	1	-
Contractor technicians	14	14	20
Total	17	15	20

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year: Actual FY 1974	Estimate FY 1975	Proposed FY 1976
Non-contract	210	274	251
Contract	107	127	24
Total	317	401	275

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Authorized as of 12/31/74

COUNTRY: INDONESIA

(In Thousands of Dollars)

TABLE VI

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Currency of Repayment	Amount Authorized	As of 12/31/74		
		Authorized	Loan Agreement			Grace Period	Amortization			Amount Disbursed	Principal Repayments	Interest Collected
497-H-019	Central Java Electric Power	4/17/70	5/22/70	10	40	2	3	US$	27,700	10,669	-	143
497-H-020	Pusri Fertilizer Plant	5/26/70	7/2/70	10	40	2	3	US$	24,000	20,018	-	548
497-H-022	Medan Electric Power	6/26/70	9/19/70	10	40	2	3	US$	13,800	4,734	-	25
497-H-024	Semarang Steam Power Station	6/15/71	11/3/71	10	40	2	3	US$	19,700	1,224	-	16
497-H-025	Ketenger T&D Rehabilitation	6/15/71	11/3/71	10	40	2	3	US$	21,000	695	-	10
497-H-026	Commodities Import	7/13/71	8/26/71	10	40	2	3	US$	74,899	72,931	-	2,696
497-H-027	Project Development	7/15/71	11/3/71	10	40	2	3	US$	5,000	543	-	5
497-H-028	West Java T&D, Phase I	6/26/72	4/9/73	10	40	2	3	US$	17,200	99	-	-
497-H-029	Commodities Import	12/21/72	4/30/73	10	40	2	3	US$	75,000	70,772	-	1,453
497-H-030	West Java Interim Generation	2/28/73	1/24/74	10	40	2	3	US$	6,800	111	-	-
497-H-031	Jagorawi Highway Construction	2/28/73	1/24/74	10	40	2	3	US$	26,000	4,911	-	-
497-W-032	West Java Transmission and Distribution, Phase II	8/6/73	3/29/74	10	40	2	3	US$	19,700	-	-	-
497-W-033	West Java Interim Generation	11/19/73	3/29/74	10	40	2	3	US$	6,500	-	-	-
497-U-034	Malaria Control	6/18/74	2/7/75	10	40	2	3	US$	24,700	-	-	-
497-T-035	Rural Works	6/18/74	5/10/75	10	40	2	3	US$	6,800	-	-	-
497-T-036	Aceh Road Betterment	6/28/74	5/10/75	10	40	2	3	US$	10,300	-	-	-

Indonesia

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS OBLIGATIONS AND LOAN AUTHORIZATIONS 1973	1974	TOTAL 1946-1974	REPAYMENTS AND INTEREST 1946-1974	TOTAL LESS REPAYMENTS AND INTEREST
I. ECONOMIC ASSISTANCE[a] – TOTAL	240.6	90.0	1,808.8	209.0	1,599.8
Loans	221.5	68.0	1,401.0	209.0	1,192.0
Grants	19.1	22.0	407.8	-	407.8
a. A.I.D. and Predecessor Agencies	122.4	78.7	843.8[b]	65.2	778.6
Loans	111.8	68.0	578.5	65.2	513.3
Grants	10.6	10.7	265.3	-	265.3
(Security Supporting Assistance)	(-)	(-)	(66.8)[b]		
b. Food for Peace (PL 480)	118.2	11.2	893.9	90.1	803.8
Title I - Total	109.7	-	801.3	90.1	711.2
Repayable in U.S. Dollars - Loans	109.7	-	705.2	71.2	634.0
Payable in Foreign Currency - Planned for Country Use	-	-	96.1	18.9	77.2
(Total Sales Agreements, incl. U.S. Uses)	(-)	(-)	(291.8)	(-)	(291.8)
Title II - Total	8.5	11.2	92.6	-	92.6
Emergency Relief, Econ. Development, & World Food	6.6	9.9	53.5	-	53.5
Voluntary Relief Agencies	1.9	1.3	39.1	-	39.1
c. Other Economic Assistance	-	0.1	71.1	53.7	17.4
Peace Corps	-	-	0.7	-	0.7
Other	-	0.1	70.4	53.7	16.7
II. MILITARY ASSISTANCE – TOTAL	19.1	18.2	179.4	-	179.4
Credits or Loans	-	3.5	3.5	-	3.5
Grants	19.1	14.7	175.9	-	175.9
a. MAP Grants	18.6	14.0	146.8	-	146.8
b. Credit Sales under FMS	-	3.5	3.5	-	3.5
c. Military Assistance Service-funded (MASF) Grants	-	-	-	-	-
d. Transfers from Excess Stocks	0.5	0.7	9.0	-	9.0
e. Other Grants	-	-	20.1	-	20.1
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	259.7	108.2	1,988.2	209.0	1,779.2
Loans	221.5	71.5	1,404.5	209.0	1,195.5
Grants	38.2	36.7	583.7	-	583.7
Other U.S. Government Loans and Grants	73.8	40.3	293.8	142.0	151.8
a. Export-Import Bank Loans	71.7	40.3	290.7	141.6	149.1
b. All Other	2.1	-	3.1	0.4	2.7

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1973	FY 1974	FY 1946-74
TOTAL	230.6	153.6	824.6
IBRD - World Bank	-	48.0	48.0
Int'l. Finance Corp.	17.1	13.3	57.8
Int'l. Dev. Association	184.9	54.0	531.8
Asian Dev. Bank	16.0	33.3	110.9
UN Dev. Program	8.6	2.8	50.7
Other UN (CY)	4.0	2.2	25.4

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

DONOR	CY 1972	CY 1973	CY 1960-73
TOTAL	402.4	433.8	2,534.4
Japan	185.1	201.8	1,162.8
Netherlands	60.4	70.9	402.2
Germany	75.2	54.8	389.6
Italy	3.1	2.0	168.1
France	14.8	26.6	147.0
Other	63.8	77.7	264.7

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

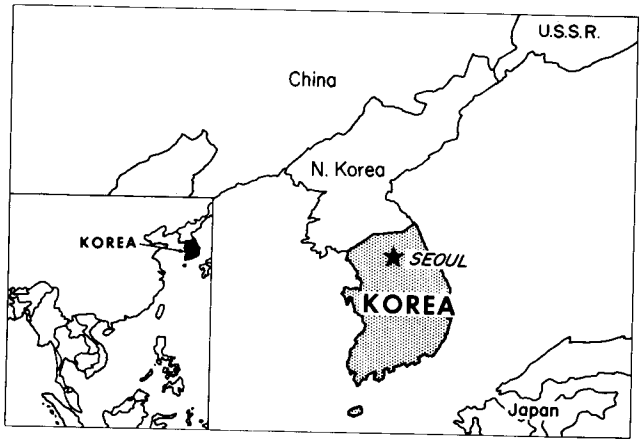
1973 (Calendar Year)	-
1974 (Calendar Year)	-
Cumulative thru 1974	482

*Less than $50,000.

[a]Official Development Assistance (ODA) - Official concessional aid for development purposes.

[b]Includes $3.7 million in capitalized interest on prior year loans.

Korea - GENERAL ECONOMIC DATA



BASIC DATA

Population (millions - mid-1974)	33.5
Annual Growth Rate (percent)	1.8
Area (1,000 square miles)	38
Population Density per square mile)	880
Agricultural Land as % of Total Area	24
Percent of Labor Force in Agriculture	48
Life Expectancy (years)	62
People per Doctor	1,900
Literacy Rate (percent)	88
Students as Percent of 5-19 Age Group (Primary & Secondary)	66

GROWTH INDICATORS	1970	1971	1972	1973	1974 Est.
Total GNP (millions of 1973 dollars)*	9,100	9,930	10,625	12,380	13,400
Per Capita GNP (1973 dollars)	290	312	328	376	400
Investment - millions of 1973 $	2,485	2,640	2,355	3,250	3,900
- percent of GNP+	27	26	21	26	30
Domestic Savings - millions of 1973 $	1,684	1,623	1,815	2,779	n.a.
- percent of Investment+	65	56	73	87	56
Agricultural Production Index (1961-65=100)	129	129	135	138	143
Index per Capita	110	109	112	113	115
Rice, rough (1,000 MT)	5,470	5,550	5,500	5,850	6,170
Industrial Production Index (1970=100)	100	115	132	179	240
INTERNATIONAL TRADE ($ millions)					
Total Exports (f.o.b.)	835	1,068	1,624	3,200	4,680
Veneer and plywood	92	124	154	271	160
Total Imports (c.i.f.)	-1,984	-2,394	-2,522	-4,219	-7,020
Trade Balance	-1,149	-1,326	-898	-1,019	-2,340
GOLD & FOREIGN EXCHANGE ($ millions)++					
Official Reserves	610	571	740	1,094	1,056
CONSUMER PRICE INDEX (1970=100)	100	112	126	129	158

CENTRAL GOVERNMENT FINANCES*	- Million Dollar Equivalents -		
	1972	1973	1974 Est.
Total Expenditures	1,637	1,637	2,444
(Defense Expenditures)	(437)	(461)	(738)
(As % of Total Expenditures)	(27%)	(28%)	(30%)
(Capital Outlays)	(478)	(444)	(649)
Total Domestic Revenues	1,288	1,550	2,414
As percent of GNP+	13%	12%	14%
Deficit (-) or Surplus (+)	-349	-87	-30

* - Converted at 398 won per U.S. dollar. + - Based on data in current prices.
++ - Gross basis, end of year. n.a. - Not available.

KOREA

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KOREA

OBJECTIVES OF U.S. ASSISTANCE

Korea's remarkable development progress has led to the decision to end our A.I.D. development assistance programs in FY 1976. Our objectives are:

-- to bring our existing projects to an orderly termination;

-- to direct our efforts towards a new relationship in which the United States and Korea can pursue uniformly beneficial development activities without traditional highly concessional A.I.D. financing.

ECONOMIC SETTING

In 1950, Korea was largely an agricultural country, with a per capita GNP of slightly over $50. Today Korea's per capita GNP is in excess of $400.

-- Fifty percent of Korea's active population is engaged in industry, mining and manufacturing.

-- Until the recent energy crisis the majority of its import needs were purchased with earnings from increasing industrial exports.

-- Although Korea has not as yet achieved self-sufficiency in food, agricultural production in recent years increased at twice the rate of population growth. The latter dropped from 3% annual increase in 1960 to 1.8% in 1974.

Korea's rapid growth and industrialization has been due largely to:

-- the presence of an entrepreneurial ability which combined foreign technology with inexpensive and talented domestic labor;

-- the availability of large external markets and adequate raw material and fuel imports;

-- generally effective and flexible economic and commercial policies;

-- adequate domestic and foreign capital for investment and to service external debt.

The United States has played a significant role in Korean postwar economic development, providing a total of over $5.5 billion in loans and grants, including about $1.7 billion in PL 480 assistance. While others also have contributed to Korea's need for capital, and those primarily responsible for economic growth have

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health	Education and Human Resources Development	Selected Development Problems	Selected Countries and Organizations	Other Programs
1974							
Loans	25,000	22,200	2,800	–	–	–	–
Grants	2,251	476	1,080	530	165	–	–
Total	27,251	22,676	3,880	530	165	–	–
1975							
Loans	18,500	6,500	5,000	5,000	2,000	–	–
Grants	1,858	358	560	840	100	–	–
Total	20,358	6,858	5,560	5,840	2,100	–	–
1976							
Loans	5,000	–	–	–	5,000	–	–
Grants	592	292	–	300	–	–	–
Total	5,592	292	–	300	5,000	–	–
5th Quarter							
Loans	–	–	–	–	–	–	–
Grants	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–

been the Koreans themselves, the United States can justly be proud of the success of its investment in Korean development.

Real GNP growth in Korea has increased about 10% annually since 1963, reaching a high of 16.9% per annum in 1973. The worldwide economic disturbances of late 1973, however, point up Korea's vulnerability to external factors such as prices of imported raw materials, petroleum and food products.

-- As a result, the growth rate leveled off in 1974 to around 8.2%.

-- Korea is facing a large current account deficit estimated to be $1.8 billion as of the end of 1974, compared to $0.3 billion in 1973.

-- In order to offset the ill effects of this trade imbalance, Korea devalued its currency by 17.6% on December 7, 1974.

TRANSITION OF THE A.I.D. PROGRAM

While Korea finds itself vulnerable to economic dislocations affecting all industrialized countries, its problems are not those to which the A.I.D. development assistance program is now addressed.

-- Korea must turn for needed balance of payments support to other international and commercial facilities for the capital transfers necessary to offset the increased prices of petroleum and raw materials.

During this transitional phase, in which A.I.D. is terminating its development assistance program, A.I.D. will endeavor to capitalize on its investment by:

-- promoting trade and cooperation on a variety of fronts;

-- encouraging activities of a regional nature, where Korea's experience may be an asset in solving developmental problems of its neighbors in East Asia.

In line with the transition strategy, FY 1976 will be the final year of bilateral concessional funding of A.I.D. loans and grants.

-- A core staff of A.I.D. (direct-hire and contract) employees will remain in Korea, however, to supervise the completion of U.S.-financed activities and the orderly drawdown of pipeline estimated at $53.6 million by June 30, 1975.

-- Funds will be included under the Agency's operating expenses to support this staff.

Also, during this transitional period, the U.S. Government will:

-- continue to provide assistance on a less concessional basis, in the form of housing investment guarantees, EX-IM Bank loans and PL 480;

-- give consideration to appropriate services available under section 607 of the Act (or other modalities) which authorizes A.I.D. to furnish aid on an advance-of-funds or reimbursement basis to friendly countries;

-- strengthen relationships with such American institutions as the National Academy of Sciences, Harvard University Institute for International Development (HIID), the U.S. Bureau of Standards, and other scientific and technical organizations.

** These relationships will continue on a basis of equal partners rather than on an aid recipient basis.

** About 40 private and religious voluntary organizations have been operating in Korea for many years, and their activities have been highly appreciated by the Government and most welcomed by the population.

** Of these, 16 organizations are registered with the Advisory Committee on Voluntary Foreign Aid and they will be encouraged to continue their humanitarian, educational and welfare efforts in Korea.

The U.S. economic assistance program will thus undergo a rapid transition from concessional to non-concessional terms. Should there be unanticipated requirements in connection with the transition program in Korea, these will be presented to Congress under separate requests and notifications as provided by the legislation.

PIPELINE ACTIVITIES

Following is a list of major projects which will have an active pipeline on June 30, 1975 and which are designed to impact on the poor majority.

The Small and Medium Scale Irrigation loan project:

-- finances the completion of up to 66 irrigation systems;

-- assists approximately 95,000 farm households;

-- increases their net income by expanding rice and barley production through better utilization of water resources.

A planned FY 1975 Health loan will assist the Government in establishing a Korean Health Development Institute to plan, conduct and evaluate low cost health delivery projects aimed primarily at low income groups.

The Population Planning project furthers Korea's objective in family planning (to reduce the growth rate to 1.3% by 1981) by:

-- providing laparoscopic equipment and training;

-- fostering the necessary professional linkage with Johns Hopkins University.

A planned FY 75 loan to Seoul National University's College of Natural Sciences will improve the quality of scientific education throughout the school and teacher training system, thereby providing:

-- better trained teachers;

-- better trained manpower for Korean industry.

FY 1976 PROGRAM

In FY 1976 we propose to obligate $5.0 million for a loan project, and $592,000 for three continuing grant projects in order to ensure an orderly completion of A.I.D. activities.

FOOD AND NUTRITION SECTOR

Under the Agricultural Planning project, we propose to fund the final year of the Michigan State University contract. With the completion of this project, the Ministry of Agriculture and Fisheries will have an improved planning capability with which it can:

-- help farmers make a more rational utilization of land;

-- select the required mix of staple and cash crops for an overall improvement in the standard of living of the poor majority.

EDUCATION AND HUMAN RESOURCES SECTOR

Under the General Training and Advisory Services project, we propose to finance the training costs in the United States of an additional nine long-term academic participants and 12 short-term non-academic participants.

A historical analysis of Korea's post-war development, including A.I.D.'s role in that development, will be a final activity carried out by the Korean Development Institute, in close collaboration with Harvard University's Institute for International Development.

- -- This project seems particularly fitting as A.I.D. terminates its concessional assistance program to Korea.
- -- Not only Korea but also A.I.D. should benefit from this project, as it may offer lessons applicable to other developing country programs.

SELECTED DEVELOPMENT PROBLEMS

We propose a $5.0 million amendment to the Standards System Development loan, to finance the procurement of needed laboratory equipment and consulting services.

PL 480

The amounts of Title I programs which were provided to the Government of Korea over the past three years have been seriously curtailed due to budget limitations, priority needs of other countries, and availabilities of U.S. agricultural commodities.

- -- The U.S. is currently $409.0 million in arrears in meeting a previously agreed upon total pledge of $776.0 million in PL 480 Title I assistance scheduled for Korea through 1976.
- -- In FY 1975, approximately $74.0 million in PL 480 assistance will be provided, leaving a substantial balance remaining to be shipped under our pledge.
- -- Against this outstanding requirement, and faced with a budget deficit now of about $1.8 billion, the ROKG has asked for PL 480 Title I support of $150.0 million for financing purchases of 350,000 MT of rice and 100,000 MT of wheat.

The proceeds generated from the sales of Title I commodities will be used to:

- -- support 66 irrigation projects;
- -- provide additional credit for agricultural mechanization;
- -- further reduce population growth by continuing to expand and improve family planning services throughout Korea.

The uses of these proceeds directly benefit poor farmers, making possible greater agricultural production, improved marketing capabilities and assistance to family planning programs.

Country: KOREA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Agricultural Planning	Food and Nutrition	FY 76 $292	5th Q. –
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 489-11-110-685	P.74, FY 75 Asia PDB	FY: 1973	FY: 1976

Project Target and Course of Action: The project is designed to strengthen the agricultural planning capability of the Korean Government by developing and upgrading skills, techniques, and procedures for policy formulation and analysis in the Ministry of Agriculture and Fisheries (MOAF).

Progress to Date: Based on a 1972 agricultural sector analysis A.I.D. financed a contract in 1974 under which an advisory team is working directly with Korean Government agencies to teach the techniques and skills enumerated above. Selected Korean staff have been given in-service training, supplemented by specialized and advanced training in the United States. The team consists of one agricultural policy analyst, and one agricultural economist. One statistician and one agricultural outlook specialist will join the team by June 1975. The policy analyst has identified and defined the institutional structure within which the operational processes of planning and policy formulation operate in the MOAF. The constraints which inhibit the carrying out of policy recommendations have also been identified. The agricultural economist has been extending the capabilities of the MOAF in the use of analytical techniques of land and water development consistent with the Development Plan.

Under a centrally-funded project, but simultaneously with the Agricultural planning project, Michigan State University developed an econometric model of the Korean agricultural sector. The model has already been used partially in certain sub-sectors, and will become fully operational by December 1975. At that time, its use will be more integrated in the planning process.

FY 1976 Program: The four-man team will continue its activities, and the agricultural outlook specialist working closely with the statistician, will forecast the needs in the public and private sector, improve data collection, and extend the capabilities of the MOAF in processing statistical data. A total of $292,000 is proposed for FY 1976 to fund the final year of the Michigan State University contract ($227,000) participants ($58,000) and other costs ($7,000).

A U.S. direct-hire agriculture and food officer, funded under USAID/Korea Operating Expense Account, monitors and evaluates the contract services and assists MOAF in the formulation of agricultural development programs.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	697	231	466
Estimated FY 75	358	444	
Estimated through 6/30/75	1,055	675	380
Proposed FY 76	292	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	–	–	1,347

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	–	255	255	–	227	227	–	–	–
Participants	96	–	96	58	–	58	–	–	–
Commodities	–	–	–	–	–	–	–	–	–
Other Costs	7	–	7	7	–	7	–	–	–
Total Obligations	103	255	358	65	227	292	–	–	–

PRINCIPAL CONTRACTORS/ AGENCIES

Michigan State University

Country: KOREA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
General Training & Advisory Services	Education & Human Resources Development	FY 76 $170	5th Q. –
NUMBER 489-15-280-673	PRIOR REFERENCE P.74, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1971	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: The purpose of this project is to provide a broad range of long and short-term specialized and professional training not covered by A.I.D.'s other technical assistance projects and to carry out residual training activities for projects that have terminated. In addition to the participant training component, A.I.D. will supply U.S. short-term advisory services to make studies, and recommendations in areas critical to the successful completion of the Third Five-Year Plan and to aid in the preparation of the Fourth Five-Year Plan.

Progress to Date: A.I.D. has assisted the Government of Korea in financing the cost of training Koreans from both the public and private sectors in U.S. institutions in a wide range of development disciplines since 1954. Since 1954, some 3,833 participants have been funded under a variety of projects at an approximate total cost of $17.2 million.

