AGENCY FOR INTERNATIONAL DEVELOPMENT

Congressional Presentation
Fiscal Year 1986

ANNEX III

Latin America and the Caribbean
Volume I

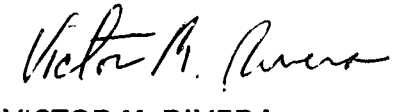
ANNEX III

South America and the Caribbean
Volume I

SOUTH AMERICA AND THE CARIBBEAN

VOLUME I

Responsible Officer



VICTOR M. RIVERA
Assistant Administrator
Bureau for Latin America and the Caribbean

Honduras
Haiti
Dominican Republic
Belize
Jamaica
Eastern Caribbean*
Guatemala
El Salvador
Costa Rica
Panama
Ecuador
Peru
Bolivia
South America and the Caribbean
DA: $192.31 Million
ESF: $232.5 Million
FY 1986 Development Assistance
FY 1986 Economic Support Fund
*Receives assistance only through the Caribbean Regional Program.

Annex III

Annex III, consisting of Volumes I and II, presents to the Congress all Development Assistance (DA) and Economic Support Fund (ESF) programs for Latin America and the Caribbean (LAC) for which A.I.D. is requesting funds for FY 1986. Volume I presents the budget request for the South American and Caribbean countries. Volume II presents the budget request for the Central American countries.

Volume I begins with a region-wide summary table which provides a breakout by country and appropriation account of the funding requirements for the Latin American and Caribbean countries from FY 1983 to FY 1986. Programs are grouped by subregion (Central America, the Caribbean, and South America), and subtotals are shown for each subregion. There is also a table of economic and social data for countries that receive A.I.D. assistance.

The Latin America and Caribbean overview presented in this volume provides a regional summary of the Agency's programs in Latin America and the Caribbean. This is followed by two subregional sections (the Caribbean and South America) which contain tables and overviews for each subregion, and country narratives describing the total A.I.D. program, including FY 1986. The narratives are followed by planned project summary sheets which present in detail the proposed new projects in FY 1986 for two regional programs and six Caribbean and South American country programs. Note that the regional projects presented in this annex are different from the centrally-funded programs described in Annex V.

Requests for ESF and DA funds are shown together. The ESF requests are shown under the heading "Other Programs, ESF" on both the planned project summary sheets and the summary table of active and proposed projects.

Volume I of Annex III concludes with tables on terminating programs and a list of additional program requirements, also known as "shelf projects." These include projects and activities not noted in the proposal to Congress but which represent valid development requirements. To the extent that additional funds become available, such projects are candidates for funding in FY 1986.

LATIN AMERICA AND THE CARIBBEAN

VOLUME I - SOUTH AMERICA AND THE CARIBBEAN

TABLE OF CONTENTS

	Page
Summary of Programs by Country and Appropriation	1
Economic and Social Data (Regional Summary)	5
Overview of Latin America and the Caribbean	11
Overview of the Caribbean	27
Dominican Republic	31
Haiti	55
Jamaica	83
Caribbean Regional	109
Overview of South America	135
Bolivia	139
Ecuador	159
Peru	183
Latin America and Caribbean Regional	207
Terminating Programs	221
Guyana	223
Paraguay	225
Suriname	227
Additional Program Requirements	229

Note: The FY 1986 budget presentation for Central American countries (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Panama, and Central America Regional) is contained in Volume II.

ABBREVIATIONS

ARDN	Agriculture, Rural Development and Nutrition
BANEX	Agroindustrial and Export Bank (Banco Agro-Industrial y de Exportaciones)
BCA	Agricultural Credit Bureau
BLADEX	Latin American Export Bank
CABEI	Central American Bank for Economic Integration
CACM	Central American Common Market
CACMF	Central American Common Market Fund
CADO	Central American Development Organization
CARDI	Caribbean Agricultural Research Development Institute
CARE	Cooperation for American Relief Everywhere
CARICOM	Caribbean Community and Common Market
CATIE	Tropical Agricultural Research and Training Center
CBI	Caribbean Basin Initiative
C/CAA	Caribbean/Central American Action
CCC	Commodity Credit Corporation
CDB	Caribbean Development Bank
CET	Common External Tariff
CRS	Catholic Relief Services
CURLA	Honduran University Agriculture School
DA	Development Assistance
EEC	European Economic Community
EHR	Education and Human Resources
ESF	Economic Support Fund
GDP	Gross Domestic Product
GNP	Gross National Product
GOB	Government of Belize
GOB	Government of Bolivia
GOCR	Government of Costa Rica
GODR	Government of Dominican Republic
GOE	Government of Ecuador
GOES	Government of El Salvador
GOG	Government of Guatemala
GOG	Government of Grenada
GOH	Government of Haiti
GOH	Government of Honduras
GOJ	Government of Jamaica
GOP	Government of Panama
GOP	Government of Peru
HG	Housing Guaranty
IBRD	International Bank for Reconstruction and Development (World Bank)
ICAITI	Central American Research Institute for Industry
ICI	Intermediate Credit Institution
IDB	Inter-American Development Bank
IICA	Inter-American Institute of Agricultural Cooperation