The following schedule is a sector breakdown of the total number of participants trained under U.S. funded activities:

Food and Nutrition	602	16%
Population Planning and Health	317	8%
Education & Human Resources Dev.	1,374	36%
Selected Development Problems	1,540	40%
Total	3,833	100%

Despite the intensified efforts of the past several years to secure training in areas of specialization critical to Korea's industrial and commercial development, Korea does not yet have a sufficient number of indigenous specialists quantitatively or qualitatively trained to staff these areas. A.I.D.'s other technical assistance projects were designed more narrowly and with less flexibility, and thus could not meet Korea's extensive need for specialists in the wide range of fields.

The General Training and Advisory Services project was initiated in 1971 to alleviate the ever expanding training and manpower development needs not adequately covered by Korean institutions.

FY 1976 Program: FY 1976 will be the final year of funding, and $170,000 is programmed to provide training in the United States for nine long-term academic participants ($86,400) and 12 non-academic short-term participants ($83,600).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	833	465	368
Estimated FY 75	470	495	
Estimated through 6/30/75	1,303	960	343
Proposed FY 76	170	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	–	–	1,473

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	–	75	75	–	–	–	–	–	–
Participants	392	–	392	170	–	170	–	–	–
Commodities	–	–	–	–	–	–	–	–	–
Other Costs	3	–	3	–	–	–	–	–	–
Total Obligations	395	75	470	170	–	170	–	–	–

PRINCIPAL CONTRACTORS/ AGENCIES

–

Country: KOREA

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Korean Development Institute	Education & Human Resources Development	FY 76 $130	5th Q. –
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 489-15-755-674	P.74, FY 1975 Asia PDB	FY: 1971	FY: 1976

Project Target and Course of Action: The purpose of this project is to assist the Korean Government in the establishment of a Development Institute to conduct research in social and economic development problems, and to assist the Government of Korea in formulating national development policies and strategies.

The Korean Development Institute (KDI) was inaugurated on July 4, 1972, and now boasts of a staff of 15 full-time Senior Fellows holding PhD. degrees from the most prestigious American universities. There are also 12 part-time Visiting Fellows, who are regular Professors at Korean universities, who participate in the various research projects. More than 30 foreign scholars have participated in KDI research activities. With the technical assistance provided by this project, a formal relationship has been established with the Harvard Institute for International Development, Harvard University.

Progress to Date: Eleven staff researchers have received post-graduate degrees from various U.S. universities, and 15 are currently studying in the United States. In addition, A.I.D. financed commodities and equipment for the library, including 28,000 books, 780 periodicals and publications, and 50 microfilms.

FY 1976 Program: As a final activity to be carried out under this project, it was determined that a comprehensive research project on Korea's major post-war development policies and strategies be undertaken, with particular reference to A.I.D.'s role. Such a project is particularly fitting and will prove useful in its applicability in other developing countries. In FY 1976 $130,000 is programmed to complete the study undertaken jointly by KDI and Harvard University's Institute for International Development.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	1,247	890	357
Estimated FY 75	120	350	–
Estimated through 6/30/75	1,367	1,240	127
Proposed FY 76	130	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	–	–	1,497

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians . .	–	120	120	–	130	130	–	–	–
Participants	–	–	–	–	–	–	–	–	–
Commodities	–	–	–	–	–	–	–	–	–
Other Costs	–	–	–	–	–	–	–	–	–
Total Obligations . .	–	120	120	–	130	130	–	–	–

PRINCIPAL CONTRACTORS/ AGENCIES

Harvard University

Country: KOREA

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Standards System Development	Selected Development Problems	$5,000
	KIND OF LOAN	INITIAL OBLIGATION
	Project	FY: 1976

Despite its phenomenal industrial growth in recent years, Korea has not yet established a basic set of national standards. Units of measurement and levels of quality vary widely for similar products, an impediment to further growth of domestic and foreign trade in both industrial and agricultural products.

Recognizing that Korean industrialization and commerce, technology and economic growth are being inhibited by the absence of a central government entity responsible for standards, the Republic of Korea recently established the Industrial Advancement Administration (IAA) within the Ministry of Commerce and Industry. The IAA is the central point responsible for standards system development. The proposed A.I.D. loan will assist the IAA by financing scientific equipment and facilities for laboratories, consultant services, and training costs. Operational expenses (local currency costs) are expected to be financed by regular government budget funds.

On the basis of a feasibility study completed in March 1975, $2.0 million will be authorized in 1975 for early implementation and procurement of equipment. The $5.0 million proposed for FY 1976 will finance the balance of consultant services and laboratory and calibrating equipment.

TABLE V

COUNTRY: KOREA

GRANT ACTIVITY SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1974 Obligations	Through FY 1974 Expenditures	Through FY 1974 Unliquidated Obligations 6.30.74	During FY 1975 Obligations	During FY 1975 Expenditures	During FY 1975 Unliquidated Obligations 6.30.75	Proposed Program FY 1976	Proposed 5th Q.	Future Year Obligations	Estimated Total Cost
FOOD AND NUTRITION														
Agricultural Planning	*	489-11-110-685	1973	1976	697	231	466	358 / 358	444	380	292 / 292	- / -	-	1,347
POPULATION PLANNING AND HEALTH														
Health & Family Planning (Title X)		489-11-580-649	1967	1975	4,791	4,432	359	560 / 350	459	250	- / -	- / -	-	5,141
Health Planning		489-11-590-708	1974	1975	500	-	500	210	125	585	-	-	-	710
EDUCATION AND HUMAN RESOURCES DEVELOPMENT														
General Training and Advisory Services	*	489-15-280-673	1971	1976	833	465	368	840 / 470	495	343	300 / 170	- / -	-	1,473
Korea Development Institute	*	489-15-755-674	1971	1976	1,247	890	357	120	350	127	130	-	-	1,497
Youth Rehab and Retraining Center		489-11-690-695	1972	1975	250	225	25	250	25	250	-	-	-	500
SELECTED DEVELOPMENT PROBLEMS														
Science and Technology		489-11-230-683	1973	1975	351	216	135	100 / 100	90	145	- / -	- / -	-	451
						Total		1,858	1,988	2,080	592	-		

*Detailed project narrative–See Table III.

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1974	Estimate FY 1975	Proposed FY 1976
A.I.D. employed	2	-	-
Participating agency	-	-	-
Contractor technicians	-	8	5
Total	2	8	5

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1974	Estimate FY 1975	Proposed FY 1976
Non-contract	155	188	81
Contract	-	-	-
Total	155	188	81

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Authorized as of 12/31/74

COUNTRY: KOREA

(In Thousands of Dollars)

TABLE VI

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Currency of Repayment	Amount Authorized	As of 12/31/74		
		Authorized	Loan Agreement			Grace Period	Amortization			Amount Disbursed	Principal Repayments	Interest Collected
489-H-038	Chong Gye Chun Sewage Treatment	6/9/66	7/13/66	10	40	1	2-1/2	US$	3,500	412		19
489-H-047	Second Trans. and Distrib. Project	5/9/67	6/17/67	10	40	1	2-1/2	US$	10,401	9,962		252
489-H-081	Korea Advanced Institute of Science	6/25/71	8/31/71	10	40	2	3	US$	6,000	1,811		21
489-H-083	Second Feasibility Studies	11/22/71	1/20/72	10	40	2	3	US$	2,000	635		6
489-H-085	Elem. Middle School Pilot Project	4/13/72	9/13/72	10	40	2	3	US$	2,500	242		5
489-T-088	Agricultural Research Project	12/11/73	1/28/74	10	40	2	3	US$	5,000	-		-
489-U-089	Chong Gye Chun Sewage Treatment	3/1/74	4/19/74	10	40	2	3	US$	2,800	-		-
489-T-090	Irrigation Construction	5/31/74	9/11/74	10	40	2	3	US$	17,200	-		-
489-T-090A	Irrigation Construction	12/31/74	4/30/75	10	40	2	3	US$	6,500	-		-

Korea

U.S. Fiscal Years, Millions of Dollars

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS			REPAYMENTS AND INTEREST 1946-1974	TOTAL LESS REPAYMENTS AND INTEREST
	1973	1974	TOTAL 1946-1974		
I. ECONOMIC ASSISTANCE[a] – TOTAL	188.5	37.1	5,588.5	128.6	5,459.9
Loans	171.3	25.0	1,053.3	128.6	924.7
Grants	17.2	12.1	4,535.2	-	4,535.2
a. A.I.D. and Predecessor Agencies	27.2	27.3	3,018.4	34.3	2,984.1
Loans	25.0	25.0	459.7	34.3	425.4
Grants	2.2	2.3	2,558.7	-	2,558.7
(Security Supporting Assistance)	(-)	(-)	(2,332.0)		
b. Food for Peace (PL 480)	159.4	7.2	1,687.5	75.3	1,612.2
Title I - Total	146.3	-	1,177.4	75.3	1,102.1
Repayable in U.S. Dollars - Loans	146.3	-	544.9	67.5	477.4
Payable in Foreign Currency - Planned for Country Use	-	-	632.5	7.8	624.7
(Total Sales Agreements, incl. U.S. Uses)	(-)	(-)	(783.2)	(-)	(783.2)
Title II - Total	13.1	7.2	510.1	-	510.1
Emergency Relief, Econ. Development, & World Food	12.0	7.2	330.9	-	330.9
Voluntary Relief Agencies	1.1	-	179.2	-	179.2
c. Other Economic Assistance	1.9	2.6	882.6	19.0	863.6
Peace Corps	1.9	2.6	15.0	-	15.0
Other	-	-	867.6	19.0	848.6
II. MILITARY ASSISTANCE – TOTAL	363.0	157.3	5,772.3	1.1	5,771.2
Credits or Loans	24.2	56.7	112.9	1.1	111.8
Grants	338.8	100.6	5,659.4	-	5,659.4
a. MAP Grants	149.6	94.1	3,705.8	-	3,705.8
b. Credit Sales under FMS	24.2	56.7	112.9	1.1	111.8
c. Military Assistance Service-funded (MASF) Grants [r]	165.9	-	1,168.8	-	1,168.8
d. Transfers from Excess Stocks	8.3	6.5	310.1	-	310.1
e. Other Grants	15.0	-	474.7	-	474.7
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	551.5	194.4	11,360.8	129.7	11,231.1
Loans	195.5	81.7	1,166.2	129.7	1,036.5
Grants	356.0	112.7	10,194.6	-	10,194.6
Other U.S. Government Loans and Grants	126.4	165.7	556.2	216.2	340.0
a. Export-Import Bank Loans	65.4	114.0	296.6	35.1	261.5
b. All Other	61.9	51.7	259.6	181.1	78.5

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES, COMMITMENTS

	FY 1973	FY 1974	FY 1946-74
TOTAL	290.8	156.5	920.9
IBRD - World Bank	183.0	92.0	502.2
Int'l. Finance Corp.	-	0.7	3.7
Int'l. Dev. Association	30.5	-	106.9
Asian Dev. Bank	75.2	60.5	273.9
UN Development Program	1.9	1.8	25.2
Other UN (CY)	0.2	1.5	9.0

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

DONOR	CY 1972	CY 1973	CY 1960-73
TOTAL	200.9	213.1	1,267.4
Japan	171.5	180.3	1,082.2
Germany	21.0	23.2	121.8
Italy	0.9	0.2	20.7
Canada	3.9	5.8	15.3
Other	3.6	3.6	27.4

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1973 (Calendar Year)	-
1974 (Calendar Year)	-
Cumulative thru 1974	-

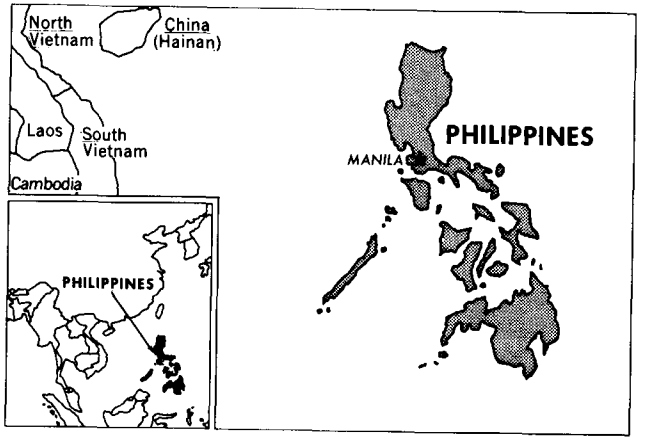
*Less than $50,000.

[a]Official Development Assistance (ODA) - Official concessional aid for development purposes.

[r]Revised series.

Philippines

Philippines - GENERAL ECONOMIC DATA



BASIC DATA

Population (millions - mid-1974)	43.4
Annual Growth Rate (percent)	3.1
Area (1,000 square miles)	35
Population Density per square mile	374
Agricultural Land as % of Total Area	39
Percent of Labor Force in Agriculture	51
Life Expectancy (years)	59
People per Doctor	2,900
Literacy Rate (percent)	83
Students as Percent of 5-19 Age Group (Primary & Secondary)	69

GROWTH INDICATORS	1970	1971	1972	1973	1974 Est.
Total GNP (millions of 1973 dollars)*	8,637	9,200	9,396	10,330	10,935
Per Capita GNP (1973 dollars)	227	233	231	246	252
Investment - millions of 1973 $	1,800	1,906	1,903	2,109	2,584
- percent of GNP+	21	21	20	20	
Domestic Savings - millions of 1973 $	1,652	1,780	1,724	2,353	n.a.
- Percent of Investment+	89	93	88	110	n.a.
Agricultural Production Index (1961-65=100)	130	137	133	142	146
Index per Capita	103	105	99	102	102
Rice, rough (1,000 MT)	5,340	5,100	4,410	5,590	5,930
Industrial Production Index (1970=100)	100	111	118	128	128
INTERNATIONAL TRADE ($ millions)					
Total Exports (f.o.b.)	1,062	1,122	1,105	1,788	2,700
Coconut products	192	252	228	353	600
Total Imports (c.i.f.)	-1,210	-1,330	-1,366	-1,773	-3,550
Trade Balance	-148	-208	-261	15	-850
GOLD & FOREIGN EXCHANGE ($ millions)++					
Official Reserves	251	382	551	1,038	1,504
Commercial Bank Holdings	128	148	186	379	381(Sept)
CONSUMER PRICE INDEX (1970=100) (Manila)	100	123	143	153	220

CENTRAL GOVERNMENT FINANCES*	- Million Dollar Equivalents -		
	1972	1973	1974 Est.
Total Expenditures	948	1,275	2,070
(Defense Expenditures)	(119)	(165)	(249)
(As % of Total Expenditures)	(13%)	(13%)	(12%)
(Capital Outlays)	(207)	(326)	(806)
Total Domestic Revenues	858	1,120	1,602
As percent of GNP+	10%	11%	11%
Deficit (-) or Surplus (+)	-90	-155	-468

* - Converted at 6.734 pesos per U.S. dollar. + - Based on data in current prices.
++ - Gross basis, end of year. n.a. - Not available.

PHILIPPINES

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PHILIPPINES

OBJECTIVES OF U.S. ASSISTANCE PROGRAM

The objective of our development assistance program is to support Filipino efforts to:

-- improve rural incomes while achieving self-sufficiency;

-- reduce rapid population growth;

-- extend basic health care and nutrition programs to the rural poor.

Our efforts recognize the close ties we have to this former American colony and the mutual benefits that economic progress offers for both the Philippines and the United States.

U.S. - PHILIPPINE RELATIONS

The years 1975-76 comprise an important period in establishing new patterns in U.S. relations with the Philippines, our oldest and staunchest ally in South-East Asia.

-- This period will be characterized by equality and mutual respect without sacrificing the benefits both sides recognize in continued close association.

-- Recent changes in the security situation in East Asia have focused attention on possible renegotiation of the U.S. -Philippines Military Base Agreement.

-- Since the expiration of the Laurel-Langley Agreement on July 3, 1974, the two Governments have been working to develop a new formal structure for their economic relations.

-- The United States remains one of the two major trading partners of the Philippines and U.S. private investments in the Philippines amount to more than $1.0 billion.

SOCIO-ECONOMIC SETTING

The Philippines has enjoyed two years of substantial economic growth.

-- GNP in real terms increased by 10% in 1973 and by an estimated 6% in 1974, signifying a favorable acceleration of the economy.

However, these statistics reflect somewhat transitory conditions. Both 1973 and 1974 were years in which the Philippine economy:

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health	Education and Human Resources Development	Selected Development Problems	Selected Countries and Organizations	Other Programs *
1974							
Loans	33,000	18,000	15,000	-	-	-	-
Grants	10,476	3,464	6,194	274	-	-	544
Total	43,476	21,464	21,194	274	-	-	544
1975							
Loans	35,000	35,000	-	-	-	-	-
Grants	9,993	4,171	5,615	50	-	-	157
Total	44,993	39,171	5,615	50	-	-	157
1976							
Loans	22,000	12,000	10,000	-	-	-	-
Grants	9,996	2,608	7,288	100	-	-	-
Total	31,996	14,608	17,288	100	-	-	-
5th Quarter							
Loans	4,600	4,600	-	-	-	-	-
Grants	2,172	325	1,822	25	-	-	-
Total	6,772	4,925	1,822	25	-	-	-

*Supporting Assistance

-- rebounded from the devastation of the 1972 floods;

-- benefited from the world commodity boom and high earnings from the traditional Philippine exports of sugar, coconut products, logs and copper concentrates.

More recently, world prices for these commodities have fallen dramatically, while prices of essential imports, including oil, have continued to rise.

-- As a result, the picture for 1975 and 1976 looks much less bright, notwithstanding strong government measures taken to reduce fuel consumption, increase non-traditional exports, reduce the dependency on imports of manufactured goods, and certain imports of non-essential goods.

-- The IBRD's recent assessment of the Philippine economy projects trade deficits in 1975 and 1976 at $820.0 million and $1,250 million, respectively.

During its nearly thirty-year history as an independent nation, the Philippines has developed considerably.

-- Despite World War II devastation and periodic setbacks resulting from economic reversals and occasional natural disasters, the country has moved forward.

-- It has steadily strengthened its institutional foundation and the human resource capability on which to build a viable, self-sustaining socio-economic structure.

The current problems faced by the Philippines are serious, but they are also the kind that can be alleviated by the directed application of available human and natural resources.

-- An expanding population is a basic problem that adds to the seriousness of other deficiencies such as inadequate agricultural production.

-- Agriculture is the backbone of the Philippine economy, but organizational, marketing and farmer support arrangements have not been adequate to stimulate the increased production required by a growing population.

-- Malnutrition among a large number of Philippine children has been one of the most insidious manifestations of underproductive agriculture.

-- Uncertain and uncontrollable weather conditions in the Philippines often upset production plans. More than twenty typhoons, on the average, strike the islands each year, causing extensive damage and necessitating crop replanting.

-- Unemployment and underemployment continue at high rates because of excessive population growth and a lack of employment opportunities.

These problems have forced Philippine Government recognition of the need for intensified activity in the areas of agriculture, nutrition, rural infrastructure and family planning. In recent years, A.I.D. programs have concentrated on these priority areas.

-- A.I.D. is directing its resources so as to achieve maximum impact on the poor. This coincides with the Philippine Government's desire to reduce the gulf between the rich and the poor.

-- U.S. assistance is furnished within the framework of a Consultative Group for the Philippines formed in 1971 under the chairmanship of the IBRD.

** The United States, Japan, the IBRD and ADB are the senior participants and principal contributors in the Group.

** Other countries provide additional assistance.

A.I.D. has identified funding requirements in excess of the budget levels herein proposed to assure continued timely progress in priority problem areas.

-- Whereas FY 1976 program requirements would support a level of $43.5 million, budget presentations reflect a total request of $31.996 million, consisting of:

** $22.0 million in Development Loans;

** $2.708 million in Technical Assistance grants;

** $7.288 million in Title X Population grants.

FOOD PRODUCTION, NUTRITION AND RURAL DEVELOPMENT

Despite abundant natural resources, the Philippines remains a food-deficit country, owing to low levels of productivity. This results in poverty and malnutrition.

-- Specific constraints to increased agricultural productivity include:

** unreliable water availability;

** a land tenure system based on share tenancy;

** often unfavorable weather conditions;

** inadequate farm-to-market roads;

** restricted credit and fertilizer availabilities.

-- Local government capabilities have been inadequate to construct and implement programs for overcoming these constraints.

A.I.D. has worked closely with the Philippine Government during the past several years to develop programs designed to increase food production and productivity.

-- In 1973, the Philippine Government initiated an agricultural program known as Masagana 99.

** It is designed to achieve self-sufficiency in rice and corn production by increased use of high-yielding seed, fertilizer, pesticides, irrigation, rural credit and improved marketing.

** The increased availability of rural credit for small farmers has been particularly impressive. The amount of credit made available in 1974-75 was double that of the preceding year, with loans in 1974-75 totaling more than 1 billion ($142 million).

-- A.I.D. has been assisting the Philippines in the Masagana 99 program by providing technical advisory services and training in such key areas as fertilizer, water usage, agriculture planning and management and agricultural technology.

An A.I.D.-assisted regional development scheme in the Bicol River Basin of Luzon Island is serving as a test area for the planning of integrated area development programs.

-- Projects (primarily in agriculture) are designed to raise farm output and improve the economic and social conditions of the small farmer.

A.I.D.'s aquaculture project is strengthening aquaculture research and extension capabilities in order to:

-- increase inland fish production and the amount of protein available to the Filipino people.

PHILIPPINES

Agrarian reform is a priority of the Philippine development plan.

-- When fully implemented, about one million corn farmers will either own or have leases to the land on which they were formerly share tenants.

-- A.I.D.'s agrarian reform project is assisting the Government's development of administrative and technical capacity to implement a nation-wide program. Primary attention has been given to:

** the land transfer process;

** the development of model farmer support systems through the use of cooperatives;

** agrarian reform research.

A large number of Philippine children are malnourished due to low family incomes, inadequate food production and lack of awareness of good nutritional practices.

-- The Philippine Government has designed a national nutrition plan which will include a substantial increase in resources devoted to improving child nutrition. Program emphasis will be placed on:

** infants and pre-school children;

** children in elementary schools;

** pregnant and nursing women in low-income areas.

-- The United States is assisting the Philippine Government by:

** augmenting Philippine food availabilities through nutritionally enriched U.S. foods supplied under the PL 480 Title II program;

** providing technical assistance to develop more nutritious indigenous foods.

The Philippines requires a substantially augmented administrative capability at the central, provincial and local government levels to handle expanded development programs in the rural areas.

-- A Provincial Development Assistance Program has been established in the Office of the President to train and assist provincial authorities in planning development programs and to expedite the flow of services to the rural sector.

-- The A.I.D. Local Development project assists this effort by helping to:

** establish better planning systems;

** develop larger revenue sources;

** set up equipment pools to construct and maintain rural roads, irrigation facilities and flood control installations.

-- Currently 19 provinces are actively involved in the program. When completed, almost one-half of all Philippine provinces will be directly assisted by this project.

The Philippine Government is extending electric services to the rural sector, as part of a priority program to improve living conditions and employment opportunities for the disadvantaged rural people.

-- At present, approximately three million people in rural areas to be served by an estimated 52 cooperatives are included in the program.

-- A.I.D. loans and grants, including a $20.0 million loan authorized in FY 1975, are helping to:

** finance equipment and technical services to train Filipinos to administer the program;

** organize additional rural electric cooperatives.

A Rural Roads loan of $15.0 million was approved in FY '75. This loan will provide secondary farm-to-market roads which will facilitate the movement of goods and reduce the transport costs to the small Filipino farmer.

The FY 1976 A.I.D. program in the Food and Nutrition sector may be summed up as follows:

-- The current Agrarian Reform, Local Development, Rural Electrification, Bicol River Basin, Food and Nutrition, Aquaculture and Small Farmer Income technical assistance projects will be continued in FY 1976.

-- Budgeted loan projects include:

** a loan of $10.0 million to finance rural roads in the Bicol River Basin area;

** a Third Feasibility Studies loan ($2.0 million).

-- In addition, should funds become available, A.I.D. will finance a $1.5 million loan for a pilot small-scale irrigation project.

POPULATION PLANNING AND HEALTH

The population of the Philippines has grown from 27.4 million in 1960 to 43.4 million in 1974--a rise of 58%. The annual rapid population growth, currently estimated at 3.1% has a retarding effect on incomes and overall economic development.

-- With the start of U.S. family planning assistance to the Philippines in 1967, the people and the Government of the Philippines became acutely aware of the need for reducing population growth.

-- A comprehensive national family planning program was initiated in 1970 and has grown to the point where there are now:

** more than 2,300 fully staffed clinics providing family planning services;

** more than two million couples practicing some form of family planning.

-- However, people living in the more remote and isolated areas have for the most part remained beyond the effective reach of family planning services.

** The lack of an effective program for delivering services and supplies to, and motivating participation of, rural populations can be cited as major constraints to further progress in reducing population growth.

** The emphasis of A.I.D.'s family planning program is therefore shifting to the rural poor majority.

-- As of December 31, 1974, A.I.D. has provided $25.7 million in assistance to the Government's program in the form of:

** contraceptives;

** equipment for private and government clinics throughout the country;

** support of family planning education through research and motivational experiments;

** technical advice and training to the Philippine Government's Population Commission to help it administer the national program.

-- The Philippine private sector, the World Bank and the UN Fund for Population Activities are now more actively involved in the national family planning program.

Health conditions in the Philippines continue to be characterized by unsafe drinking water and a lack of proper sanitation. This has led to a high incidence of parasitic and other diseases.

-- In an effort to combat these conditions, A.I.D. authorized a $15.0 million loan in May 1974 to develop pilot potable water systems. The design process for five water utility systems is currently well under way.

-- A second Provincial Water Supply loan of $10.0 million is planned for 1976. This loan will finance the design and construction of additional potable water systems. The location of these systems is based on previous A.I.D.-funded feasibility studies.

-- Subject to funding availabilities, a $10.0 million follow-on Provincial Water Supply loan is planned in FY 1976 to complete this phase of the project.

EDUCATION AND HUMAN RESOURCES

Under the General Participant Training project, A.I.D. plans to continue financing specialized training in areas outside the direct purview of other projects, for example, in development planning.

COOPERATION WITH PEACE CORPS

A.I.D. and Peace Corps programs in the Philippines are mutually supportive in their common targeting of areas such as rural development, nutrition and family planning. Specifically, fields of volunteer concentration which are closely related to A.I.D. project emphases include supervised credit, fisheries, extension, rural electrification and development planning.

5th QUARTER

A total of $6.772 million is proposed in the 5th quarter to continue ongoing programs. A new loan of $4.6 million for agricultural research is included in this amount.

Country: PHILIPPINES

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Rural Electrification	Food and Nutrition	FY 76 $300	5th Q. -
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 492-11-220-248	P. 132, FY 1975 Asia PDB	FY: 1972	FY: 1976

Project Target and Course of Action: The purpose of the project is to provide the Philippine Government with the technical assistance required to complete, within five years, the initial phase of its rural electrification program. Long-term Philippine plans call for the total electrification of the country. A.I.D. assistance is aimed at developing the technical and managerial competence required to complete the first phase of the program on target and to continue into subsequent phases without further A.I.D. assistance. Phase One will result in the establishment of 72 viable rural electric cooperative systems. These will initially benefit five million rural people most of whom, because of remoteness from urban centers, have hitherto not shared in the benefits of economic development. Electricity will provide benefits in increased agricultural production through pump irrigation, increased employment through small scale industries and an improved quality of life through access to lighting, plumbing and food preservation facilities.

Progress to Date: Under an earlier project, two pilot sub-projects, patterned after U.S. rural electric cooperatives, were completed in December 1971. As a result of the success of the two pilot cooperatives the Philippines has undertaken a national rural electrification program. Phase One envisions the establishment of 72 cooperatives serving five million people (loan funding thru FY 1977, physical completion FY 1982). As of October 31, 1974, some 27 cooperatives were in various energetic and operation stages, providing service to an estimated 1,034,000 people. The program is being financed by U.S. Development Loans, Japanese reparations funds, Philippine budget appropriations and PL-480-generated pesos. Foreign exchange costs of $58 million were financed by Development Loans in FY 1972. 1974 and 1975. An additional Development Loan of $20.0 million is being requested in FY 1976 and presented as a shelf loan pending availability of funds.

FY 1976 Program: A total of $300,000 is requested to finance the continued services of the direct hire project manager , ($40,000); the services of U.S. consulting engineers, ($203,000); and participant training for 15 individuals, ($57,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	1,614	1,011	603
Estimated FY 75	574	648	
Estimated through 6/30/75	2,188	1,659	529
Proposed FY 76	300	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	-	-	2,488

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians . .	39	500	539	40	203	243	-	-	-
Participants	35	-	35	57	-	57	-	-	-
Commodities	-	-	-	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-
Total Obligations . .	74	500	574	97	203	300	-	-	-

PRINCIPAL CONTRACTORS/AGENCIES

National Rural Electric Cooperative Association, (NRECA); Personal Services; Rural Electrification Administration.

Country: PHILIPPINES

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Food and Nutrition	Food and Nutrition	FY 76 $300	5th Q. $56
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 492-69-560-252	P. 125, FY 75 Asia PDB	FY: 1974	FY: 1978

Project Target and Course of Action: This project assists the Philippine Government in the development and operation of its National Food and Nutrition Program aimed at reducing serious malnutrition among infants and children. Major U.S. inputs are A.I.D.-financed advisory services and PL 480 Title II foods. Malnutrition affects more than 35% of the child population in the 6-months to 14-year age bracket. Causative factors include excessive population growth, inadequate food production, low family incomes and employment opportunities, limited health services, particularly among the rural poor, and lack of knowledge concerning nutrition. A growing awareness and understanding of the problem resulted in the recent decision of the Philippine Government to undertake a National Nutrition Program focused on infants, pre-school and elementary school-age children representing a target population of some 7.5 million. The initial goal of the Program is to reduce the percentage of affected children from 35% to 27% by 1978 through the development and implementation of supplementary child feeding programs utilizing PL 480 Title II and indigenous food commodities; a program to encourage home and community gardens; education in public and private schools; mass media information programs; and research to develop other means of intervention.

Progress to Date: In support of the National Program, A.I.D. provides technical advisors in program management, food production and processing, and nutrition research, primarily through contracts with the Virginia Polytechnic Institute and State University and Texas A&M University. With present PL 480 Title II availabilities, targeted supplementary child feeding programs administered through U.S. voluntary agencies such as CARE, Catholic Relief Services, Church World Service and Seventh Day Adventist Welfare Service are reaching approximately 460,000 infants and pre-school children and 1,000,000 elementary school-age children.

FY 1976 Program: A total of $300,000 is requested to finance one direct-hire project manager ($30,000), long and short-term technical advisors from Virginia Polytechnic Institute and Texas A&M Universities ($200,000), training for six participants in food processing, preparation and preservation ($10,000), commodity support for research activities ($25,000) and support for other costs ($35,000).

5th Quarter: Funding requirements for the 5th Quarter total $56,000. This amount will continue financing of the technicians, participants and commodities mentioned in the FY 1976 program.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	395	-	395
Estimated FY 75	403	390	
Estimated through 6/30/75	798	390	408
Proposed FY 76	300	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	56	433	1,587

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians . .	-	220	220	30	200	230	-	-	-
Participants	20	-	20	10	-	10	2	40	42
Commodities	75	-	75	25	-	25	6	-	6
Other Costs	88	-	88	35	-	35	8	-	8
Total Obligations . .	183	220	403	100	200	300	16	40	56

PRINCIPAL CONTRACTORS/AGENCIES

Virginia Polytechnic Institute

Texas A&M University

Country: PHILIPPINES

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Local Development	Food and Nutrition	FY 76 $725	5th Q. –
NUMBER 492-11-995-256	PRIOR REFERENCE P. 132, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1974	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: This project is to strengthen the capability of central and provincial government units in planning, budgeting and administering development programs for the rural poor.

Progress to Date: During FYs 1974 and 1975, two elements of a fiscal management program -- Capital Improvement Programming and Action-oriented Budgeting -- were adopted by the government as the national system for programming all development funds for local government. The same process was initiated in some 400 municipalities. Real Property Tax Administration Improvement Programs were expanded from two to eleven provinces. The first provincial comprehensive plan model design was completed in one province and training programs in basic data gathering and analysis were conducted in others. During FY 1975 some 1,500 local government officials and employees received in-country training in varied development-related subjects. Extensive use has been made of U.S. excess property with over 1,500 pieces of reconditioned heavy equipment operating in support of provincial construction and maintenance programs. The rehabilitation of a major portion of the roads, bridges, irrigation and flood facilities damaged or destroyed during the 1972 floods was completed in FY 1975.

FY 1976 Program: A total of $725,000 is requested for 14 direct-hire advisors to help local governments improve their programming and management capabilities ($370,000); two contract technicians to establish training programs in public administration and comprehensive planning ($85,000); twenty participants to be trained in the United States ($50,000); project-related office and shop equipment and machinery for provincial governments ($220,000). Continued emphasis will be placed on implementing a rural roads program financed in part by a $15 million FY 1975 loan, with specific road and bridge projects being selected on a small, poor farm-benefit basis. Real Property Tax Administration assistance will increase tax collections to support development and social service programs directly benefiting the poor. Efforts will be made to enhance the provincial governments' role in family planning and nutrition activities. Staff training is proposed for personnel of four provinces to be admitted to the program in FY 1976.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	1,103	537	566
Estimated FY 75	1,269	1,164	
Estimated through 6/30/75	2,372	1,701	671
Proposed FY 76	725	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	-	973	4,070

Cost Components	OBLIGATIONS									PRINCIPAL CONTRACTORS/ AGENCIES
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.			
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
U.S. Technicians	448	177	625	370	85	455	–	–	–	Personal Services Contracts
Participants	174	-	174	50	-	50	–	–	–	
Commodities	468	-	468	220	-	220	–	–	–	
Other Costs	2	-	2	-	-	-	–	–	–	
Total Obligations	1,092	177	1,269	640	85	725	–	–	–	

Country: PHILIPPINES

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Agrarian Reform	Food and Nutrition	FY 76 $486	5th Q. $121
NUMBER 492-11-121-257	PRIOR REFERENCE P. 132, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1974	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: The purpose of this project is to develop an organizational structure and management system which will (a) efficiently transfer land ownership to some 450,000 tenants farming rice and corn lands on landlord holdings above seven hectares, and convert 550,000 tenants on landlord holdings below seven hectares to leasehold status by December 1977; and (b) develop and test farmer organizational models and related systems to determine those most effective for improving the income and welfare of land reform beneficiaries. Assistance is also provided to upgrade agrarian reform education and research. Most program beneficiaries cultivate less than five acres of land.

Progress to Date: Approximately 30% of the 5.4 million hectares of rice and corn land in the Philippines is tenanted. A.I.D. initiated the agrarian reform project in August 1973, in direct support of a Philippine Government program aimed at abolishing share tenancy on these lands. The intermediate goal of the project is to assist in transferring land to 250,000 tenants by June 1975. As of January 1975 the government had already issued provisional titles for 190,000 tenant farmers cultivating 340,000 hectares of rice and corn land. A.I.D. has assisted in improving several aspects of program implementation including land measurement, transfer procedures, program monitoring and field mobility. If the government is to attain its 1977 objective of shifting one million tenants to ownership or leasehold status, continued improvement is required in these areas as well as in overall coordination and management.

With respect to developing farmer organizational models and related systems, A.I.D. is assisting in training, management, and planning of pilot cooperative development in the provinces of Nueva Ecija and Camarines Sur. Three marketing cooperatives have been established and several marketing studies completed.

A.I.D. recently increased funding in response to Philippine Government initiatives to strengthen their program and expand coverage to include farms down to seven hectares. U.S. support may be increased further.

FY 1976 Program: A total of $486,000 is required. This includes services of one direct hire technician, a PASA officer, two contract personnel and short-term consultants ($348,000). One long-term and 14 short-term participants are scheduled for U.S. training ($71,000). Vehicles, photographic equipment and training/audio-visual equipment are planned ($67,000).

5th Quarter: A total of $121,000 is requested to continue financing personnel, training and commodity requirements.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	553	140	413
Estimated FY 75	488	717	
Estimated through 6/30/75	1,041	857	184
Proposed FY 76	486	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	121	24.1	1,889

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	58	336	394	40	308	348	10	78	88
Participants	49	-	49	71	-	71	17	-	17
Commodities	42	-	42	67	-	67	16	-	16
Other Costs	3	-	3	-	-	-	-	-	-
Total Obligations	152	336	488	178	308	486	43	78	121

PRINCIPAL CONTRACTORS/ AGENCIES

Agricultural Cooperatives Development International; University of Wisconsin; U.S. Department of Agriculture

Country: PHILIPPINES

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Small Farmer Income and Production	Food and Nutrition	FY 76 $344	5th Q. $86
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
NUMBER 492-55-130-259	P. 119, FY 1975 Asia PDB	FY: 1975	FY: 1978

Project Target and Course of Action: The purpose of this project is to support the Philippine Government program in achieving self-sufficiency in rice and corn production and to increase small farmer income. Technical assistance is provided in the management of extension and credit programs and in agricultural research aimed at optimizing small farm output and income and limiting farmer risk. The target beneficiary of this program is the small rice and corn farmer (averaging under seven cultivated acres) most of whom are at or near the subsistence level and thus in the lower reaches of the poor majority.

Progress to Date: Over 5,000 micro-kits containing HYV seed, fertilizers and pesticides, were distributed to farmer cooperators in 54 provinces under the expanded field testing program of the Philippine Government/ International Rice Research Institute/A.I.D. Production and extension training was given to 22 field supervisors and 390 production technicians. Direct seeding of rice was tested on approximately 50,000 hectares in 12 provinces, and 140 technicians were trained in direct seeding and multi-cropping technology. Through the National Grains Authority (NGA) price support was provided on rice and corn to compensate for the increased costs of fertilizer and other production inputs.

The management information system was further improved to permit automatic data processing. A statistical handbook was prepared and an estimated 200 statisticians will be trained during FY 1975. Credit use by small rice and corn farmers is expected to increase by almost 100% to over ₱1 billion ($150,000). A.I.D. and the National Economic Development Authority are working with the Central Bank to develop a program under which credit will be expanded to include other than rice and corn production inputs. This will support multi-cropping and diversification and should result in increasing the income of the small farmer.

FY 1976 Program: A total of $344,000 is requested for the following: two direct-hire technicians, and four contract and PASA consultants ($212,000); approximately 64 man-months of long- and short-term training in the United States and third countries ($92,000); and excess property vehicles, audio-visual, research and office equipment ($40,000). Local AID Mission support will be provided to the AID/W-funded "Agricultural Diversification and Markets" and the "Control of Vertebrate Pests" activities carried out with assistance from USDA and Department of Interior, respectively.

5th Quarter: A total of $86,000 is requested to continue the program as described above.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	525	462	
Estimated through 6/30/75	525	462	63
Proposed FY 76	344	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	86	590	1,545

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/ Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/ Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/ Other Agency	Proposed 5th Q. Total
U.S. Technicians	84	208	292	80	132	212	20	33	53
Participants	93	-	93	92	-	92	23	-	23
Commodities	80	-	80	40	-	40	10	-	10
Other Costs	-	60	60	-	-	-	-	-	-
Total Obligations	257	268	525	212	132	344	53	33	86

PRINCIPAL CONTRACTORS/ AGENCIES

U.S. Department of Agriculture, Tennessee Valley Authority, International Rice Research Institute (IRRI), Department of Interior

Country: PHILIPPINES

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Bicol River Basin Development	Food and Nutrition	FY 76 $243	5th Q. $62
NUMBER 492-11-199-260	PRIOR REFERENCE P. 132, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1974	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: This project is designed to increase agricultural income for small farmers and create non-farm employment opportunities in the Bicol River Basin by assisting the government to (a) create the institutional capability for carrying out an integrated multi-project area development program and (b) establish the data and feasibility base required for effective capital investment. About one million people currently reside in the project area, over 60% of whom belong to poor farm families tilling less than five acres each.

Progress to Date: The institutional framework consisting of a Bicol River Basin Council and Program Office for the project has been established, staffed and is functioning effectively. In coordination with national agencies, 14 pilot projects in crop and livestock production, on-farm water management and other practical problem areas have been developed and funded for implementation during 1975. In addition, studies and staff training seminars have been conducted in areas such as salt water intrusion, flood control, feeder roads, irrigation, marketing, storage, etc.

A Technical Assistance Group was established by the University of the Philippines College of Agriculture to provide assistance to agricultural projects, and the Institutes for Philippine Culture have established a research unit to provide the data base for project planning and evaluation. The Asian Institute of Technology in Bangkok developed simulator models for flood control and integrated development planning.

The project was reassessed during FY 1975 in light of expanded Philippine Government interest in, and allocation of resources to the project. As a result, the total U.S. contribution has been increased from the previously approved level of $981,000 to $1.75 million, and the life of the project extended by one year.

FY 1976 Program: A total of $243,000 is requested for two direct-hire technicians and for three PASA and contract consultants in water resources planning, on-farm water management, agribusiness, and socio-economic research ($183,000); six participants ($35,000); and commodities, primarily hydraulic and soils laboratory equipment ($25,000).

5th Quarter: A total of $62,000 is requested to provide technical assistance and participant training through September 1976.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	387	67	320
Estimated FY 75	599	690	
Estimated through 6/30/75	986	757	229
Proposed FY 76	243	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	62	459	1,750

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	54	317	371	63	120	183	12	30	42
Participants	123	-	123	35	-	35	20	-	20
Commodities	65	-	65	25	-	25	-	-	-
Other Costs	40	-	40	-	-	-	-	-	-
Total Obligations	282	317	599	123	120	243	32	30	62

PRINCIPAL CONTRACTORS/ AGENCIES

Bureau of Reclamation (PASA); Kansas State University; Institute for Philippine Culture/Ateneo de Naga

Country: PHILIPPINES

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Aquaculture Research and Extension	Food and Nutrition	FY 76 $210	5th Q. -
NUMBER 492-11-180-266	PRIOR REFERENCE P. 123, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1975	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: The purpose of this project is to establish a viable aquaculture research capability and extension service which will serve to increase fresh-water and brackish-water fishpond production while lowering production costs, thus increasing protein consumption among lower income consumers. This project is also designed to increase income and employment opportunities, and reduce dependency on food imports.