IMF	International Monetary Fund
INCAE	Central American Business School
INCAP	Nutrition Institute for Central America and Panama
LAAD	Latin American Agribusiness Development Corporation
LAC	Latin America and the Caribbean
LDC	Less Developed Countries
MGRR	Guatemalan Movement of Rural Reconstruction
MOH	Ministry of Health
NDF	National Development Foundation
NGO	Nongovernmental Organization
OF	Operation Friendship
OPG	Operational Program Grant
OPIC	Overseas Private Investment Corporation
PADF	Pan American Development Foundation
PVO	Private Voluntary Organization
RENARE	Panama Directorate of Renewable Natural Resources
RTC	Regional Training Center
TRACO	Trading Company
UCMM	Mother and Teacher Catholic University (Universidad Catolica Madre y Maestra)
UNFPA	United Nations Fund for Population Activities
USIA	United States Information Agency

Previous Page Blank

Summary of Programs
by Country and
Appropriation

SUMMARY OF LAC PROGRAMS BY SUBREGION , COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

CP-86

REGION: BUREAU FOR LATIN AMERICA AND CARIBBEAN

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
CENTRAL AMERICA									
BELIZE									
1983	16,697	6,440	---	---	---	---	257	10,000	---
1984	3,875	3,230	---	240	---	---	405	---	---
1985	21,450	3,090	50	1,900	---	2,050	360	14,000	---
1986	10,800	3,500	---	1,225	---	625	1,450	4,000	---
COSTA RICA									
1983	184,159	15,650	975	5,988	---	600	3,946	157,000	---
1984	145,400	2,482	475	4,402	---	966	7,075	130,000	---
1985	179,596	2,850	1,525	50	---	3,796	11,375	160,000	---
1986	164,350	1,125	1,025	50	---	150	12,000	150,000	---
EL SALVADOR									
1983	198,785	35,529	1,850	17,014	---	272	4,120	140,000	---
1984	161,295	30,744	1,925	6,084	---	175	2,133	120,234	---
1985	378,000	31,000	6,225	14,875	---	15,425	25,475	285,000	---
1986	299,800	41,875	5,700	12,300	---	8,325	21,600	210,000	---
GUATEMALA									
1983	22,216	8,862	1,933	171	---	750	500	10,000	---
1984	4,375	2,252	1,273	550	---	200	100	---	---
1985	69,171	22,400	2,650	9,900	---	18,171	3,550	12,500	---
1986	58,000	16,500	2,803	7,400	---	5,100	1,197	25,000	---
HONDURAS									
1983	87,226	23,780	1,689	4,022	---	1,275	460	56,000	---
1984	70,995	21,140	1,700	2,150	---	1,905	4,100	40,000	---
1985	196,312	16,600	2,600	11,200	---	10,162	8,250	147,500	---
1986	125,000	26,950	2,300	2,900	---	8,625	4,225	80,000	---
PANAMA									
1983	6,230	600	213	---	---	589	4,828	---	---
1984	10,720	6,350	370	---	---	210	3,790	---	---
1985	74,000	10,950	760	---	---	2,970	9,320	50,000	---
1986	62,600	13,150	60	---	---	3,000	6,390	40,000	---
ROCAP									
1983	19,399	3,584	---	---	---	2,150	13,665	---	---
1984	15,458	10,291	---	20	---	1,100	4,047	---	---
1985	158,905	15,305	---	13,350	---	18,500	13,750	98,000	---
1986	148,500	11,950	---	7,475	---	25,700	11,875	91,500	---

SUMMARY OF LAC PROGRAMS BY SUBREGION , COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