Progress to Date: A.I.D. assistance provided under the completed Inland Fisheries project contributed to the establishment of a viable fish culture applied research program. Techniques have been developed that will give annual hectare yields for milkfish of over 2,000 kilograms (kg), compared to the present average of 570 kg, while lowering cost per unit of production. New pest-disease resistant varieties of rice developed by the International Rice Research Institute (IRRI) which do not require the application of insecticides make possible the revival of the ancient practice of combining rice and fish culture in paddies. Utilizing these resistant rice varieties, research was begun in 1974 to achieve fish yields of at least 100 kg per hectare without decreasing rice production. In FY 1975 an extension program was undertaken to introduce proven fish production techniques to fish farm operators. Initial focus was on milkfish where improved practices are already tested. The focus now is on species such as carp and telapia as new methods of production are devised.

FY 1976 Program: A total of $210,000 is requested to continue financing three long-term and one short-term advisor from Auburn University ($140,000), three long-term and five short-term participant trainees ($40,000), and specialized commodities for extension and training programs ($30,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	288	190	
Estimated through 6/30/75	288	190	98
Proposed FY 76	210	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	-	212	710

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	138	138	-	140	140	-	-	-
Participants	110	-	110	40	-	40	-	-	-
Commodities	40	-	40	30	-	30	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-
Total Obligations	150	138	288	70	140	210	-	-	-

PRINCIPAL CONTRACTORS/ AGENCIES

Auburn University

Country: PHILIPPINES

GRANT ACTIVITY DATA

TABLE III

TITLE Family Planning	FUNDS Population Planning and Health	PROPOSED OBLIGATION ($000) FY 76 $7,288	5th Q. $1,822
NUMBER 492-11-570-220	PRIOR REFERENCE P. 127, FY 1975, Asia PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The purpose of this project is to reduce the fertility rate in the Philippines to desired levels. The project is aimed at establishing a permanent system for delivering family planning services to all those desiring them, with a target of reaching about 2.5 million out of 5.5 million couples by the end of FY 1976. Family planning has been accepted by a large proportion of the nation's educated, urban and/or affluent population. Far less impact has been made on the rural, uneducated and/or poor citizens. Future program emphasis will be geared to expanding the program to the poor majority who thus far have been least affected by the program.

Progress to Date: Comprehensive data required to make authoritative statements regarding the nationwide effects of the family planning program on birth rates is not yet available. Data generated in local studies, however, is encouraging and relevant national statistics are expected to be generated through various surveys including a special national census to be conducted in May 1975. Other indicators of program progress include the following: 30 private and public Filipino agencies are now actively participating in the program; 2.300 clinics are providing full family planning services; approximately 60,000 new acceptors are being recruited by the participating clinics each month.

FY 1976 Program: A total of $7.288 million is requested to continue contractual services ($300,000), training for 38 short-term participants ($100,000), contraceptives ($3.788 million), medical supplies and materials ($300,000) and other costs including local contracts ($2.800 million). Program emphasis in FY 1976 will be concentrated on strengthening program decentralization (regionalization) and further penetration into rural areas. Programs will focus upon increasing the participation of the poor, the rural and the less educated segments of Philippine society.

5th Quarter: A.I.D. is requesting $1.822 million to continue the program described above in the fifth quarter.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	29,697	21,993	7,704
Estimated FY 75	5,615	5,648	
Estimated through 6/30/75	35,312	27,641	7,671
Proposed FY 76	7,288	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	1,822	Continuing	

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians	-	400	400	-	300	300	-	75	75
Participants	100	-	100	100	-	100	25	-	25
Commodities	2,415	-	2,415	4,088	-	4,088	1,022	-	1,022
Other Costs	2,700	-	2,700	2,800	-	2,800	700	-	700
Total Obligations	5,215	400	5,615	6,988	300	7,288	1,747	75	1,822

PRINCIPAL CONTRACTORS/AGENCIES

Population Services, Inc.; Management Sciences for Health; University of North Carolina.

Country: PHILIPPINES

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
General Participant Training	Education & Human Resources Development	FY 76 $100	5th Q. $25
NUMBER 492-11-995-237	PRIOR REFERENCE P. 132, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1968	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The purpose of this project is to supplement A.I.D. project efforts in agriculture, rural development, nutrition and family planning. The project is designed to provide critically needed technical and management training in the United States and other countries in fields where instruction is not readily available in Philippine institutions and in areas in which A.I.D. does not have a directly related project activity in the Philippines.

Progress to Date: Since the project's inception, there have been approximately 300 man-months of training in over 70 fields, including trade union organizations, manpower development, data processing, economic development and public administration. This method of training has been valuable in providing Filipinos with access to the more complex areas of knowledge necessary to help assure that A.I.D. projects will have a foundation firm enough to survive beyond the point of formal U.S. Government involvement. Recent examples of fields of study include development administration (United States) and observation of estate-type fish pond operations (Taiwan). The former has obvious advantages in strengthening Philippine Government skill in the use of funds and concepts provided by A.I.D. The latter provides nutrition sector knowledge which can lead to accelerated attainment of Philippine/A.I.D. goals in this area.

FY 1976 Program: A total of $100,000 is requested to finance long-term training for eight Filipino participants at U.S. universities and short-term training for seven participants at U.S. Universities and other institutions. The largest number of participants will come from within the National Economic and Development Authority. The major fields of study will include economic planning, project evaluation and program management.

5th Quarter: A.I.D. is requesting $25,000 to continue the program described above.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	291	249	42
Estimated FY 75	50	92	
Estimated through 6/30/75	341	341	-
Proposed FY 76	100	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	25	Continuing	

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians . .	-	-	-	-	-	-	-	-	-
Participants	50	-	50	100	-	100	25	-	25
Commodities	-	-	-	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-
Total Obligations . .	50	-	50	100	-	100	25	-	25

PRINCIPAL CONTRACTORS/AGENCIES

Country: PHILIPPINES

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Bicol River Basin Secondary and Feeder Roads	Food and Nutrition	$10,000
	KIND OF LOAN: Project	INITIAL OBLIGATION: FY: 1976

The purpose of this loan is to finance the construction and improvement of secondary farm-to-market and rural feeder roads in the Bicol River Basin area. When completed the roads will reduce transportation costs of farm inputs and harvested crops, make markets more accessible to small farmers on a year-round basis, and shorten the travel time between population centers and outlying farms. The lack of an adequate secondary and feeder road network linking agriculture areas with market and population centers is one of the major factors retarding development in the Bicol River Basin. The development of this network is but one of several interrelated project activities planned for implementation over the next several years with support expected to be provided by A.I.D. or other donors. Other project activities include irrigation systems, flood control facilities, port development, railroad improvement, power, and national highways.

The overall Bicol River Basin Development Program represents a new approach in rural development by the Philippine Government, the idea being to concentrate development activities on a specific geographic area having a recognized development potential. This approach also recognizes the interrelationship and interdependence of separate development activities in achieving maximum results in socio-economic terms.

A.I.D. is currently assisting the Philippine Government with grant assistance for a pilot integrated area development program in the Bicol area of Southern Luzon -- a potentially productive agricultural area with one of the highest incidences of poverty in the Philippines, and serious tenancy problems. Failure to provide increased opportunities for employment and increased farm incomes in this region has also contributed to migration from the area, further exacerbating the urban development problems in Manila and other metropolitan areas.

The grant-assisted planning effort has facilitated the establishment of a local planning authority in Bicol, a comprehensive first-stage integrated basin planning effort, and specific feasibility studies for first-stage capital projects.

The proposed secondary and feeder road project is one of the highest priority projects developed by the Bicol Development Council. This project involves the rehabilitation and upgrading of approximately 200 kilometers of feeder roads and the improvement or construction of 1,000 linear meters of bridges linking agricultural producers, primarily small-scale rice and coconut farmers, to the market and population centers serving the Bicol River Basin area.

Country: PHILIPPINES

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Third Feasibility Studies	Food and Nutrition	$2,000
	KIND OF LOAN: Project	INITIAL OBLIGATION FY: 1976

In the overall process of development planning, the Government of the Philippines (GOP) has a continuing need for expert technical and managerial assistance appraising the feasibility of various investment alternatives and in establishing priorities among viable alternatives. In the past, A.I.D. has responded to this need with two feasibility loans, the most recent of which, a $2,000,000 loan signed on June 30, 1973, is now fully committed. The previous loans have resulted in the Philippines undertaking major development efforts in power development and rural electrification, potable water systems and irrigation for increased food production, to name only a few. These efforts have had funding provided by other donors as well as A.I.D.

The Third Feasibility Studies Loan, like its predecessors, will finance the foreign exchange costs of prefeasibility and feasibility studies, sectoral studies, market studies and consulting services, including engineering services directly related to capital projects in the Philippines.

Studies eligible for loan-financing will be concentrated in the three sectors of A.I.D. emphasis, as defined in Sections 103,104 and 105 of the FAA. It is expected that over half of the loan would be used to finance studies in the food and nutrition sector. A tentative list of eligible studies includes fertilizer handling facilities, grain storage and handling facilities, irrigation development, integrated area development planning, "barrio" irrigation services associations, on-farm water management and flood control. All proposed studies will be required to demonstrate potential for increasing participation in developmental programs and progress by the poor majority of Filipinos.

The loan will be administered by the National Economic Development Authority, which is responsible for development planning in the Philippines.

Country: PHILIPPINES

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Provincial Water Supply	Population Planning and Health	$10,000
	KIND OF LOAN	INITIAL OBLIGATION
	Project	FY: 1976

The purpose of this project is to help finance in selected rural population centers the construction of potable water systems which will be owned and operated by autonomous water user districts and be designed to provide reliable and sanitary water to low income families at prices they can afford. United Nations data conclude that the incidence of water-borne diseases is attributed in large measure to the absence of sanitary potable water systems

Under a previous $20.0 million Provincial Water Supply loan and an existing technical assistance grant project, A.I.D. is providing resources to establish five systems and to develop the national and local institutional capacity required to assure the continuation of viable self-sustaining systems once established and placed in operation. These initial systems are designed to serve a population of 250,000 with projections of expanded service by 1982 to some 1,000,000, the majority of whom are among the lowest income groups in the Philippine economy. In addition, studies are being undertaken to explore ways in which community standpipes can be added to these and future systems to serve those members of the community who cannot afford, at even modest prices, the cost of individual house connections, and whose present consumption of water is limited by the difficulty in transporting water from source to point of use or by the high prices charged by water vendors.

A suitably programmed extension of the Provincial Water Supply project calls for a second loan of $20.0 million to help fund an additional five systems, improvements to selected existing systems, and a continuation of institutional development. For budget purposes, however, the proposed additional $20.0 million is being presented in two segments of $10.0 million each, the second of which is being submitted as a shelf item in the event additional funds become available.

It is estimated that some 300 rural communities have need of potable water supply systems. Based on experience to date, there is a growing interest on the part of many of these communities to have similar systems established in their areas. As the demand grows it is likely that other donors will be asked to help finance the additional systems throughout the country.

Country: PHILIPPINES

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Agricultural Research	Food and Nutrition	$4,600
	KIND OF LOAN Project	INITIAL OBLIGATION FY: 5th Quarter

Effective agricultural research is a critical element in the strategy of the Philippines Government (GOP) to achieve self-sufficiency in the production of food and feed grains and to increase the incomes and overall welfare of its rural population. Despite significant past investments in agricultural research, the GOP concluded in 1972 that existing research activities were highly fragmented, poorly planned and coordinated, and produced limited useful output. The Philippine Council for Agricultural Research (PCAR), established to give direction and to coordinate research activities of government agencies and agricultural universities, has formulated a seven-year program for the development of capabilities to implement major research programs.

The A.I.D. loan will assist this long-range program by financing activities designed to expand and improve the research capabilities of four of the major research centers, including the principal centers for research on soybeans and legume seed crops and on corn and sorghum, respectively.

The loan will finance construction and improvement of facilities, equipment procurement, staff training and development through a combination of overseas and in-country programs, and technical assistance. Loan-financed consultants will advise the director of PCAR on overall program development and implementation and the directors of the four research centers on institutional development.

It is expected that the project will benefit the poor Philippine majority living in rural areas by developing new, higher-yield, disease-and-pest-resistant crop varieties that result in increased production and high income for the average farmer. The four centers to be assisted by the A.I.D. loan were selected because their research efforts are concentrated on the crops of greater importance to the average Philippine farmer.

TABLE V

COUNTRY: PHILIPPINES

GRANT ACTIVITY SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1974 Obligations	Through FY 1974 Expenditures	Through FY 1974 Unliquidated Obligations 6/30/74	Estimated FY 1975 Obligations	Estimated FY 1975 Expenditures	Estimated FY 1975 Unliquidated Obligations 6/30/75	Proposed Program FY 1976	Proposed 5th Q.	Future Year Obligations	Estimated Total Cost
FOOD AND NUTRITION								4,171			2,608	325		
Agrarian Reform	*	492-11-121-257	1974	1978	553	140	413	488	717	184	486	121	241	1,889
Aquaculture Research & Extension	*	492-11-180-266	1975	1978	-	-	-	288	190	98	210	-	212	710
Local Development	*	492-11-995-256	1974	1978	1,103	537	566	1,269	1,164	671	725	-	973	4,070
Bicol River Basin Development	*	492-11-199-260	1974	1978	387	67	320	599	690	229	243	62	459	1,750
Food and Nutrition	*	492-69-560-250	1974	1978	395	-	395	403	390	408	300	56	433	1,587
Rural Electrification	*	492-11-220-248	1972	1976	1,614	1,011	603	574	648	529	300	-	-	2,488
Small Farmer Income and Production	*	492-55-130-259	1975	1978	-	-	-	525	462	63	344	86	590	1,545
Project Development Support		492-11-995-269	1975	1975	-	-	-	25	25	-	-	-	-	25
POPULATION PLANNING & HEALTH								5,615			7,288	1,822		
Family Planning	*	492-11-570-220	1967	Cont.	29,697	21,993	7,704	5,615	5,648	7,671	7,288	1,822	Continuing	
Local Water Development		492-56-521-263	1974	1976	500	-	500	-	250	250	-	-	250	750
EDUCATION & HUMAN RESOURCES DEVELOPMENT								50			100	25		
General Participant Training	*	492-22-995-237	1968	Cont.	291	249	42	50	92	-	100	25	Continuing	
							Total	9,836	10,276	10,103	9,996	2,172		

*Detailed project narrative—See Table III.

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year: Actual FY 1974	Estimate FY 1975	Proposed FY 1976
A.I.D. employed	24	20	18
Participating agency	5	3	3
Contractor technicians	38	18	16
Total	67	41	37

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year: Actual FY 1974	Estimate FY 1975	Proposed FY 1976
Non-contract	154	200	137
Contract	-	-	-
Total	154	200	137

Country: PHILIPPINES

LOAN ACTIVITY DATA

TABLE IV

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TABLE V

COUNTRY: PHILIPPINES

GRANT ACTIVITY SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1974 Obligations	Through FY 1974 Expenditures	Through FY 1974 Unliquidated Obligations 6/30/74	Estimated FY 1975 Obligations	Estimated FY 1975 Expenditures	Estimated FY 1975 Unliquidated Obligations 6/30/75	Proposed Program FY 1976	Proposed 5th Q.	Future Year Obligations	Estimated Total Cost
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Project Development Support		492-11-995-269	1975	1975	-	-	-	25	25	-	-	-	-	25
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TYPE OF TECHNICIAN	On Duty At Close of Year		
	Actual FY 1974	Estimate FY 1975	Proposed FY 1976
A.I.D. employed	24	20	18
Participating agency	5	3	3
Contractor technicians	38	18	16
Total	67	41	37

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year		
	Actual FY 1974	Estimate FY 1975	Proposed FY 1976
Non-contract	154	200	137
Contract	-	-	-
Total	154	200	137

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Authorized as of 12/31/74

COUNTRY: PHILIPPINES

(In Thousands of Dollars)

TABLE VI

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Currency of Repayment	Amount Authorized	As of 12/31/74		
		Authorized	Loan Agreement			Grace Period	Amortization			Amount Disbursed	Principal Repayments	Interest Collected
492-H-027	Rural Electrification Consult.Service	10/13/71	11/15/71	10	40	2	3	US$	600	541	-	8
492-H-028	Rural Electrification Loan	4/14/72	5/2/72	10	40	2	3	US$	19,400	6,802	-	3
492-H-030	Second Feasibility Studies	5/18/73	6/30/73	10	40	2	3	US$	2,000	148	-	1
492-H-032	Tiwi Geothermal	6/28/73	8/22/73	10	40	2	3	US$	3,700	-	-	-
492-U-033	Provincial Waterworks	4/27/74	5/23/74	10	40	2	3	US$	15,000	-	-	-
492-T-034	Rural Electrification	6/28/74	8/7/74	10	40	2	3	US$	18,000	-	-	-
492-T-035	Rural Roads	12/13/74	3/24/75	10	40	2	3	US$	15,000	-	-	-
492-T-036	Rural Electrification III	12/30/74	3/24/75	10	40	2	3	US$	20,000	-	-	-

Philippines

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS 1973	1974	TOTAL 1946-1974	REPAYMENTS AND INTEREST 1946-1974	TOTAL LESS REPAYMENTS AND INTEREST
I. ECONOMIC ASSISTANCE[a] – TOTAL	124.0	63.6	1,625.4	192.2	1,433.2
Loans	46.9	37.4	348.9	192.2	156.7
Grants	77.1	26.2	1,276.4	-	1,276.4
a. A.I.D. and Predecessor Agencies	85.7	44.5	477.6	40.9	436.7
Loans	26.2	34.0[b]	138.4[b]	40.9	97.5
Grants	59.5	10.5	339.2	-	339.2
(Security Supporting Assistance)	(49.3)	(0.5)	(195.3)		
b. Food for Peace (PL 480)	36.5	16.0	261.3	34.0	227.3
Title I - Total	20.7	3.4	120.1	34.0	86.1
Repayable in U.S. Dollars - Loans	20.7	3.4	87.6	23.2	64.4
Payable in Foreign Currency - Planned for Country Use	-	-	32.5	10.8	21.7
(Total Sales Agreements, incl. U.S. Uses)	(-)	(-)	(53.2)	(-)	(53.2)
Title II - Total	15.8	12.6	141.2	-	141.2
Emergency Relief, Econ. Development, & World Food	8.9	4.4	23.3	-	23.3
Voluntary Relief Agencies	6.9	8.2	117.9	-	117.9
c. Other Economic Assistance	1.8	3.1	886.5	117.3	769.2
Peace Corps	1.8	2.7	39.4	-	39.4
Other	-	0.4	847.1	117.3	729.8
II. MILITARY ASSISTANCE – TOTAL	39.7	25.4	709.1	-	709.1
Credits or Loans	-	8.6	8.6	-	8.6
Grants	39.7	16.8	700.5	-	700.5
a. MAP Grants	17.7	16.0	493.5	-	493.5
b. Credit Sales under FMS	-	8.6	8.6	-	8.6
c. Military Assistance Service-funded (MASF) Grants[r]	-	-	9.6	-	9.6
d. Transfers from Excess Stocks	4.9	0.8	30.7	-	30.7
e. Other Grants	17.1	-	166.7	-	166.7
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	163.7	89.0	2,334.5	192.2	2,142.3
Loans	46.9	46.0	357.5	192.2	165.3
Grants	116.8	43.0	1,976.9	-	1,976.9
Other U.S. Government Loans and Grants	74.6	19.2	440.7	318.4	122.3
a. Export-Import Bank Loans	23.5	9.5	287.3	196.6	90.7
b. All Other	51.1	9.7	153.4	121.8	31.6

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1973	FY 1974	FY 1946-74
TOTAL	106.4	229.3	765.4
IBRD - World Bank	11.6	155.6	434.0
Int'l. Finance Corp.	17.2	4.7	68.7
Int'l. Dev. Association	12.7	9.5	32.2
Asian Dev. Bank	63.0	58.8	183.8
UN Development Program	0.9	0.2	32.5
Other UN (CY)	1.0	0.5	14.2

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

DONOR	CY 1972	CY 1973	CY 1960-73
TOTAL	143.5	214.8	965.0
Japan	126.9	173.1	812.8
Germany	11.4	32.2	86.2
Canada	0.9	2.2	42.6
Other	4.3	7.3	23.4

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1973 (Calendar Year)	-
1974 (Calendar Year)	-
Cumulative thru 1974	-

*Less than $50,000.

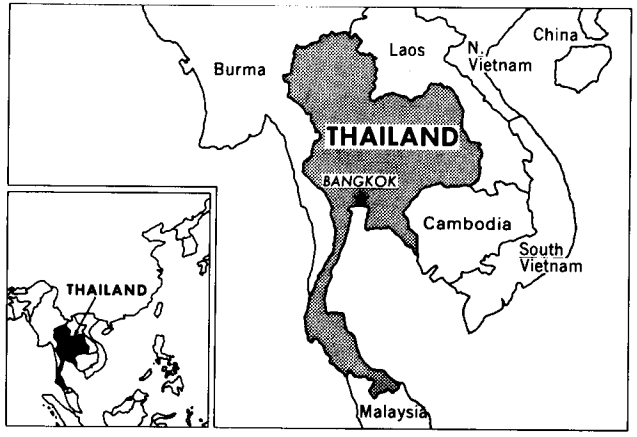
[a]Official Development Assistance (ODA) - Official concessional aid for development purposes.

[b]Includes $2.3 million in capitalized interest on prior year loans; in FY 1974 $1.0 million.

[r]Revised series.

Thailand

Thailand - GENERAL ECONOMIC DATA



BASIC DATA

Population (millions - mid-1974)	40.8
Annual Growth Rate (percent)	2.8
Area (1,000 square miles)	198
Population Density per square mile	206
Agricultural Land as % of Total Area	26
Percent of Labor Force in Agriculture	74
Life Expectancy (years)	61
People per Doctor	6,780
Literacy Rate (percent)	79
Students as Percent of 5-19 Age Group (Primary & Secondary)	50

GROWTH INDICATORS	1970	1971	1972	1973	1974 Est.
Total GNP (millions of 1973 dollars)*	7,740	8,210	8,440	9,180	9,530
Per Capita GNP (1973 dollars)	212	219	219	232	234
Investment - millions of 1973 $	2,031	1,912	1,872	2,042	2,150
- percent of GNP+	25	24	22	22	22
Domestic Savings - millions of 1973 $	1,732	1,694	1,761	1,945	n.a.
- percent of Investment+	81	87	93	96	90
Agricultural Production Index (1961-65=100)	139	144	131	163	163
Index per Capita	113	114	101	122	118
Rice, rough (1,000 MT)	13,570	13,740	11,670	14,200	14,500
Tin (metal content - 1,000 MT)	22	22	22	21	20
INTERNATIONAL TRADE ($ millions)					
Total Exports (f.o.b.)	710	831	1,081	1,584	2,880
Rice	(121)	(140)	(213)	(176)	(660)
Total Imports (c.i.f.)	-1,293	-1,286	-1,484	-2,057	-3,550
Trade Balance	-583	-454	-403	-473	-670
GOLD & FOREIGN EXCHANGE ($ millions)++					
Official Reserves	906	877	1,052	1,296	1,855
Commercial Bank Holdings	126	182	218	275	359(Mar)
CONSUMER PRICE INDEX					
(Bangkok-Thonburi; 1970=100)	100	102	106	118	148
(All Urban areas; FY 1964/65=100)	114	114	120	138	174

CENTRAL GOVERNMENT FINANCES*	- Million Dollar Equivalents -		
	1972	1973P	1974 Est.
Total Expenditures	1,486	1,555	1,870
(Defense Expenditures)	(251)	(269)	(359)
(As % of Total Expenditures)	(17%)	(17%)	(19%)
(Capital Outlays)	(458)	(412)	(432)
Total Domestic Revenues	1,046	1,242	1,731
As percent of GNP+	13%	14%	14%
Deficit (-) or Surplus (+)	-440	-313	-139

* - Converted at 20.4 baht per U.S. dollar. + - Based on data in current prices. ++ - Gross basis, end of year. n.a. - Not available. P - Preliminary.

THAILAND

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THAILAND

Thailand's steady economic growth in the past 15 years has provided a natural climate for peaceful progress towards democracy. In October 1974 Thailand reached a development milestone with the adoption of a constitution providing for a representative parliamentary form of government.

OBJECTIVES OF U.S. ASSISTANCE

The objective of U.S. economic assistance is to encourage Thailand's continued economic and political growth by:

-- Helping the Thai mobilize their human resources while;

-- reducing the economic disparities that exist among certain segments of the population and among various sections of the country.

SOCIO-ECONOMIC SETTING

Thailand has generally enjoyed ethnic, linguistic and religious homogeneity; a sense of historical and social continuity; and a widespread reverence for the monarchy, all of which have contributed to a continuing high degree of social cohesion.

-- Thailand has been an independent country for over seven centuries. During this period the government has shifted from absolute monarchy to a democratic parliamentary government. A coup d'etat in 1932 ended a long era of absolute monarchy and effectively replaced it with a military oligarchy and a constitutional monarchy. Between 1932 and 1973 there were numerous coups or attempted coups and eight constitutions.

-- Although there was experimentation with parliamentary government after 1932, the military-bureaucratic power structure was not seriously challenged by "outside" groups until the October 1973 student-led "revolution". This was the first instance in Thailand's history in which people without standing in the political-military bureaucracy inaugurated fundamental political changes.

-- The military government was deposed, and the King appointed an interim government which experienced problems ranging from labor strikes to farmer protest marches on Bangkok as well as public criticism over its handling of certain issues. During this period the Government displayed a unique quality of resiliency in its capacity to keep the wheels of government moving.

-- In October 1974 a new constitution was promulgated, and in late January 1975 general elections were

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health	Education and Human Resources Development	Selected Development Problems	Selected Countries and Organizations	Other Programs *
1974							
Loans	-	-	-	-	-	-	-
Grants	7,126	-	2,019	-	-	-	5,107
Total	7,126	-	2,019	-	-	-	5,107
1975							
Loans	-	-	-	-	-	-	-
Grants	4,280	2,071	1,309	900	-	-	-
Total	4,280	2,071	1,309	900	-	-	-
1976							
Loans	5,000	5,000	-	-	-	-	-
Grants	7,029	2,100	4,529	400	-	-	-
Total	12,029	7,100	4,529	400	-	-	-
5th Quarter							
Loans	-	-	-	-	-	-	-
Grants	1,433	200	1,133	100	-	-	-
Total	1,433	200	1,133	100	-	-	-

*Supporting Assistance

held, and a new representative form of parliamentary government was established.

-- A new government was established on March 19, 1975 when Khukrit Pramoj, heading a multi-party coalition, received a vote of confidence from the Thai Parliament on his proposed policies.

Thailand's borders with Malaysia, Burma, Laos and Cambodia are all affected to some degree by communist military or insurgent activity.

-- There has been a decrease in stability and an increase in insurgent activity as one moves away from the traditional core of Thai society and towards the border regions where there is a diversity of ethnic groups.

-- These border areas have been subjected to limited but growing communist insurgency, with political and materiel support from Hanoi and Peking.

Thailand has a sound economy which is managed well albeit conservatively.

-- GNP grew at the rate of 7.4% per year in real terms during the 1960-1973 period and per capita real consumption at 4.9% per annum.

-- Net foreign exchange reserves as of December 1974 exceeded $1.5 billion, and per capita income averaged $230.

-- Along with the gain in total output and consumption, significant diversification of economic activity and trade has taken place. The industrial sector has expanded rapidly as a result of substantial new investments throughout the 1960s in industry, such as textiles, paper, cement, glass and sugar and a few large-scale units for smelting and oil refining.

While Thailand's economic performance is in general good, there are some pressing development problems which include:

-- unequal distribution of income (rural-urban and interregional);

-- migration to Bangkok with pressure on the existing social overhead capital there;

-- unemployment in the urban centers and underemployment in the rural areas;

-- inadequate social services, particularly health and education, to the rural area;

-- dinimishing availability of unoccupied productive land; and

-- a population growth rate estimated at 2.8% per annum.

Thailand has also been affected by current international economic problems.

-- Inflation and exchange rate realignments caused import prices to start moving upwards in early 1972.

-- Rising import prices and declining availability of several commodities, e.g. paper, detergents, fertilizer and steel reinforcing bars for use in construction amplified rising domestic prices through speculative purchases by local merchants and other non-competitive behavior.

-- The increase in petroleum prices has had a substantial adverse affect since oil imports meet 80% of her energy requirements.

-- Petroleum has risen from 7% to 25% of her total import bill. Due to higher export prices and to substantial foreign exchange reserves, the higher petroleum prices are not expected to place undue

strain on Thailand's balance of payments in 1974-1975.

Northeast Thailand, along with parts of north Burma and western Laos comprises the "Golden Triangle", which is a major opium-producing area.

-- Thailand produces about 150-200 tons of opium and is the major conduit through which a large percentage of Burmese opium flows into international markets, primarily in Southeast Asia.

-- The production and marketing of opium in Thailand is illegal. Major constraints to eliminating the opium traffic are: (a) the lack of accessibility to the opium-growing regions; (b) lack of security and effective government control in the northern highlands; and (c) lack of an effective income substitute for the poor farmers whose only income is derived from the growth of opium.

FY 1976 PROGRAM

In FY 1975 the program in Thailand shifted from a counter-insurgency rationale to development assistance strategy. The FY 1975 program emphasis was on augmenting economic and social development for the purpose of improving the welfare of that segment of Thai society that has not heretofore shared the benefits of economic growth.

The FY 1976 program will continue to emphasize this development assistance approach. A.I.D. assistance will be concentrated primarily on those sectors in which progress will contribute directly on the well-being of the rural poor.

-- The recent elections in Thailand may provide the basis for a shift in some power from the urban areas to the rural Thai allowing the latter to play a greater role in the development process.

-- The United States will respond to Thai initiatives for assistance in priority areas of development.

FOOD AND NUTRITION

In FY 1976, U.S. assistance will shift from development grant funding to a program mix of grants and development loans. The objectives of the proposed loans will be to raise agricultural production and rural incomes, provide employment opportunities, and reduce rural-urban migration.

-- Three loan projects have been requested by the Thai Government, including: (1) Sericulture Production-Settlement; (2) Seed Development; and (3) Lam Nam Oon On-Farm Development. The latter is included under Additional Program Requirements which may be implemented if funds are available.

-- Grant projects for this sector include $2.1 million for: long-term participant training in agricultural development; assistance to the Thai Government to improve its agricultural policy research and statistics, and to expand its capability in project identification, preparation, monitoring and evaluation; and training and evaluation for the Sericulture and Seed Development projects.

POPULATION PLANNING AND HEALTH

Thailand's rate of population growth is currently estimated at 2.8 percent per annum. The Thai Government wishes to reduce this rate to 2.5 percent by the end of 1976, realizing that a higher growth rate would make per capita income gains extremely difficult, especially for the poorer segment of society. A.I.D. funds proposed for FY 1976 in this sector total $4.529 million.

-- Under the Health and Population Planning project, A.I.D. will:

** Provide contraceptives, condoms and IUD-insertion and sterilization kits;

** facilitate the transition of Thai Government planning and budgeting from an urban to a rural emphasis;

** provide for contraceptive commercialization;

** continue financing of participant training.

-- In order to permit further expansion of family planning facilities and rural health services, additional training and advisory services in these fields are included in the Special Training for National Development and Transfer of Technology and Management Skills projects.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

U.S. assistance in this sector will continue to support Thai initiatives to reach and respond to identified needs, primarily those of the poorer rural people.

-- The human resource base and institutions of Thailand still require advisory assistance and training specifically aimed at improving the Thai capability to deal with new and difficult aspects of their basic problems of development.

-- These needs are addressed in two projects: Special Training for National Development and Transfer of Technology and Management Skills.

** Portions of these projects are funded under Food and Nutrition and Population Planning and Health, as discussed above.

** Under Education and Human Resources Development funding, training and advisory services are planned in other key areas, notably rural education and national development planning.

-- The Transfer of Technology and Management Skills project will rely on the Thai to use their own managerial and technical capabilities to identify and fulfill additional technical and managerial requirements within mutually agreed guidelines.

-- The project will be administered with careful attention to opportunities which may be presented for follow-on mutually beneficial commercial or technical assistance arrangements which the Thai will finance.

NARCOTICS PROGRAM

The U.S. and the Thai Governments, in coordination with the United Nations Fund for Drug Abuse Control (UNFDAC), are cooperating in the effort to reduce the supply of illicit drugs through:

-- A major enforcement program which provides equipment and training to the narcotics interdiction units within the Thai police and customs; and

-- a program which provides technical assistance in crop substitution, range management, reforestation and erosion control with the objective of providing alternate income sources for the poppy farmer.

Detailed project descriptions supporting the proposed program for FY 1976 are included in the presentation of the Senior Advisor to the Secretary and Coordinator for International Narcotics Matters.

5th Quarter. A total of $1.433 million is proposed in the 5th quarter for Food and Nutrition ($200,000), Population Planning and Health ($1.133 million) and Education and Human Resources Development ($100,000). All funding will support ongoing activities.

Country: THAILAND

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Special Training for National Development	Food and Nutri.;Pop.Plan. & Health Education & Human Resources Development	FY 76 $890	5th Q. $100
NUMBER 493-11-995-173	PRIOR REFERENCE P. 148, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: This project provides training opportunities in areas of development priority. It also provides funds to complete the training of participants under terminated projects.

Progress to Date: This project was initiated in FY 1965 when six participants were sent to the United States for training. In subsequent years, third-country training has been utilized wherever feasible. By the end of FY 1975 it is planned that 335 Thais will have received specialized training, 250 in the United States and 85 in third country programs.

The Thai Government has been sharing in the task of selecting trainees and will assume additional administrative responsibility for managing these programs in FY 1976. The Thai Government also provides funds for international travel, and for English language training as required for participants.

FY 1976 Program: $890,000 is requested for costs of ongoing long-term academic participants originally funded under this project or funded in prior years under other projects which have already been phased out or will be phased out by the end of the fiscal year.

Food and Nutrition	$665,000
Agricultural Development	610,000
Accelerated Rural Development	55,000
Population Planning and Health	$125,000
Non-Title X	
Rural Health	110,000
Family Planning	15,000
Education and Human Resources Development	$100,000
Rural Education	38,000
Special Training for National Development	9,000
National Economic Policy and Planning	53,000
GRAND TOTAL	$890,000

5th Quarter: $100,000 is requested for the fifth quarter to cover necessary participant costs.

Food and Nutrition	$25,000
Population Planning and Health	25,000
Education and Human Resources Development	50,000
GRAND TOTAL	$100,000

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	1,836	1,571	265
Estimated FY 75	272	429	
Estimated through 6/30/75	2,108	2,000	108
Proposed FY 76	890	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	100	600	3,698

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians . .	-	-	-	-	-	-	-	-	-
Participants	272	-	272	890	-	890	100	-	100
Commodities	-	-	-	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-
Total Obligations . .	272	-	272	890	-	890	100	-	100

PRINCIPAL CONTRACTORS/ AGENCIES

Country: THAILAND

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Agricultural Development	Food and Nutrition	FY 76 $478	5th Q. $75
NUMBER 493-11-190-180	PRIOR REFERENCE P. 143, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1952	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: The purpose of this project is to increase the capability of the Thai Government to analyze, plan and implement agricultural development policies, programs and projects in furtherance of their goal of improving the socio-economic status of its rural peoples.

An agricultural sector analysis and planning activity is designed to improve the Thai capability in these areas. This analytical capability is needed for better decisions on resource allocation in agriculture, both public and private, and will be used extensively in assessment of current policy and program options, as well as in preparation of the agricultural sector of the Fourth Five-Year Plan.

The Projects and Operational Planning Division of the Ministry of Agriculture and Cooperatives was recently established to coordinate project preparation, monitoring and evaluation.

Progress to Date: The Agricultural Economic Activity is the final element in this overall Agricultural Development project. All other activities such as agricultural extension, credit and research will terminate in FY 1975.

FY 1976 Program: A total of $478,000 is requested for 60 man-months of long-term contract services and 12 man-months of short-term contract services ($303,000); one long-term contract employee with expertise in agricultural economics, project analysis and agricultural statistics ($75,000); and 10 new long-term participants ($100,000). An additional 28 participants are funded under the Special Training for National Development project.

5th Quarter: $75,000 is requested to cover contract and participant training costs described above.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	19,356	17,782	1,574
Estimated FY 75	1,689	2,086	
Estimated through 6/30/75	21,045	19,868	1,177
Proposed FY 76	478	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	75	425	22,023

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians . .	-	1,079	1,079	-	378	378	-	50	50
Participants	517	-	517	100	-	100	25	-	25
Commodities	93	-	93	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-
Total Obligations . .	610	1,079	1,689	100	378	478	25	50	75

PRINCIPAL CONTRACTORS/AGENCIES

Iowa State University

Country: THAILAND

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Transfer of Technology and Management Skills	Food and Nutri.;Pop.Plan. & Health; Education & Human Resources Development	FY 76 $932	5th Q $150
NUMBER 493-11-755-274	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1976	SCHEDULED FINAL OBLIGATION FY: 1978

Project Target and Course of Action: The purpose of this project is to improve Royal Thai Government (RTG) capabilities in development policy and problem analysis, program planning, implementation and evaluation. The focus of the project during FYs 1976 and 1977 is to provide advisory and training services for: (1) development, installation and evaluation of policy,programs and projects which increase social justice and economic opportunity, generate income and employment for the rural poor, and utilize more fully the capabilities of women; (2) identification, analysis and design of activities which increase the productivity of the Thai, particularly with respect to the poor.

U.S. technology and approaches useful to the RTG in developing solutions, plans and options for future problems will be made available through this project.

U.S. assistance will be provided to the major RTG agencies including the National Economic and Social Development Board, National Statistical Office, Ministry of Agriculture and Cooperatives and other institutions involved in national resources planning, policy formulation and implementation.

FY 1976 Program: A total of $932,000 is requested for approximately 90 man-months of advisory services ($557,000) and training in the United States and Asian countries for approximately 472 man-months of training ($375,000). In the Food and Nutrition sector it is proposed to utilize $457,000 for the above activities including 51 man-months of advisory services ($257,000) along with 200 man-months of training ($200,000). Support to this sector will be aimed at addressing key problems as they relate to agricultural production, policy and resource utilization. In Population Planning and Health it is planned to utilize $175,000 for 20 months of advisory services ($100,000) and 72 man-months of training ($75,000). Support will focus on the expansion of family planning facilities along with the design and installation of rural health services. In Education and Human Resources Development, $300,000 is proposed to finance 40 man-months of advisory services ($200,000) along with 100 man-months of training ($100,000). Support to this sector will be geared to those selected key areas the Thai feel are appropriate in the development of their human resource base.

5th Quarter: $150,000 is requested in the fifth quarter for advisory services and training as follows: Food and Nutrition, ($50,000); Population and Health, ($50,000); and Education & Human Resources Development, ($50,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	-	-	
Estimated through 6/30/75	-	-	-
Proposed FY 76	932	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	150	2,918	4,000

Cost Components	OBLIGATIONS									PRINCIPAL CONTRACTORS/ AGENCIES
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.			
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
U.S. Technicians . .	-	-	-	-	557	557	-	100	100	To be selected
Participants	-	-	-	375	-	375	50	-	50	
Commodities	-	-	-	-	-	-	-	-	-	
Other Costs	-	-	-	-	-	-	-	-	-	
Total Obligations . .	-	-	-	375	557	932	50	100	150	

Country: THAILAND

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Program Development and Support	Food and Nutrition	FY 76 $500	5th Q. $50
NUMBER 493-11-990-275	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1976	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: The purpose of this project is to train staff, and provide technical consultants and evaluation services for the Seed and the Sericulture projects funded under Development loans. Training will be related to production as well as marketing, management, processing and distribution and seed certification. Evaluation and special surveys will focus on measuring project achievement and project redesign. The Royal Thai Government goal within the Agriculture Sector is to raise labor productivity in order to raise incomes on a broad scale in rural areas. The development program in agriculture will emphasize accelerated development and production of priority crops. The proposed loan for expansion of sericulture technology is designed to double the incomes of 1,500 poorer farm families in ten settlement areas of the Northeast. In addition to the loan in this area, grant funds are requested for evaluation and participant training. This grant element is important to the entire project in that it will provide technical training in sericulture technology while at the same time provide for an annual evaluation to ascertain the progress being made and problems confronted in this endeavor.

Progress to Date: The Thai Government and A.I.D. are currently working to finalize the Project Papers for the loans.

FY 1976 Program: A total of $500,000 is requested for consultant services ($100,000), about 250 man-months of training ($300,000) and education materials and local training ($100,000).

5th Quarter: A total of $50,000 is requested to continue participant training programs.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	-	-	
Estimated through 6/30/75	-	-	-
Proposed FY 76	500	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	50	150	700

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians . .	-	-	-	-	100	100	-	-	-
Participants	-	-	-	300	-	300	25	-	25
Commodities	-	-	-	-	-	-	-	-	-
Other Costs	-	-	-	.	100	100	25	-	25
Total Obligations . .	-	-	-	300	200	500	50	-	50

PRINCIPAL CONTRACTORS/ AGENCIES

Personal Services Contracts to be determined.