CP-86

REGION: BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
SUBTOTAL CENTRAL AMERICA									
1983	534,712	94,445	6,660	27,195	---	5,636	27,776	373,000	---
1984	412,118	76,489	5,743	13,446	---	4,556	21,650	290,234	---
1985	1,077,434	102,195	13,810	51,275	---	71,074	72,080	767,000	---
1986	869,050	115,050	11,888	31,350	---	51,525	58,737	600,500	---
CARIBBEAN									
DOMINICAN REPUBLIC									
1983	34,526	20,633	318	577	---	2,500	2,488	8,000	10
1984	64,346	16,830	50	4,924	---	7,140	1,402	34,000	---
1985	122,000	11,100	650	3,951	---	7,419	3,880	95,000	---
1986	80,000	15,180	1,350	2,070	---	4,700	6,700	50,000	---
HAITI									
1983	27,323	9,793	1,530	4,651	---	587	724	10,000	38
1984	25,738	10,228	2,820	6,179	---	490	925	5,096	---
1985	30,700	12,039	3,004	5,170	3,000	1,000	1,487	5,000	---
1986	30,300	14,232	1,880	4,108	---	1,400	3,380	5,300	---
GRENADA									
1983	---	---	---	---	---	---	---	---	---
1984	46,966	---	---	---	---	---	---	46,966	---
1985	8,032	---	---	---	---	---	---	8,032	---
1986	---	---	---	---	---	---	---	---	---
JAMAICA									
1983	81,531	5,781	1,322	668	---	8,605	5,805	59,350	---
1984	87,639	11,349	1,530	406	---	7,034	12,320	55,000	---
1985	95,500	8,005	1,638	244	---	7,048	8,565	70,000	---
1986	94,000	5,750	3,539	40	---	6,071	8,600	70,000	---
CARIBBEAN REGIONAL									
1983	58,178	2,349	625	1,465	---	4,223	14,516	35,000	---
1984	56,003	3,218	1,050	940	---	2,057	17,918	30,820	---
1985	47,744	7,994	2,015	3,450	---	6,300	7,985	20,000	---
1986	66,100	6,100	2,600	1,500	---	8,800	12,100	35,000	---
SUBTOTAL CARIBBEAN									
1983	201,558	38,556	3,795	7,361	---	15,915	23,533	112,350	48
1984	280,692	41,625	5,450	12,449	---	16,721	32,565	171,882	---
1985	303,976	39,138	7,307	12,815	3,000	21,767	21,917	198,032	---
1986	270,400	41,262	9,369	7,718	---	20,971	30,780	160,300	---

SUMMARY OF LAC PROGRAMS BY SUBREGION, COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

CP-86

REGION: BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
SOUTH AMERICA									
BOLIVIA									
1983	11,383	9,255	10	392	---	1,001	725	---	---
1984	52,320	10,565	5	612	---	779	1,059	---	39,300
1985	10,550	6,850	10	655	---	1,300	1,735	---	---
1986	17,850	4,865	10	120	---	1,050	1,805	10,000	---
ECUADOR									
1983	21,543	4,546	1,520	150	---	1,303	1,761	---	12,263
1984	22,468	7,527	839	302	---	1,089	1,711	---	11,000
1985	26,067	9,110	550	7,754	---	4,060	4,593	---	---
1986	40,000	10,600	1,550	4,550	---	3,300	5,000	15,000	---
PARAGUAY									
1983	---	---	---	---	---	---	---	---	---
1984	180	180	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---
1986	---	---	---	---	---	---	---	---	---
PERU									
1983	35,493	17,823	1,548	520	---	681	8,500	---	6,421
1984	118,673	15,387	1,749	125	---	390	1,294	---	99,728
1985	38,217	13,002	4,100	2,570	---	2,615	1,959	---	13,971
1986	69,560	14,925	650	800	---	2,325	5,860	45,000	---
SUBTOTAL SOUTH AMERICA									
1983	68,419	31,624	3,078	1,062	---	2,985	10,986	---	18,684
1984	193,641	33,659	2,593	1,039	---	2,258	4,064	---	150,028*
1985	74,834	28,962	4,660	10,979	---	7,975	8,287	---	13,971*
1986	127,410	30,390	2,210	5,470	---	6,675	12,665	70,000	---
LAC REGIONAL									
1983	36,917	4,071	655	95	---	12,483	4,603	15,010	---
1984	22,963	2,830	300	186	---	12,686	4,961	2,000	---
1985	28,351	2,776	1,450	950	---	13,640	7,535	2,000	---
1986	27,000	2,000	2,050	1,600	---	13,820	5,330	2,200	---
GRAND TOTAL									
1983	841,606	168,696	14,188	35,713	---	37,019	66,898	500,360	18,732
1984	909,414	154,603	14,086	27,120	---	36,221	63,240	464,116	150,028*
1985	1,484,595	173,071	27,227	76,019	3,000	114,456	109,819	967,032	13,971*
1986	1,293,860	188,702	25,517	46,138	---	92,991	107,512	833,000	---