Country: THAILAND

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Health and Population Planning	Population Planning and Health	FY 76 $4,229	5th Q. $1,058
NUMBER 493-11-580-266	PRIOR REFERENCE P. 145, FY 1975 Asia PDB	INITIAL OBLIGATION FY: 1975	SCHEDULED FINAL OBLIGATION FY: Continuing

Project Target and Course of Action: The purpose of this project is to support the Royal Thai Government (RTG) in its efforts to attain its Third Five-Year Plan target of a 2.5% annual rate of population growth by the end of 1976, and to help prepare the services and the infrastructure needed to accelerate fertility declines through the Fourth Plan period (1977-81). These objectives are being pursued by: (1) supplying contraceptives to Thailand's National Family Planning Program (NFPP); (2) providing family planning medical kits for IUD insertions and sterilizations; and (3) supporting programmatic research and tests of complementary distribution channels (e.g. commercial sector) for contraceptive services.

Over 80% of U.S. assistance will consist of the first two categories--contraceptives and clinical contraceptive equipment--thereby focussing support on the family planning client. A survey of client characteristics conducted by the RTG Health Ministry indicates that 80% of acceptors are from the rural areas, and 90% have had four years or less of education. Thus, the primary target group--women of lower socio-economic status--is being reached by the program. It is anticipated that the project will have an immediate impact on 250,000 women.

Progress to Date: Basic health services including family planning are now available through a network of 4,500 rural clinics and provincial hospitals. To date over two million persons have accepted some form of family planning through the nation's health system.

FY 1976 Program: A total of 4.229 million is requested for family planning commodities including oral contraceptives, condoms and IUD-insertion and sterilization kits ($3.975 million); research grants and pilot studies of contraceptive commercialization ($54,000): and grants for completion of participant training programs commenced in prior fiscal years ($200,000). Continuing training programs will be implemented under the "Special Training for National Development" project.

5th Quarter: A total of $1.058 million is requested, the bulk of which will be used for commodity support, namely, oral contraceptives and condoms.

Note: $1.309 million funding in FY 1975 includes $290,000 non-Title X funds.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	1,309	900	
Estimated through 6/30/75	1,309	900	409
Proposed FY 76	4,229	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	1.058	Continuing	

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians ..	30	-	30	-	-	-	-	-	-
Participants	281	-	281	200	-	200	31	-	31
Commodities	708	-	708	3,975	-	3,975	1,009	-	1,009
Other Costs	290	-	290	54	-	54	18	-	18
Total Obligations ..	1,309	-	1,309	4,229	-	4,229	1,058	-	1,058

PRINCIPAL CONTRACTORS/ AGENCIES

Country: THAILAND

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Sericulture Production - Settlement	Food and Nutrition	$2,600
	KIND OF LOAN: Project	INITIAL OBLIGATION FY: 1976

A high priority goal of the Royal Thai Government (RTG) in its Third Five-Year Plan (1972-1976) and its forthcoming Fourth Five-Year Plan is to increase the income and welfare of poorer farmers, particularly in the northeast region. The RTG has identified sericulture as an activity warranting accelerated development because of its potential to increase the per capita income of farm families who are on the lower end of the income scale. The initial phase of the project will focus on ten selected settlement areas in the Northeast. It will attempt to double the income of the farmers in the project area by expanding production of hybrid silkworms through improved sericulture technology. The effect of the project will also be spread throughout the area as non-participating farmers take up the production of hybrid cocoons.

The loan will assist the RTG to introduce the modern sericulture technology to 150 selected farm families in each of ten settlement areas in the Northeast in order to increase production of hybrid cocoon and warp yarn silk. Project activities will include: (1) instruction in improved practices of mulberry tree production; (2) provision to farm families of grown hybrid worms for rearing under modern conditions; (3) improvement of central facilities for rearing young worms; (4) organization of a cooperative system for marketing cocoons and providing agricultural inputs; essential to the success of the project will be centralized training for farm families in the new sericulture technology and extension work in the application of newly acquired techniques. The loan will finance foreign exchange costs of needed equipment, primarily for the reeling plants and cooperatives, and a portion of local project costs.

It is expected that the project will result in doubling the income of farm families in the ten participating settlements and, by demonstration effect, greatly increasing the number of farm families that engage in sericulture to supplement their incomes. Project beneficiaries will be among the poorest Thai families.

Country: THAILAND

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Seed Development	Food and Nutrition	$2,400
	KIND OF LOAN	INITIAL OBLIGATION
	Project	FY: 1976

Despite Thailand's position as an exporter of food grains, agricultural yields per hectare are extremely low. Because the population growth rate (2.8%) exceeds rice yield increases (1.5%) and because unutilized agricultural land is no longer readily available, Thailand must increase land and labor productivity in the agricultural sector if it is to continue to produce sufficient quantities of food for domestic consumption and export. An important element in the strategy to increase agricultural yields is a viable seed program to ensure production, distribution, and promotion of seed for improved plant varieties developed through research.

The purpose of this loan is to increase the Thai capability to produce and replicate improved seeds at reasonable prices. This purpose will be achieved by financing the construction and initial operation of three seed-processing facilities and upgrading one existing plant. These four plants will be responsible for seed production, drying, cleaning, treating, storage, and marketing. An associated grant project will finance personnel training and evaluation activities. To ensure the success of the project, the Royal Thai Government (RTG) will establish a seed certification program, a seed marketing regulatory program, and a comprehensive promotion program to acquaint farmers, seed growers, marketing organizations, and commercial interests with the potential of the improved seed and its most effective use. The project will initially be administered by the Ministry of Agriculture and Cooperatives, but a plan is being developed for gradual transfer of responsibility for seed procurement processing and marketing to the newly established marketing organization for farmers, a semi-autonomous state enterprise.

In order to expand on the project's direct impact on Thailand's poor majority, a portion of the improved seed will be distributed to those RTG programs and activities that focus selectively with lower-income groups of farmers. Many of these programs are located in northeast Thailand, the poorest region in the country.

TABLE V

COUNTRY: THAILAND

GRANT ACTIVITY SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1974 Obligations	Through FY 1974 Expenditures	Through FY 1974 Unliquidated Obligations 6/30/74	Estimated FY 1975 Obligations	Estimated FY 1975 Expenditures	Estimated FY 1975 Unliquidated Obligations 6/30/75	Proposed Program FY 1976	Proposed 5th Q.	Future Year Obligations	Estimated Total Cost
FOOD AND NUTRITION								2,071			2,100	200		
Agricultural Development	*	493-11-190-180	1952	1977	19,356	17,782	1,574	1,689	2,086	1,177	478	75	425	22,023
Transfer of Technology & Mgt. Skills	*	493-11-755-274	1976	1978	-	-	-	-	-	-	457	50	1,968	2,475
Special Trng. for National Development	*	493-11-995-173	1965	1978	-	-	-	-	-	-	665	25	350	1,040
Program Development and Support	*	493-11-990-275	1976	1977	-	-	-	-	-	-	500	50	150	700
Accelerated Rural Development		493-11-810-163	1964	1975	63,632	59,889	3,743	382	2,959	1,166	-	-	-	64,014
Mobile Development Units		493-11-810-171	1964	1974	5,737	5,330	407	-	407	-	-	-	-	5,737
POPULATION PLANNING AND HEALTH								1,309			4,529	1,133		
Health and Population Planning	*	493-11-580-266	1975	Cont.	-	-	-	1,309	900	409	4,229	1,058	Cont.	Cont.
Transfer of Technology & Mgt. Skills	*	493-11-755-274	1976	1978	-	-	-	-	-	-	175	50	350	575
Special Trng. for National Development	*	493-11-995-173	1965	1978	-	-	-	-	-	-	125	25	150	300
Comprehensive Rural Health		493-11-540-179	1966	1974	6,395	6,176	219	-	219	-	-	-	-	6,395
Family Health and Planning		493-11-580-209	1968	1974	8,431	6,647	1,784	-	1,184	600	-	-	-	8,431
EDUCATION & HUMAN RESOURCES DEVELOPMENT								900			400	100		
Transfer of Technology & Mgt. Skills	*	493-11-755-274	1976	1978	-	-	-	-	-	-	300	50	600	950
Special Trng. for National Development	*	493-11-995-173	1965	1978	1,836	1,571	265	272	429	108	100	50	100	2,358
Private Enterprise/Private Sector Dev.		493-11-240-161	1957	1972	2,768	2,437	331	-	176	155	-	-	-	2,768
Labor Training and Management		493-11-450-237	1973	1974	189	121	68	-	68	-	-	-	-	189
Civil Police Administration		493-11-710-119	1957	1974	84,396	83,210	1,186	-	1,186	-	-	-	-	84,396
Commodity Management		493-11-750-235	1972	1974	252	154	98	-	98	-	-	-	-	252
Private Capital Investment		493-11-950-232	1972	1974	440	350	90	-	90	-	-	-	-	440
National Economic Policy and Planning		493-11-750-233	1972	1975	454	104	350	422	553	219	-	-	-	876
Rural Education		493-11-640-162	1964	1975	8,108	7,967	141	206	286	61	-	-	-	8,314
							Total	4,280	10,641	3,895	7,029	1,433		

*Detailed project narrative—See Table III.

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year: Actual FY 1974	Estimate FY 1975	Proposed FY 1976
A.I.D. employed	33	3	2
Participating agency	7	5	2
Contractor technicians	21	16	9
Total	61	24	13

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year: Actual FY 1974	Estimate FY 1975	Proposed FY 1976
Non-contract	241	487	338
Contract	-	-	-
Total	241	487	338

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Authorized as of 12/31/74

COUNTRY: THAILAND **(In Thousands of Dollars)** **TABLE VI**

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Currency of Repayment	Amount Authorized	As of 12/31/74		
		Authorized	Loan Agreement			Grace Period	Amortization			Amount Disbursed	Principal Repayments	Interest Collected
493-H-014	Project Development	2/16/73	3/22/74	10	40	2	3	US$	2,000	-	-	-
493-H-015	Agricultural Development	6/29/73	7/19/74	10	40	2	3	US$	5,000	-	-	-

Thailand

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS 1973	1974	TOTAL 1946-1974	REPAYMENTS AND INTEREST 1946-1974	TOTAL LESS REPAYMENTS AND INTEREST
I. ECONOMIC ASSISTANCE[a] – TOTAL	39.1	15.1	660.6	50.0	610.6
Loans	23.0	-	103.0	50.0	53.0
Grants	16.1	15.1	557.6	-	557.6
a. A.I.D. and Predecessor Agencies	21.1	7.1	587.0	39.7	547.3
Loans	7.0	-	63.2	39.7	23.5
Grants	14.1	7.1	523.8	-	523.8
(Security Supporting Assistance)	(10.6)	(5.1)	(412.9)		
b. Food for Peace (PL 480)	16.4	-	39.2	3.2	36.0
Title I - Total	16.0	-	33.6	3.2	30.4
Repayable in U.S. Dollars - Loans	16.0	-	30.0	0.6	29.4
Payable in Foreign Currency - Planned for Country Use	-	-	3.6	2.6	1.0
(Total Sales Agreements, incl. U.S. Uses)	(-)	(-)	(3.4)	(-)	(4.3)
Title II - Total	0.4	-	5.6	-	5.6
Emergency Relief, Econ. Development, & World Food	-	-	*	-	*
Voluntary Relief Agencies	0.4	-	5.6	-	5.6
c. Other Economic Assistance	1.6	8.0	34.4	7.1	27.3
Peace Corps	1.6	1.8	22.0	-	22.0
Other	-	6.2	12.4	7.1	5.3
II. MILITARY ASSISTANCE – TOTAL	49.5	34.0	1,237.2	-	1,237.2
Credits or Loans	-	-	-	-	-
Grants	49.5	34.0	1,237.2	-	1,237.2
a. MAP Grants	43.1	32.5	662.4	-	662.4
b. Credit Sales under FMS	-	-	-	-	-
c. Military Assistance Service-funded (MASF) Grants[c]	-	-	503.3	-	503.3
d. Transfers from Excess Stocks	6.4	1.5	54.1	-	54.1
e. Other Grants	-	-	17.4	-	17.4
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	88.6	49.1	1,897.8	50.0	1,847.8
Loans	23.0	-	103.0	50.0	53.0
Grants	65.6	49.1	1,794.8	-	1,794.8
Other U.S. Government Loans and Grants	7.5	7.9	77.4	60.5	16.9
a. Export-Import Bank Loans	7.5	7.9	76.7	59.7	17.0
b. All Other	-	-	0.7	0.8	-0.1

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1973	FY 1974	FY 1946-74
TOTAL	132.0	212.8	855.4
IBRD - World Bank	80.6	142.0	613.3
Int'l. Finance Corp.	-	-	22.8
Int'l. Dev. Association	25.0	7.0	32.0
Asian Dev. Bank	23.0	59.6	130.0
UN Development Program	3.4	0.3	40.4
Other UN (CY)	-	3.9	16.9

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

DONOR	CY 1972	CY 1973	CY 1960-73
TOTAL	51.2	41.2	466.6
Japan	33.3	22.1	285.7
Germany	9.2	5.1	95.1
Other	8.7	14.0	85.8

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1973 (Calendar Year)	-
1974 (Calendar Year)	-
Cumulative thru 1974	-

*Less than $50,000.

[a]Official Development Assistance (ODA) - Official concessional aid for development purposes.

[c]Revised series.

Regional

EAST ASIA REGIONAL

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EAST ASIA REGIONAL

OBJECTIVES OF U.S. ASSISTANCE

A.I.D. support for regional social and economic development programs in East Asia, undertaken pursuant to Title VIII of Chapter 2 of the Foreign Assistance Act of 1961, as amended, is designed to improve the prospects for peace and stability through regional cooperation to solve common problems:

-- Regional programs and projects provide social and economic benefits to the people of the area;

-- they also encourage regional cooperation, understanding, and interdependence.

FY 1976 PROGRAM

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

A total of $4.0 million is proposed during FY 1976 for Education and Human Resources Development:

-- This includes $1.870 million for continued support of the Southeast Asian Ministers of Education organization (SEAMEO) which promotes regional cooperation in education through development of regional institutions for training, advanced study and research in English teaching (Singapore), Tropical Agriculture (Philippines), Mathematics and Science teaching (Malaysia), Public Health and Tropical Medicine (at six national centers), Tropical Biology (Indonesia) and Educational Innovation and Technology (relocation from Vietnam under study) as well as for carrying out related activities of regional concern through the Secretariat (SEAMES).

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-- In addition to U.S. assistance, the SEAMEO program is supported by the eight member countries, other donor countries and private and international organizations.

-- The proposed A.I.D. program also includes $330,000 for continuation of the Regional Scholarship project. This project provides scholarship funds for Asian students at key institutions within the area that emphasize regional needs and programs.

-- An additional $1.300 million is proposed in FY 1976 for the Regional Computer Center project. Also noted, but with no FY 1976 funding requested, is the SEAMEO Non-Formal Education project. This project, which is designed to focus on human resource development needs in relation to the effective use of and adjustment to major

PROGRAM SUMMARY
(In thousands of dollars)

FISCAL YEAR	Total	Food and Nutrition	Population Planning and Health	Education and Human Resources Development	Selected Development Problems	Selected Countries and Organizations	Other Programs
1974							
Loans	5,000	-	-	-	5,000	-	-
Grants	4,790	600	69	3,424	-	697	-
Total	9,790	600	69	3,424	5,000	697	-
1975							
Loans	-	-	-	-	-	-	-
Grants	4,539	600	29	2,910	-	1,000	-
Total	4,539	600	29	2,910	-	1,000	-
1976							
Loans	-	-	-	-	-	-	-
Grants	7,300	-	-	4,000	2,100	1,200	-
Total	7,300	-	-	4,000	2,100	1,200	-
5th Quarter							
Loans	-	-	-	-	-	-	-
Grants	1,750	-	-	1,300	150	300	-
Total	1,750	-	-	1,300	150	300	-

water resource development programs and plans for the Lower Mekong Basin, is scheduled for initiation in FY 1975, with additional funding provided in FY 1977.

— $500,000 is also included in FY 1976 to continue the training and related activities of the Asian American Free Labor Institute (AAFLI) in the East Asia region.

SELECTED DEVELOPMENT PROBLEMS

A.I.D. continues to support the Regional Transportation and Communications Program. The Asian Development Bank in 1971 completed a $3.0 million transportation survey of Southeast Asia and A.I.D. has funded several feasibility studies in the transportation and communications fields.

— As a result of these efforts, over $174 million has been invested in transportation and communications projects from non-U.S. sources. During FY 1975, a transportation survey was completed covering the Indochina states which were not included in the original survey.

— The Coordinating Committee representing transportation and communications ministers of eight Southeast Asian countries agreed in May 1972 that a new regional organization, the Southeast Asian Agency for Regional Transport and Communications Development (SEATAC) be established.

— The new regional organization, with its Secretariat located in Kuala Lumpur, promotes and assists in the development of regional transport/communication projects in the region.

— In FY 1976, A.I.D. plans to provide $600,000 for feasibility studies and for technical support to the SEATAC Secretariat for continuation of these studies.

— A new project is proposed to expand involvement of the U.S. private voluntary organizations in economic and social development programs relating to rural and urban poor ($500,000).

— In addition, $1.0 million is proposed for FY 1976 under this category for the Program Development and Support project for such activities as region-wide and country sectoral studies, project design and evaluation, and other technical services related to planning.

SELECTED COUNTRIES AND ORGANIZATIONS

A total of $1.2 million is programmed in FY 1976 under this category for:

— The Southeast Asia Development Advisory Group Project ($950,000) which will support the inter-disciplinary seminars of SEADAG administered by the Asia Society and fund the East Asia Research Program for short-to-intermediate term research needs of A.I.D. missions in East Asia.

— The Program Development and Support Project ($250,000) which will provide financing of selected technical assistance of such organizations as the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Colombo Plan, and provide ad hoc technical assistance, for example, to improve the role and status of women in development.

Note: Support for ongoing Mekong Basin Development Planning activities in Laos and Thailand (previously funded under Indochina Postwar Reconstruction) will be accomodated in the Development Assistance funded FY 1976 program, to the extent practicable.

5th QUARTER

A total of $1.750 million is proposed for the 5th Quarter

EAST ASIA REGIONAL

to continue the training and related activities for:

-- The Asian American Free Labor Institute (AAFLI) in the East Asia Region ($1.3 million).

-- Program Development and Support project for regionwide and country sectoral studies, project design and evaluation, and other technical services related to planning ($200,000).

-- Partial funding of SEADAG contract and continuation of East Asia Research Program ($250,000).

Country: EAST ASIA REGIONAL

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Regional Education Development (SEAMEO)	Education & Human Resources Development	FY 76 $1,870	5th Q. –
NUMBER 498-11-690-198	PRIOR REFERENCE P. 86, FY 1975 IPR PDB	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1978

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 Asian Ministers of Education Organization (SEAMEO), six centers for advanced study and research are being developed with the support of host countries, the United States, and other donors.

Progress to Date: Following an initial meeting in November 1965, the Charter of the Southeast Asian Ministers of Education Organization was ratified in January 1969, legally establishing 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, with the Khmer Republic joining in January 1971. Regional governing bodies representing the member countries are now active in guiding programs of the regional centers. The U.S. has provided assistance for planning and early project activities as well as support of up to 50 percent of agreed project costs over a five-year operational period.

The Regional Center for Graduate Study and Research in Agriculture (SEARCA) at the University of the Philippines at Los Banos began its operational period in July 1969, followed by the Regional Center for Education in Science and Mathematics (RECSAM), Penang, Malaysia in July 1970. The operational program of the Regional Tropical Medicine and Public Health Project (TROPMED) also began in July 1970 and related national center programs are being established in six member countries. The Regional English Language Center (RELC) in Singapore began its operational period in January 1972, and the Regional Center Tropical Biology (BIOTROP), Bogor, Indonesia in July 1973. Following a transition period in Singapore, the Regional Center for Educational Innovation and Technology (INNOTECH) began its operational period in January 1975 in Saigon. Relocation of the Center is under study.

FY 1976 Program: Because of the completion of their five year operational periods, funding is not included for SEARCA, RECSAM, RELC and TROPMED. A total of $1.870 million is requested primarily for operational cost assistance ($1.235 million) to BIOTROP and INNOTECH with related commodity and contract advisory services ($135,000) plus scholarship and general project support ($500,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	17,200	15,489	1,711
Estimated FY 75	2,230	2,510	
Estimated through 6/30/75	19,430	17,999	1,431
Proposed FY 76	1,870	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	–	2,096	23,396

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians	–	135	135	–	38	38	–	–	–
Participants	–	–	–	–	–	–	–	–	–
Commodities	–	557	557	–	97	97	–	–	–
Other Costs	–	1,538	1,538	–	1,735	1,735	–	–	–
Total Obligations		2,230	2,230	–	1,870	1,870	–	–	–

PRINCIPAL CONTRACTORS/AGENCIES

Southeast Asian Ministers of Education Organization (SEAMEO)

Country: EAST ASIA REGIONAL

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Regional Scholarship Program	Education & Human Resources Development	FY 76 $330	5th Q. –
NUMBER 498-11-690-246	PRIOR REFERENCE P. 87, FY 1975 IPR PDB	INITIAL OBLIGATION FY: 1975	SCHEDULED FINAL OBLIGATION FY: 1979

Project Target and Course of Action: The purpose of this project is to encourage and strengthen the pattern of within-the-region study and training programs for Southeast Asians through the use of existing regional institutions and organizations.

This project provides scholarship assistance for a limited period to selected institutions and organizations which are capable of offering desirable opportunities for region-oriented study and training, and to which A.I.D. general budget support or scholarship funds are not otherwise being provided. Such organizations and institutions are supported basically by host country and other non-U.S. donors. Grants are made to the institutions and organizations for their direct administration within overall guidelines.

Progress to Date: Over the past decade a number of institutions and organizations have been established in Southeast Asia which focus on programs responsive to regional interests and needs. These include the Asian Institute of Technology, the Committee for Coordination of Investigations of the Lower Mekong Basin (Mekong Committee), the International Rice Research Institute, the Rodent Research Center, the Asian Institute of Management, the Asian Vegetable Research and Development Center, the Southeast Asian Agency for Regional Transport and Communications, the Inter-Governmental Coordinating Committee for Southeast Asia Regional Cooperation in Family and Population Planning, and the Southeast Asian Ministers of Education Organization (SEAMEO) which sponsors regional educational coordination and the development of regional education centers. Such institutions and organizations have been assisted in their development by the participating regional countries, the United States and other donor countries, as well as by private and international donor sources, including foundations. The SEAMEO Centers and related regional activities include areas of emphasis on education in general, health and agriculture, with elements of population, nutrition and rural development.

FY 1976 Program: A total of $330,000 is requested for "Other Costs" to provide scholarships for study and training programs in selected Southeast Asian institutions and organizations.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	–	–	–
Estimated FY 75	530	100	
Estimated through 6/30/75	530	100	430
Proposed FY 76	330	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	–	1,345	2,205

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians . .	–	–	–	–	–	–	–	–	–
Participants	–	–	–	–	–	–	–	–	–
Commodities	–	–	–	–	–	–	–	–	–
Other Costs		530	530	–	330	330	–	–	–
Total Obligations . .	–	530	530	–	330	330	–	–	–

PRINCIPAL CONTRACTORS/ AGENCIES

Southeast Asian Organizations and Institutions

Country: EAST ASIA REGIONAL

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Regional Computer Center	Education & Human Resources Development	FY 76 $1,300	5th Q. -
NUMBER 498-11-995-244	PRIOR REFERENCE P. 88, FY 1975 IPR PDB	INITIAL OBLIGATION FY: 1975	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: Use of modern computer-based techniques can accelerate the problem-solving and development processes of Asia. Advances in telecommunications, computer technology and information reproduction and dissemination techniques favor the development in Southeast Asia of a single center to permit the centralized assembly and storage of data and its transfer to those needing such data for development projects. The goal of this project is the establishment of such a center with communications terminals linking it to all countries in the region.

The need for engineering and technical information storage and retrieval in Asia is already urgent and will become increasingly so as economic and industrial development is accelerated. An important obstacle to computer applications in Asia is the lack of well-trained personnel. In addition, the dearth of computer programs for specific uses and the lack of information on the availability of existing computer programs that can be used present serious problems.

The Southeast Asian Regional Computer and Information Center will be designed to meet the needs described above, and thereby contribute significantly to more effective Asian development through better trained government personnel, new computer applications and data documentation, and the wide dissemination of critical information needed for development. The inputs to the Center would be a physical facility, an operating staff, a technological staff, modern computer hardware and software, and user-students from all participating Asian countries.

Progress to Date: In January 1975 an American architectural and engineering firm was hired to develop final design specifications for the Center building. IBM has publically offered $4.5 million in software, maintenance, personnel, scholarships, etc. over the next five years plus the free use of a major computer system to be installed at the Asian Institute of Technology in Bangkok. This offer was made to the Asian Institute of Technology through the A.I.T. Foundation, Inc., a U.S. organization established to raise funds for the A.I.T.

FY 1976 Program: A.I.D. will provide a grant totaling $1.3 million for the actual construction and supervision of the building to house the Regional Computer Center. Construction is expected to commence in early FY 1976. Completion of the building and installation of the computer and allied equipment are scheduled for mid-CY 1976.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	150	120	
Estimated through 6/30/75	150	120	30
Proposed FY 76	1,300	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	-	-	1,450

Cost Components	OBLIGATIONS									PRINCIPAL CONTRACTORS/ AGENCIES
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.			
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
U.S. Technicians	-	-	-	-	-	-	-	-	-	Asian Institute of Technology
Participants	-	-	-	-	-	-	-	-	-	
Commodities	-	-	-	-	-	-	-	-	-	
Other Costs	-	150	150	-	1,300	1,300	-	-	-	
Total Obligations	-	150	150	-	1,300	1,300	-	-	-	

Country: EAST ASIA REGIONAL

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Asian Free Labor Union Development	Education & Human Resources Development	FY 76 $500	5th Q. $1,300
NUMBER 498-11-410-017	PRIOR REFERENCE P. 183, FY 1975 ASIA PDB	INITIAL OBLIGATION FY: 1969	SCHEDULED FINAL OBLIGATION Reviewed FY Annually

Project Target and Course of Action: The purpose of this project is to strengthen the free trade union movements in the Asia area. Asian-American Free Labor Institute (AAFLI) representatives work with area unions, providing advice and material assistance toward development of workers education and community projects. These activities are aimed at upgrading union leadership, administration, collective bargaining, and membership and community services, and in developing union cooperatives, credit unions, and vocational skills training programs. AAFLI contracts with AFL-CIO affiliates and international trade secretariats, such as the International Federation of Petroleum and Chemical Workers, and the American Federation of Teachers, for short-term field workshops and seminars. AAFLI also sponsors attendance by area unionists at international labor union conferences, workshops and seminars, and at training programs in the United States.

Progress to Date: Since the signing of the original contract with AAFLI in 1968, short-term workshops and more extensive on-the-job training programs have been conducted in India, Malaysia, Turkey, Pakistan and the Philippines. In 1974, some 2,400 trade union officers and members participated in some 40 training programs sponsored by AAFLI, covering such topics as union organization, development and management of cooperatives, and various courses for up-grading of skills of union members. Resident staff located in the Philippines office serve countries of East Asia, provide short-term consulting services, and help to organize seminars and workshops.

FY 1976 Program: Proposed is $500,000 to partially fund the eighth year of AAFLI programs in East Asia as follows: $200,000 for 12 labor union specialists, 5 serving in Washington and 7 in the field, and various consultants; $100,000 for participant training: $100,000 for commodities such as office and shop equipment and training supplies: $50,000 for local costs; and $50,000 for international travel and general administrative costs.

Fifth Quarter Program: Proposed is $1.3 million to fund the remainder of the AAFLI programs in East Asia for the same items as during FY 1976, as follows: $200,000 for personnel: $100,000 for participants: $100,000 for commodities: $500,000 for local costs: and $400,000 for international travel and administrative costs.

NOTE: Funds are requested in the NESA Project Data Book for AAFLI activities in that region.

* Funding prior to FY 1976 also included in NESA FY 1976 CP.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74*	6,341	4,434	1,907
Estimated FY 75*	2,000	2,200	
Estimated through 6/30/75*	8,341	6,634	1,707
Proposed FY 76	500	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	1,300	Undetermined	

Cost Components	OBLIGATIONS									PRINCIPAL CONTRACTORS/ AGENCIES
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.			
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
U.S. Technicians	(Funded by NESA Bureau)			-	200	200	-	200	200	Asian-American Free Labor Institute (AAFLI)
Participants				-	100	100	-	100	100	
Commodities				-	100	100	-	100	100	
Other Costs				-	100	100	-	900	900	
Total Obligations	-	-	-	-	500	500	-	1,300	1,300	

Country: EAST ASIA REGIONAL

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Regional Transportation/Communications Development	Selected Development Problems	FY 76 $600	5th Q. –
NUMBER 498-11-995-210	PRIOR REFERENCE P. 82, FY 1975 IPR PDB	INITIAL OBLIGATION FY: 1969	SCHEDULED FINAL OBLIGATION FY: 1976

Project Target and Course of Action: The purpose of this project is to assist the Southeast Asian nations in planning the development of an integrated regional transportation and communications network.

Progress to Date: The Coordinating Committee, representing transportation and communications ministers of eight Southeast Asian nations, recommended during its twelfth meeting in Washington, D.C., in May 1972, that a new regional organization called the Southeast Asian Agency for Regional Transportation and Communications Development (SEATAC) be established under policy guidance of the Coordinating Committee. The purpose of this regional organization is to identify, promote, and assist the Asian nations in implementing transport and communications projects or studies recommended by the Asian Development Bank's Regional Transport Survey completed in late 1971. This organization, including its Secretariat located in Kuala Lumpur, Malaysia, was approved by the eight member governments during the Committee's Thirteenth Meeting in December 1972. The Secretariat is staffed by eight professional officers from the member governments. It is expected that the Secretariat will receive technical assistance in the form of experts from the Asian Development Bank, the United Nations Development Program, as well as from the governments of Japan, New Zealand, and Australia. To assist SEATAC in the development of its programs, the United States is providing, in FY 1975, two advisors plus short-term consultants, and has provided funding for selected feasibility studies, including Batangas (Philippines) and Palembang (Indonesia) ports, and for budgetary support, the latter being the third and final tranche over a three-year period. The Secretariat will receive approximately $181,000 from the Asian member governments for administrative expenses in 1975, and is continuing to coordinate a number of regional projects and study proposals submitted by the member governments or international development finance institutions.

FY 1976 Program: Funds totaling $600,000 are requested for this project in FY 1976 for U.S. technical assistance, ($110,000) and for selected feasibility studies ($490,000). A small portion of the latter amount is to finance Asian experts to under-take studies too limited in scope to attract U.S. companies. Such costs are being shared with several other participating governments. The Regional Economic Development Office in Bangkok, jointly with SEATAC, will review and fund all of such studies in close coordination with U.S. missions in Southeast Asia and other observing governments and financial institutions.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	3,588	3,266	322
Estimated FY 75	700	705	
Estimated through 6/30/75	4,288	3,971	317
Proposed FY 76	600	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	–	–	4,888

OBLIGATIONS

Cost Components	* Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians	–	–	–	–	–	–	–	–	–
Participants	–	–	–	–	–	–	–	–	–
Commodities	–	–	–	–	–	–	–	–	–
Other Costs	700	–	700	600		600	–	–	–
Total Obligations	700	–	700	600		600	–	–	–

PRINCIPAL CONTRACTORS/AGENCIES

Southeast Asian Agency for Transportation and Communications (SEATAC)

* IPR funded

Country: EAST ASIA REGIONAL

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Program Development & Support	Selected Development Problems & Selected Countries & Organizations	FY 76 $1,250	5th Q. $200
NUMBER 498-11-995-249	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1976	SCHEDULED FINAL OBLIGATION FY: 1980

Project Target Course of Action: The purpose of this project is to fund planning and small technical assistance activities for regional and bilateral programs including regional organizations. Proposed planning activities include region-wide studies of critical development problems common to the region, country specific sector studies, reconnaissance and feasibility studies, program evaluations, project design, technical assistance activities including modest support to regional organizations, participant training not related to other specific projects, and assistance in the establishment or strengthening of local organizations e.g., for the improvement of the status of women in development.

Progress to Date: This project succeeds the Regional Technical Advisory Services Project (498-11-995-165) which had the more narrow purpose of financing activities in support of East Asia regional cooperation which were too small to justify as separate projects. During FY 1975 the Regional Technical Advisory Services Project supported selected projects of the Asian Productivity Organization, provided a lecturer to the Asian Statistical Institute, contributed to the Colombo Staff College for Technician Education and supported selected activities of the Economic and Social Commission for Asia and the Pacific.

During FY 1975 the East Asia Bureau is undertaking extensive reviews of its programs. The results of these reviews will be the identification of studies and technical services to be funded in FY 1976.

FY 1976 Program: A total of $1.250 million is requested to finance: the costs of region-wide studies, sectoral studies, project design and evaluation and other technical services related to planning ($1.0 million proposed under appropriations category Selected Development Problems); and the costs of selected technical assistance activities of such organizations as the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Colombo Plan, and ad hoc technical assistance e.g., for improving the role and status of women in development ($250,000 proposed under appropriations category Selected Countries and Organizations).

5th Quarter: $200,000 is requested for continuation of these activities under the appropriations categories: Selected Development Problems ($150,000) and Selected Countries and Organizations ($50,000).

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	-	-	
Estimated through 6/30/75	-	-	-
Proposed FY 76	1,250	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	200	1,350	2,800

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians	-	-	-	40	760	800	20	48	68
Participants	-	-	-	-	-	-	-	-	--
Commodities	-	-	-	-	-	-	-	-	--
Other Costs	-	-	-	-	450	450	-	132	132
Total Obligations	-	-	-	40	1,210	1,250	20	180	200

PRINCIPAL CONTRACTORS/AGENCIES

ESCAP

Colombo Plan

Personal Services Contracts

Country: EAST ASIA REGIONAL

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Southeast Asia Development Advisory Group (SEADAG)	Selected Countries & Organizations	FY 76 $950	5th Q. $250
NUMBER 498-11-995-208	PRIOR REFERENCE P. 89, FY 1975 IPR PDB	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1977

Project Target and Course of Action: The purpose of this project is to strengthen United States and Asian competence to aid Southeast Asian development by supporting seminars and research efforts of Asian and American scholars. There are two main elements to this project: (a) the SEADAG program and (b) East Asia Research effort. Under the SEADAG, A.I.D. finances a contract with the Asia Society which organizes interdisciplinary seminars and professional meetings to stimulate the exchange of ideas between Asian and U.S. scholars and government officials on development issues of major concern to A.I.D. programs. The East Asia Research Program meets the priority short-to-intermediate research needs of A.I.D. Missions. Proposals are considered in terms of host government and Mission priorities.

Progress to Date: Since FY 1966, when the U.S. Government first contracted with the Asia Society for the SEADAG program, scholars have been drawn from over 90 universities and foundations offering a wide range of disciplines in the social and natural sciences. The basic structure of SEADAG consists of a small secretariat located in New York and seminar and professional meeting chairpersons selected by the Asia Society from universities across the country or from Asian countries. The annual program consists of ten two-to-three day seminars, six one-day professional meetings and a limited publication program. Seminars may be held in Asia or in the United States; professional meetings are held in the United States. Some recent topics have been the role of women in development, ways to promote effective planning for social welfare and rehabilitation, food and nutrition problems, and the social and political implications of land reform.

The East Asia Research program has approved some 49 projects to date, including eight in FY 1975. Recent examples of the research topics covered are: testing a water filter using local village materials, Vitamin "A" studies in Thailand and in Indonesia, land reform in the Philippines.

FY 1976 Program: Proposed for FY 1976 is $650,000 for a 12-month contract to finance SEADAG (secretariat semi-seminars, publications and project support) and $300,000 for the East Asia Research Program.

5th Quarter: Proposed is $250,000 to finance partially the final year of funding for SEADAG and to support the East Asia Research Program.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	4,219	3,988	231
Estimated FY 75	804	856	
Estimated through 6/30/75	5,023	4,844	179
Proposed FY 76	950	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	250	667	6,890

OBLIGATIONS

Cost Components	Estimated FY 1975 Direct AID	Estimated FY 1975 Contract/Other Agency	Estimated FY 1975 Total	Proposed FY 76 Direct AID	Proposed FY 76 Contract/Other Agency	Proposed FY 76 Total	Proposed 5th Q. Direct AID	Proposed 5th Q. Contract/Other Agency	Proposed 5th Q. Total
U.S. Technicians	-	-	-	-	-	-	-	-	-
Participants	-	-	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-	-	-
Other Costs	-	804	804	-	950	950	-	250	250
Total Obligations	-	804	804	-	950	950	-	250	250

PRINCIPAL CONTRACTORS/AGENCIES

The Asia Society

Country: EAST ASIA REGIONAL

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	PROPOSED OBLIGATION ($000)	
Private Voluntary Organizations	Selected Development Problems	FY 76 $500	5th Q. –
NUMBER 498-13-899-251	PRIOR REFERENCE –	INITIAL OBLIGATION FY: 1976	SCHEDULED FINAL OBLIGATION FY: 1979

Project Target and Course of Action: The purpose of this project is to increase the well-being of low income groups in countries of East Asia. It is proposed to expand the involvement of private voluntary organizations (Volags) in economic and social development programs targeted to reach the lowest income groups in certain rural, urban and resettlement areas in the region. Under the project, voluntary organizations submit specific project proposals to A.I.D. for review, approval, funding and guidance on programming and evaluation. The voluntary organizations are responsible for planning, management and implementation. They are also expected to provide certain financial inputs to the project.

Progress to Date: A.I.D. has had considerable experience over the years in working with voluntary organizations in the East Asia Region. In the wake of the 1972 Philippines floods, A.I.D. grant funds were made available to private U.S. voluntary agencies in a large-scale Food for Work program to rehabilitate the affected area. Other U.S. voluntary agencies have done outstanding work in recent months in refugee relief and resettlement, orphan and child care, and mother and child feeding programs in the region. A.I.D. staff assisted in project preparation and goal development. Numerous U.S. voluntary agencies are already operating in East Asia and are registered with the Advisory Committee on Volunteer Foreign Aid of A.I.D. The voluntary agencies are preparing project proposals for A.I.D. review and possible funding support.

FY 1976 Program: A Total of $500,000 is requested for financing private voluntary agencies on the basis of acceptable project proposals whose magnitude is in the range of $30,000 to $100,000 per project. A.I.D. will also provide technical assistance in project development, consulting and advisory assistance, and project monitoring and evaluation services as may be appropriate.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	–	–	–
Estimated FY 75	–	–	
Estimated through 6/30/75	–	–	–
Proposed FY 76	500	Future Year Obligations	Estimated Total Cost
Proposed 5th Quarter	–	1,400	1,900

Cost Components	OBLIGATIONS								
	Estimated FY 1975			Proposed FY 76			Proposed 5th Q.		
	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
U.S. Technicians	–	–	–	–	–	–	–	–	–
Participants	–	–	–	–	–	–	–	–	–
Commodities	–	–	–	–	–	–	–	–	–
Other Costs	–	–	–	–	500	500	–	–	–
Total Obligations	–	–	–	–	500	500	–	–	–

PRINCIPAL CONTRACTORS/ AGENCIES

Private Voluntary Organizations

TABLE V

COUNTRY: EAST ASIA REGIONAL

GRANT ACTIVITY SUMMARY
(Dollar Amounts in Thousands)

Project Title	*	Project Number	FY of Initial Obligation	FY of Scheduled Final Obligation	Through FY 1974 Obligations	Through FY 1974 Expenditures	Through FY 1974 Unliquidated Obligations 6/30/74	Estimated FY 1975 Obligations	Estimated FY 1975 Expenditures	Estimated FY 1975 Unliquidated Obligations 6/30/75	Proposed Program FY 1976	Proposed 5th Q.	Future Year Obligations	Estimated Total Cost
FOOD PRODUCTION AND NUTRITION								600			-	-		
Asian Vegetable R & D Center		498-11-130-212	1971	1975	2,400	2,042	358	600	800	158	-	-	-	3,000
POPULATION PLANNING AND HEALTH								29			-	-	-	-
Regional Family Planning		498-11-580-200	1971	Cont.	556	486	70	29	70	29	-	-	Undetermined	
EDUCATION AND HUMAN RESOURCES DEVELOPMENT								2,910			4,000	1,300		
Regional Education Development (SEAMEO)	*	498-11-690-198	1967	1978	17,200	15,489	1,711	2,230	2,510	1,431	1,870	-	2,096	23,396
Regional Computer Center	*	498-11-995-244	1975	1976	-	-	-	150	120	30	1,300	-	-	1,450
Regional Scholarship Program	*	498-11-690-246	1975	1979	-	-	-	530	100	430	330	-	1,345	2,205
SEAMEO Non-Formal Education 1/		498-11-690-242	1975	1978	-	-	-	(300)	(50)	(250)	-	-	684	984
Asian Free Labor Union Development 2/	*	498-11-410-017	1969	Cont.	6,341	4,434	1,907	2,000	2,200	1,707	500	1,300	Undetermined	
Asian Institute of Technology		498-15-660-114	1959	1974	13,729	13,129	600	-	600	-	-	-	-	13,729
Asian Institute of Management		498-13-770-224	1970	1970	300	295	5	-	5	-	-	-	-	300
SELECTED DEVELOPMENT PROBLEMS								-			2,100	150		
Regional Trans/Comm Development	*	498-11-995-210	1969	1976	3,588	3,266	322	3/(700)	705	317	600	-	-	4,888
Program Development and Support	*	498-11-995-249	1976	1980	-	-	-	-	-	-	1,000	150	1,050	2,200
Private Voluntary Organizations	*	498-13-899-251	1976	1979	-	-	-	-	-	-	500	-	1,400	1,900
SELECTED COUNTRIES AND ORGANIZATIONS								1,000			1,200	300		
SEA Development Advisory Group	*	498-11-995-208	1966	1977	4,219	3,988	231	804	856	179	950	250	667	6,890
Regional Technical Advisory Services		498-11-995-165	1963	1975	8,650	8,562	88	196	250	34	-	-	-	8,846
Program Development and Support	*	498-11-995-249	1976	1980	-	-	-	-	-	-	250	50	300	600
							Total	4,539	8,216	4,315	7,300	1,750		

*Detailed project narrative—See Table III.