*International Disaster Assistance funded from prior year deobligations.

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: CARIBBEAN

COUNTRY	ECONOMY: GNP PER CAPITA (DOLLARS)	EDUCATION: LITERACY RATE (PERCENT)	POPULATION: TOTAL (THOUSANDS)	POPULATION: ANNUAL GROWTH RATE (PERCENT)	POPULATION: DENSITY (PERSONS / SQUARE KM) POP/AGR LAND	POPULATION: DENSITY POP/TOTAL LAND	POPULATION: % IN URBAN AREAS	POPULATION: LABOR FORCE IN AGRICULTURE (PERCENT)	HEALTH: PEOPLE PER DOCTOR	HEALTH: LIFE EXPECTANCY (YEARS)	HEALTH: INFANT DEATHS PER 1,000 BIRTHS
DEVELOPMENT ASSISTANCE RECIPIENTS											
DOMINICAN REPUBLIC	1,330	67	6,416	2.7	203	11,461	55	45	4,019	63.3	76
HAITI	300	21	5,654	1.9	364	18,393	27	57	8,202	54.9	108
JAMAICA	1,330	96	2,388	1.6	469	20,036	46	37	2,832	72.7	29
DA SUMMARY	927	54	14,458	2.2	306	15,663	43	48	4,144	61.5	81

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: CARIBBEAN

COUNTRY	ECONOMY: GNP PER CAPITA (DOLLARS)	EDUCATION: LITERACY RATE (PERCENT)	POPULATION: TOTAL (THOUSANDS)	POPULATION: ANNUAL GROWTH RATE (PERCENT)	POPULATION: DENSITY (PERSONS / SQUARE KM) POP/AGR LAND	POPULATION: DENSITY POP/TOTAL LAND	POPULATION: % IN URBAN AREAS	POPULATION: LABOR FORCE IN AGRICULTURE (PERCENT)	HEALTH: PEOPLE PER DOCTOR	HEALTH: LIFE EXPECTANCY (YEARS)	HEALTH: INFANT DEATHS PER 1,000 BIRTHS
ECONOMIC SUPPORT FUND RECIPIENTS											
DOMINICAN REPUBLIC	1,330	67	6,416	2.7	203	11,461	55	45	4,019	63.3	76
HAITI	300	21	5,654	1.9	364	18,393	27	57	8,202	54.9	108
JAMAICA	1,330	96	2,388	1.6	469	20,036	46	37	2,832	72.7	29
ESF SUMMARY	927	54	14,458	2.2	306	15,663	43	48	4,144	61.5	81
REGION SUMMARY	927	54	14,458	2.2	306	15,663	43	48	4,144	61.5	81

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: SOUTH AMERICA

COUNTRY	ECONOMY: GNP PER CAPITA (DOLLARS)	EDUCATION: LITERACY RATE (PERCENT)	POPULATION: TOTAL (THOUSANDS)	POPULATION: ANNUAL GROWTH RATE (PERCENT)	POPULATION: DENSITY (PERSONS / SQUARE KM) POP/AGR LAND	POPULATION: DENSITY POP/TOTAL LAND	POPULATION: % IN URBAN AREAS	POPULATION: LABOR FORCE IN AGRICULTURE (PERCENT)	HEALTH: PEOPLE PER DOCTOR	HEALTH: LIFE EXPECTANCY (YEARS)	HEALTH: INFANT DEATHS PER 1,000 BIRTHS
DEVELOPMENT ASSISTANCE RECIPIENTS											
BOLIVIA	570	63	6,037	2.6	19	521	47	46	1,849	51.8	122
BRAZIL	2,240	76	134,380	2.3	53	1,457	70	30	1,681	64.7	66
ECUADOR	1,350	86	8,648	2.7	122	2,747	51	48	927	64.9	67
PARAGUAY	1,610	80	3,623	2.7	17	752	41	44	1,712	65.9	45
PERU	1,310	73	19,066	2.4	56	1,325	68	39	1,391	59.2	99
DA SUMMARY	2,020	76	171,754	2.4	32	989	68	33	1,421	63.7	71

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: SOUTH AMERICA

COUNTRY	ECONOMY: GNP PER CAPITA (DOLLARS)	EDUCATION: LITERACY RATE (PERCENT)	POPULATION: TOTAL (THOUSANDS)	POPULATION: ANNUAL GROWTH RATE (PERCENT)	POPULATION: DENSITY (PERSONS / SQUARE KM) POP/AGR LAND	POPULATION: DENSITY (PERSONS / SQUARE KM) POP/TOTAL LAND	POPULATION: % IN URBAN AREAS	POPULATION: LABOR FORCE IN AGRICULTURE (PERCENT)	HEALTH: PEOPLE PER DOCTOR	HEALTH: LIFE EXPECTANCY (YEARS)	HEALTH: INFANT DEATHS PER 1,000 BIRTHS
ECONOMIC SUPPORT FUND RECIPIENTS											
BOLIVIA	570	63	6,037	2.6	19	521	47	46	1,849	51.8	122
ECUADOR	1,350	86	8,648	2.7	122	2,747	51	48	927	64.9	67
PERU	1,310	73	19,066	2.4	56	1,325	68	39	1,391	59.2	99
ESF SUMMARY	1,188	74	33,751	2.5	38	987	60	43	1,283	59.3	95
REGION SUMMARY	2,020	76	171,754	2.4	32	989	68	33	1,421	63.7	71

Previous Page Blank

OVERVIEW OF LATIN AMERICA AND THE CARIBBEAN AND REGIONAL ACTIVITIES

LATIN AMERICA AND THE CARIBBEAN

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans	423,238	100,239	-	13,655	10,518	35,026	132,500	131,300
Grants	486,176	54,364	14,086	13,465	25,703	28,214	331,616	18,728
Total	909,414	154,603	14,086	27,120	36,221	63,240	464,116	150,028*
1985								
Loans	250,424	77,900	-	17,525	26,508	34,810	87,500	6,181
Grants	1,234,171	95,171	27,227	58,494	87,948	75,009	879,532	10,790
Total	1,484,595	173,071	27,227	76,019	114,456	109,819	967,032	16,971**
1986								
Loans	321,540	73,680	1,000	10,800	14,500	41,560	180,000	-
Grants	972,320	115,022	24,517	35,338	78,491	65,952	653,000	-
Total	1,293,860	188,702	25,517	46,138	92,991	107,512	833,000	-

*International Disaster Assistance funded from prior year deobligations.
**Includes $13.971 million of International Disaster Assistance funded from prior year deobligations, and $3.0 million of FY 1985 Child Survival Funds.

FY 1986
PROGRAM HIGHLIGHTS

- For the Latin America and Caribbean Region a total of $460.9 million of Development Assistance, $833 million of Economic Support Funds, $257.3 million in P.L. 480 assistance, and $25 million in Housing Guaranties are proposed.
- For FY 1986 $600.5 million of ESF, $268.6 million of DA, and $110.8 million of P.L. 480 assistance is proposed for the Central American countries.
- For FY 1986 $160.3 milion of ESF, $110.1 million of DA, and $87.9 million of P.L. 480 assistance is proposed for the Caribbean countries.
- For FY 1986 $70 million of ESF is proposed for the three South American recipient countries: Peru ($45 million), Ecuador (15 million), and Bolivia ($10 million).

LATIN AMERICA AND THE CARIBBEAN

Overview

Introduction

Economic and political crises in the hemisphere threaten to undermine progress made in the last few years toward the building and strengthening of democratic institutions. The substantial economic and social progress achieved during the 1960s and 1970s has been halted, and a number of socioeconomic indicators have become less favorable during the 1980s. Declining living standards, and the difficulties of reversing these trends in an unfavorable international economic environment, have contributed to growing social unrest and threaten the stability of democratically elected governments in key countries of the region.