1/ IPR in FY 1975. 2/ Funding prior to FY 1976 is included in NESA CP. 3/ IPR funded in FY 1975.

NUMBER OF U.S. TECHNICIANS (Program Overseas)

TYPE OF TECHNICIAN	On Duty At Close of Year: Actual FY 1974	Estimate FY 1975	Proposed FY 1976
A.I.D. employed	1	1	2
Participating agency	-	1	1
Contractor technicians	16	-	-
Total	17	2	3

NUMBER OF PARTICIPANTS

TYPE OF PARTICIPANT	Programmed During Year: Actual FY 1974	Estimate FY 1975	Proposed FY 1976
Non-contract	-	-	-
Contract	-	4	50
Total	-	4	50

STATUS OF ACTIVE DEVELOPMENT LOANS SUMMARY

Authorized as of 12/31/74

COUNTRY: EAST ASIA REGIONAL

(In Thousonds of Dollars)

TABLE VI

Loan No.		Date		Grace Period (years)	Life of Loan (years)	Interest Rate (%)		Currency of Repayment	Amount Authorized	As of 12/31/74		
		Auth-orized	Loan Agree-ment			Grace Period	Amorti-zation			Amount Disbursed	Principal Repay-ments	Interest Collected
498-W-001	Government of Laos Nam Ngum II - Hydroelectric Power	6/5/74	6/28/74	10	40	2%	3%	US$	5,000	11	-	-

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INTRODUCTORY NOTE

The program for which FY 1976 and fifth quarter authorization and appropriation are requested is outlined in the section of the Summary volume entitled FY 1976 Budget Request and is described in detail in the various supporting volumes of the presentation. In addition, however, there is summarized in the table below, and described in greater detail in succeeding pages, a number of projects and activities additional to those which can be accommodated within the requested authorization and appropriation amounts. These Additional Program Requirements are distinguished from the activities included in the FY 1976 and fifth quarter budget request only in terms of relative priority within limited fund availabilities as determined at this time. They have been subjected to the same program and project review process and are in the same state of readiness for implementation.

Experience suggests that factors beyond the control of A.I.D. or recipient countries, such as natural disasters, changes in political, economic, and security situations, unanticipated technical factors, changes in recipient countries' development needs and plans, etc., may prevent the implementation of some programs and projects proposed within the FY 1976 budget request. It is, of course, not possible to predict whether or where such changes may occur. In the event that any of the high priority projects now proposed for FY 1976 or fifth quarter funding cannot be carried forward, consideration will be given to replacing them with projects presented below as Additional Program Requirements.

ADDITIONAL PROGRAM REQUIREMENTS

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Country: THAILAND

GRANT ACTIVITY DATA

TABLE III

TITLE	FUNDS	Proposed Initial Obligation ($000)
Transfer of Technology and Management Skills	Food and Nutri.; Pop. Plan & Health Education & Human Resources Development	
NUMBER 493-11-755-274	PRIOR REFERENCE -	$1,068

Project Target and Course of Action: The purpose of this project is to improve Royal Thai Government (RTG) capabilities in development policy and problem analysis, program planning, implementation and evaluation. The focus of the project during FYs 1976 and 1977 is to provide advisory and training services for: (1) development, installation and evaluation of policy, programs and projects which increase social justice and economic opportunity, generate income and employment for the rural poor, and utilize more fully the capabilities of women; (2) identification, analysis and design of activities which increase the productivity of Thai resources aimed at critical problems and goals of the Fourth Five-Year Plan and beyond, particularly in respect to the poor majority.

U.S. technology and approaches useful to the RTG in developing its own solutions, plans and options for future problems will be made available through this project.

U.S. assistance will be provided to the major RTG agencies including the National Economic and Social Development Board, National Statistical Office, Ministry of Agriculture and Cooperatives and other institutions involved in national resources planning, policy formulation and implementation.

An additional program requirement totaling $1,068,000 is requested for 100 man-months of advisory services ($655,000) and training in the United States and Asian countries for approximately 400 man-months of training ($413,000).

In the Food and Nutrition sector it is proposed to utilize $600,000 for the above activities including 60 man-months of advisory services ($400,000) and 200 man-months of training ($200,000). Support to this sector will be aimed at addressing key problems as they relate to agricultural production, policy and resource utilization.

In Population Planning and Health it is planned to utilize $215,000 for 20 man-months of advisory services ($115,000) and 100 man-months of training ($100,000). Support will focus on the expansion of family planning facilities along with the design and installation of rural health services.

In Education and Human Resources Development it is planned to utilize $253,000 for 20 man-months of advisory services ($140,000) along with 100 man-months of training ($113,000). Support to this sector will be geared to those selected key areas the Thai feel are appropriate in the development of their human resource base.

U.S. DOLLAR COST (In Thousands)

	Obligations	Expenditures	Unliquidated
Through 6/30/74	-	-	-
Estimated FY 75	-	-	
Estimated through 6/30/75	-	-	-
Proposed 1st FY	1,068	Future Year Obligations 2,932	Estimated Total Cost 4,000

Cost Components	Obligations: Estimated 1st FY — Direct AID	Contract/ Other Agency	Total
U.S. Technicians	-	655	655
Participants	413	-	413
Commodities	-	-	-
Other Costs	-	-	-
Total Obligations	413	655	1,068

PRINCIPAL CONTRACTORS/AGENCIES

To be selected.

Country: INDONESIA

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Technical Assistance and Consulting Services	Food and Nutrition	$3,000
	KIND OF LOAN: Project	INITIAL OBLIGATION: FY 1976

The purpose of this loan is to finance up to 75% of the costs of professional services and related materials and equipment needed to carry out pre-feasibility and feasibility studies, sectoral or regional studies, market studies and various economic, technical and managerial studies related to capital projects or programs of the Indonesian Government in the context of the Second Five-Year Plan (1974-1979).

A prior project development loan of $5.0 million was authorized for Indonesia in FY 1972. Four studies have been undertaken under this loan in the fields of:

(1) Geothermal energy, (2) River-basin development
(3) Urban water and sewerage, and (4) Electric power.

All but one of these activities has resulted in or is anticipated to result in follow-up design and construction by American consultants and contractors. Four additional studies are under review which will fully commit the balance of the FY 1972 loan.

Under the proposed loan, Technical Assistance and Consulting Services will primarily involve the sectors of agriculture, health and education. An additional criterion will require that activities supported lead to improvements in the quality of life for the poor majority of Indonesia.

Country: INDONESIA

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Rural Sanitation Manpower Development	Population Planning and Health	$3,300
	KIND OF LOAN: Project	INITIAL OBLIGATION FY: 1976

The purpose of this loan is to support the efforts of the Indonesian Government to improve rural sanitation facilities and potable water systems. A specific target of the Second Five-Year Plan (1974-1979) is to increase the percentage of the rural population having access to potable water from 1% to 5% (representing more than 8 million people).

Poor health is a major problem affecting Indonesia's rural poor; it contributes to the low productivity of labor and low standards of living in rural areas. A major factor causing poor health is the low quality, or absence, of sanitation facilities -- including potable water.

The principal constraint to improving rural sanitation is the shortage of well-trained technical and administrative personnel capable of implementing rural water and sanitation schemes. This project will assist the Ministry of Health in creating a cadre of sanitarians and sanitarian technologists trained to implement such schemes. Funds from the A.I.D. loan will finance the costs of expanding and equipping existing school facilities, and will provide technical assistance to improve training curricula, train sanitation teachers, and organize in-service training programs for existing sanitarians.

Country: INDONESIA

LOAN ACTIVITY DATA

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Surakarta Municipal Water Supply	Population Planning and Health	$5,000
	KIND OF LOAN	INITIAL OBLIGATION
	Project	FY: 1976

Surakarta (Solo), one of the major cities on the island of Java, has a population of 420,000 people. There is a critical shortage of potable water in the city with the result that water-borne diseases are endemic among the population, especially among the low-income groups in the city.

The purpose of this project is to make a substantial contribution to better health among the city's residents by doubling the supply of potable water from 2500 to 5000 gallons per minute.

The project will involve: the installation of an additional 22-kilometer transmission main from a spring outside the city; renovation of existing distribution mains (approximately 20 kilometers); replacement of defective customer service connections; and assistance in procurement, supervision of construction and preparation of operating manuals. In addition, this loan will finance a groundwater survey (with exploratory drilling, if necessary) as the next logical step toward providing potable water to the entire population of the city.

Engineering design work for this project is currently being carried out under A.I.D. Loan No. 497-H-027, Project Development Loan.

The number of people served by the municipal water system will increase from 50,000 to 195,000 as a result of this project. Included in the higher figure are 65,000 of the poorer people in the city who will have access to potable water from public standpipes and baths.

Country: PHILIPPINES

LOAN ACTIVITY DATA

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Small Scale Irrigation	Food and Nutrition	$1,500
	KIND OF LOAN: Project	INITIAL OBLIGATION FY: 1976

In its long range program (1975-1985) the government of the Philippines hopes to nearly double annual rice production from the present 5.1 million metric tons of unmilled rice to approximately 9.7 million metric tons. The major vehicle for achieving such increase will be in improving and expanding the irrigation base.

One of the mechanisms for expanding irrigation and achieving the increased production objective is the successful organization and training of local farmer irrigation associations for building, operating and maintaining small scale irrigation systems, and adapting improved local production and marketing activities.

A.I.D. proposes in this loan to support the Philippine Government's Barrio Irrigation Service Association (BISA) program. This program will improve the performance of irrigation systems in the Philippines through the development and establishment of a management system whereby those with the strongest vested interests in system performance will occupy the leading role in managing the system, i.e. the water users. These are poor farmers with one to three hectares of rice land. Benefits will accrue primarily because the project will permit growing two crops of high yield varieties rice on land areas which now only produce one crop of lower yielding rice during the flood season.

Country: PHILIPPINES

LOAN ACTIVITY DATA

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Provincial Water Supply	Population Planning and Health	$10,000
	KIND OF LOAN	INITIAL OBLIGATION
	Project	FY: 1976

The purpose of this project is to help finance in selected rural population centers the construction of potable water systems which will be owned and operated by autonomous water user districts and be designed to provide reliable and sanitary water to low income families at prices they can afford. United Nations data conclude that the incidence of water-borne diseases is attributed in large measure to the absence of sanitary potable water systems.

Under a previous $20.0 million Provincial Water Supply loan and an existing technical assistance grant project, and in addition to a $10.0 million loan already budgeted in FY 76, A.I.D. is providing resources to establish seven systems and to develop the national and local institutional capacity required to assure the continuation of viable self-sustaining systems once established and placed in operation. These initial systems are designed to serve a population of 250,000 with projections of expanded service by 1982 to some 1,000,000, the majority of whom are among the lowest income groups in the Philippine economy. In addition, studies are being undertaken to explore ways in which community standpipes can be added to these and future systems to serve those members of the community who cannot afford, at even modest prices, the cost of individual house connections, and whose present consumption of water is limited by the difficulty in transporting water from source to point of use or by the high prices charged by water vendors.

This proposed loan will provide funding for three additional systems plus improvements to selected existing systems where entirely new systems need not be built.

It is estimated that some 300 rural communities have need of potable water supply systems. Based on experience to date, there is a growing interest on the part of many of these communities to have similar systems established in their areas. As the demand grows it is likely that other donors will be asked to help finance the additional systems throughout the country.

Country: THAILAND

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Lam Nam Oon On-Farm Development	Food and Nutrition	$3,520
	KIND OF LOAN: Project	INITIAL OBLIGATION FY: 1976

The Royal Thai Government (RTG) has stressed support for the rural sector in its Third Five-Year Plan and plans to give highest priority in its Fourth Five-Year Plan (starting 1976) to improving the conditions and income of small farmers as well as farm output. The RTG is concentrating on developing those areas in which existing capital investments have not yet been fully utilized. One such area is the Lam Nam Oon region in northeast Thailand where a 30-meter, earth-filled dam has been completed, with assistance from an earlier A.I.D. Loan (493-H-013). The loan will support the RTG's promotional efforts to help the predominantly poor farmers in this region make the most effective use of their small land holdings and irrigation water available as a result of the dam. The loan will finance two sub-projects, one concerned with farmers residing in the area downstream of the dam and the other concerned with farmers living in a resettlement area on the banks of the reservoir.

The downstream development sub-project will initially focus on a small pilot area of relatively good farmland where 10,000 farm families will be encouraged to carry out land consolidation, double cropping, and improve cultivation practices. This will be the first project carried out under the new land consolidation law. As this program demonstrates its potential for increased production, it will be extended by the Thai Government to remaining downstream farmland amenable to the improved practices. Other, less-productive land will be extensively developed through construction of ditches and dikes, land improvement and agricultural extension. The loan will provide approximately $2.520 million for the sub-project, financing foreign technical assistance, import of some equipment and materials and a portion of local cost activities.

The resettlement sub-project will include a pilot demonstration farm to acquaint 1,200 farm families in the area, many of whom were farming in the flood area above the dam, with improved on-farm practices, an agricultural extension program, and a program to develop village industry. The loan will provide approximately $1.0 million for technical assistance, equipment, and some local activities.

The overall project represents a direct effort to increase the incomes and welfare of some of the poorest farm families in Thailand. The soil quality in the region varies from good to poor, and average annual farm incomes are $200-250 in the downstream area and $150 in the resettlement area. It is expected that successful project activities can be replicated in other regions with similar characteristics.

Country: THAILAND

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Seed Development	Food and Nutrition	$800
	KIND OF LOAN	INITIAL OBLIGATION
	Project	FY: 1976

Despite Thailand's position as an exporter of food grains, agricultural yields per hectare are extremely low. Because the population growth rate (2.8%) exceeds rice yield increases (1.5%) and because unutilized agricultural land is no longer readily available, Thailand must increase land and labor productivity in the agricultural sector if it is to continue to produce sufficient quantities of food for domestic consumption and export. An important element in the strategy to increase agricultural yields is a viable seed program to ensure production, distribution, and promotion of seed for improved plant varieties developed through research.

The purpose of this loan is to increase the Thai capability to produce and replicate improved seeds at reasonable prices. This purpose will be achieved by financing the construction and initial operation of three seed-processing facilities and upgrading one existing plant. These four plants will be responsible for seed production, drying, cleaning, treating, storage, and marketing. An associated grant project will finance personnel training and evaluation activities. To ensure the success of the project, the Royal Thai Government (RTG) will establish a seed certification program, a seed marketing regulatory program, and a comprehensive promotion program to acquaint farmers, seed growers, marketing organizations, and commercial interests with the potential of the improved seed and its most effective use. The project will initially be administered by the Ministry of Agriculture and Cooperatives, but a plan is being developed for gradual transfer of responsibility for seed procurement processing and marketing to the newly established marketing organization to farmers, a semi-autonomous state enterprise.

In order to expand on the project's direct impact on Thailand's poor majority, a portion of the improved seed will be distributed to those RTG programs and activities that focus selectively with lower-income groups of farmers. Many of these programs are located in northeast Thailand, the poorest region in the country.

In addition to the $2.4 million requested for this project on page 77, $800,000 is requested to help develop an initial $1.500 million equivalent revolving fund for seed purchases.

Country: THAILAND

LOAN ACTIVITY DATA

TABLE IV

TITLE	FUNDS	PROPOSED OBLIGATION ($000)
Sericulture Production - Settlement	Food and Nutrition	$650
	KIND OF LOAN	INITIAL OBLIGATION
	Project	FY: 1976

A high priority goal of the Royal Thai Government (RTG) is its Third Five-Year Plan (1972-1976) and its forthcoming Fourth Five-Year Plan is to increase the income and welfare of poorer farmers, particularly in the northeast region. The RTG has identified sericulture as an activity warranting accelerated development because of its potential to increase the per capita income of farm families who are on the lower end of the income scale. The initial phase of the project will focus on ten selected settlement areas in the Northeast. It will attempt to double the income of the farmers in the project area by expanding production of hybrid silkworms through improved sericulture technology. The effect of the project will also be spread throughout the area as non-participating farmers take up the production of hybrid cocoons.

The loan will assist the RTG to introduce the modern sericulture technology to 150 selected farm families in each of ten settlement areas in the Northeast in order to increase production of hybrid cocoon and warp yarn silk. Project activities will include: (1) instruction in improved practices of mulberry tree production; (2) provision to farm families of grown hybrid worms for rearing under modern conditions; (3) improvement of central facilities for rearing young worms; (4) organization of a cooperative system for marketing cocoons and providing agricultural inputs; essential to the success of the project will be centralized training for farm families in the new sericulture technology and extension work in the application of newly acquired techniques. The loan will finance foreign exchange costs of needed equipment, primarily for the reeling plants and cooperatives, and a portion of local project costs.

It is expected that the project will result in doubling the income of farm families in the ten participating settlements and, by demonstration effect, greatly increasing the number of farm families that engage in sericulture to supplement their incomes. Project beneficiaries will be among the poorest Thai families.

In addition to the $2.6 million requested for this project on page 76, $650,000 is requested for partial funding of the Bank for Agriculture and Agricultural Cooperatives, to enable it to make loans to construct central and on-farm silk worm rearing houses.

Laos

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

PROGRAM	U.S. OVERSEAS LOANS AND GRANTS-OBLIGATIONS AND LOAN AUTHORIZATIONS 1973	1974	TOTAL 1946-1974	REPAYMENTS AND INTEREST 1946-1974	TOTAL LESS REPAYMENTS AND INTEREST
I. ECONOMIC ASSISTANCE[a] – TOTAL	50.8	39.5	881.5	-	881.5
Loans	-	-	-	-	-
Grants	50.8	39.5	881.5	-	881.5
a. A.I.D. and Predecessor Agencies	47.8	33.6	859.7	-	859.7
Loans	-	-	-	-	-
Grants	47.8	33.6	859.7	-	859.7
(Security Supporting Assistance)	(45.0)	(33.0)	(751.4)		
b. Food for Peace (PL 480)	3.0	4.3	20.2	-	20.2
Title I - Total	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-
(Total Sales Agreements, incl. U.S. Uses)	(-)	(-)	(-)	(-)	(-)
Title II - Total	3.0	4.3	20.2	-	20.2
Emergency Relief, Econ. Development, & World Food	2.8	3.9	15.4	-	15.4
Voluntary Relief Agencies	0.2	0.4	4.8	-	4.8
c. Other Economic Assistance	-	1.6	1.6	-	1.6
Peace Corps	-	-	-	-	-
Other	-	1.6	1.6	-	1.6
II. MILITARY ASSISTANCE – TOTAL	373.6	76.1	1,639.2	-	1,639.2
Credits or Loans	-	-	-	-	-
Grants	373.6	76.1	1,639.2	-	1,639.2
a. MAP Grants	-	-	330.7	-	330.7
b. Credit Sales under FMS	-	-	-	-	-
c. Military Assistance Service-funded (MASF) Grants[r]	369.2	75.9	1,268.8	-	1,268.8
d. Transfers from Excess Stocks	4.4	0.2	33.7	-	33.7
e. Other Grants	-	-	6.0	-	6.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	424.4	115.6	2,520.7	-	2,520.7
Loans	-	-	-	-	-
Grants	424.4	115.6	2,520.7	-	2,520.7
Other U.S. Government Loans and Grants	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-
b. All Other	-	-	-	-	-

OTHER ECONOMIC PROGRAMS

ASSISTANCE FROM INTERNATIONAL AGENCIES COMMITMENTS

	FY 1973	FY 1974	FY 1946-74
TOTAL	1.7	7.2	21.5
Asian Dev. Bank	1.4	6.0	11.7
UN Development Program	0.3	1.2	8.1
Other UN (CY)	-	-	1.7

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

DONOR	CY 1972	CY 1973	CY 1960-73
TOTAL	17.9	19.4	149.0
France	8.0	7.0	52.2
Japan	5.4	5.4	36.6
U.K.	2.2	2.2	32.9
Germany	0.5	1.9	10.8
Other	1.8	2.9	16.5

ASSISTANCE FROM COMMUNIST COUNTRIES (LOANS AND GRANTS EXTENDED)

1973 (Calendar Year)	-
1974 (Calendar Year)	25
Cumulative thru 1974	25

*Less than $50,000.

[a]Official Development Assistance (ODA) - Official concessional aid for development purposes.

[r]Revised Series.