Achieving sustained economic recovery and improvements in equity and protecting U.S. interests in the Latin American and Caribbean (LAC) region will require a high level of U.S. assistance for the near future. The Congress already has recognized this with the passage of the Caribbean Basin Recovery Act in 1983, the appropriation of significantly higher levels of resources through the FY 1984 Supplemental and FY 1985 Continuing Resolution appropriations in response to the recommendations of the National Bipartisan Commission on Central America (NBCCA), and the authorization to use deobligations from around the world to meet the problems of the Andean region. The level of support for the region reached $1,149.8 million in FY 1984 and is planned at $1,751.4 million in FY 1985. The problems of the LAC countries are so deep-seated that even with relatively favorable developments in the world economy, greater reliance on the private sector rather than on central planning, and a return to domestic political/security tranquility, at least this level of official development assistance from the United States and significant amounts from other donors will be necessary throughout the 1980s to achieve a rate of economic growth sufficient to bring about a broad-based recovery of living standards.

Even after taking into account resources available from other donors, our development assistance and balance-of-payments support alone cannot bring about a sustained, equitable economic recovery and protect our fundamental interests in the region. It is imperative that the LAC countries themselves play a major role in the accomplishment of these objectives by undertaking appropriate economic policy reforms (such as eliminating barriers to private investment and reducing the role of central planning), creating more favorable environments for democratic institutions, and assisting lower-income groups in coping with the temporary adverse effects of necessary economic adjustment measures. Steps in these directions have been taken, but much more remains to be done.

U.S. Interests

The United States has major economic and security interests in Latin America and the Caribbean. By 1981 the region had become our second largest export market, purchasing $42.2 billion of U.S. exports. However, foreign exchange shortages associated with the current economic crisis reduced our exports to the region to $25.8 billion in 1983, thus eliminating some 400,000 jobs in our economy. Although our exports to the LAC countries in the first ten months of 1984 rose at an annual rate of 14%, they are still well below their 1981 peak in real terms. U.S. investment in the LAC region amounts to 58% of all U.S. direct investment in developing countries. Its profitability has declined, and the financial position of many U.S. banks has been threatened by the inability of LAC countries to keep current on debt servicing. The economic crisis in the LAC region also has increased illegal migration to the United States.

Our major security interests in the LAC region include access to Mexican and Venezuelan petroleum, to other industrial raw materials, and to the unimpeded use of the sea lanes adjacent to North America and the Panama Canal. The region is also important to our efforts to limit the spread of nuclear weapons, the operations of international terrorist groups, and the seizure of power by hostile forces. It has been a focus of our concern for improving respect for human rights and the strengthening of democratic institutions. The creation of eight newly independent nations in the Caribbean Basin since 1974 has heightened that concern, and has made it more important that the countries of the region share our views on issues arising in hemispheric organizations and international fora. Our security interests have required the U.S. Government to make strong responses to critical situations in Central America and Grenada in the last few years. There has been a strong trend toward the adoption of civilian democratic governments in the region. However, the difficulties that the LAC countries face in overcoming the current economic crisis pose serious threats to our security interests and require a response that must be sustained for at least the rest of the decade. As the Bipartisan Commission has made clear, the threats to our security interests are especially strong in Central America.

Economic and Social Progress, 1960-1980

In the 1960s and 1970s the LAC region experienced an unprecedented period of economic growth. From 1960 to 1973 the region's gross domestic product (GDP) grew by 5.9% a year, and from 1973 to 1980 the annual GDP growth rate was 5.4%. Despite a record high population growth rate, the per capita GDP growth rate of 2.8% was also unprecedented.

Impressive gains were also achieved in various dimensions of social welfare. Between 1960 and 1980 for the region as a whole, life expectancy increased from 56 to 64 years; infant mortality fell from 109 deaths per thousand to 64; and the median primary school enrollment ratio rose from 88% to 102% of the primary-aged population (the figure exceeds 100% because of the presence of signficant numbers of over-age students). The population growth rate, 2.8% a year during the 1960s, slowed to 2.3% after 1977. The percentage of the region's population living in poverty fell from 51% in 1960 to 33% in 1977.

The Continuing Economic Crisis of the 1980s

The progress achieved during the 1960s and 1970s has been halted during the last four years. The LAC countries have undergone an economic decline whose length and severity now rival the experience of the 1930s. Per capita GDP in the region fell for three consecutive years -- 1981 through 1983 -- and rose by a scant 0.2% in 1984. Last year's figure was 9% below the 1980 peak. With the region's labor force growing by about 3% annually, unemployment and underemployment problems are worsening. Declines in real budget revenues and the need for fiscal austerity to achieve economic stabilization have resulted in a sharp drop in government investment expenditures, which are important both to long-term economic growth and social sectors such as health and education.

The requirements for servicing the region's huge external debt -- estimated at $371 billion for all LAC countries at the end of 1984 -- will act as a powerful damper on economic growth possibilities during the 1980s. This will be so particularly if interest rates remain relatively high. Debt reschedulings will provide only partial relief from this burden. Since prospects for the rest of the decade are not encouraging for the prices of the region's traditional commodity exports, foreign exchange receipts from other sources need to be maximized. Export diversification, foreign investment, a return of flight capital, and new commercial loans and credits can all play important roles in this respect. Their contributions, however, will depend on the degree to which countries adopt economic policy reforms and solve the political/security problems inhibiting private investment and participation by the full population in political life.

Major Development Problems

Recovery from the present crisis will be difficult, and in many countries it is likely to be slow. A resumption of rapid economic growth will depend both on major economic policy reforms in the LAC countries themselves and on a strong world economy that resists protectionist pressures. Even with such favorable developments, progress in reducing the incidence of poverty will not be easy. The principal socioeconomic problems confronting the LAC countries are described briefly below.

Financial Disequilibrium. Expansionist government policies in the 1970s, combined with unfavorable external economic events in the 1980s, produced large fiscal and balance-of-payments deficits in many LAC countries. The recession in the industrial economies in 1980-1982 drove down sharply the prices of the region's primary export commodities and lowered the demand for its actual and potential industrial exports. The second oil price shock of 1979-1980 sharply increased foreign exchange outlays for the oil-importing countries, while the oil-exporting countries have suffered in the last two years as oil prices have turned downward. Higher debt-servicing requirements had to be met by drawing down foreign exchange reserves, and a number of countries adopted or expanded import controls. High rates of inflation,

overvalued exchange rates, interest rate ceilings, and political uncertainties led residents of many LAC countries to send money abroad, further aggravating balance-of-payments problems. Banks and other private lenders significantly reduced their loans and credits to the region because of their concern with its economic and political problems as well as their own relative portfolio exposure in LAC countries.

As the depth of the economic crisis became evident, countries in the region began to recognize that economic stabilization measures were necessary to restore internal and external equilibrium and lay a foundation on which sustained economic growth could occur. In late 1984, 12 LAC countries were operating under stabilization programs supported by the International Monetary Fund (IMF), and other countries hope to obtain IMF assistance in the near future.

A.I.D. has supported stabilization programs in a number of countries in the region in the 1980s by increasing significantly the flow of ESF resources in response to the need of the LAC countries for substantially greater balance-of- payments assistance. The success of Mexico's stabilization efforts has received much attention. Less well known are the achievements under Costa Rica's 1983 program: a reduction in the fiscal deficit from more than 14% of the GDP in 1981 to 4.5% in 1983, a lowering of the inflation rate from 82% to 11%; a rescheduling of debts to public and private external creditors; relative exchange-rate stability; and conversion of a short-term capital outflow into a short-term inflow. Costa Rica is expected to have a positive rate of growth of per capita GDP in 1984. Jamaica has also implemented significant stabilization measures, and Ecuador has made good progress. Most other countries, however, are finding it more difficult to meet the objectives of their stabilization programs. In part this is due to factors beyond their control, but often countries have been reluctant to undertake the politically difficult measures needed for stabilization and reform. Without such measures, financial disequilibria are likely to become more acute, and economic recovery will be delayed.

Unemployment and Underemployment. Four consecutive years of falling per capita GDP in the region have taken a significant toll in the form of higher rates of unemployment and underemployment. Double-digit open unemployment rates are commonplace. In El Salvador the figure is estimated to be 30% or more. With labor forces growing by about 3% a year in the Central American and Andean countries, it takes a significant positive rate of economic growth -- probably close to 5% a year -- just to provide full-time productive employment to new labor force entrants. Reducing unemployment and under-employment rates requires even faster growth.

External Debt Burdens. In an effort to maintain economic growth after the first oil price shock of 1973-1974, many oil-importing LAC countries borrowed heavily abroad in commercial markets. Oil-exporting countries also borrowed heavily to accelerate their rates of economic and social development. These borrowings continued in the 1980s in response to the second oil price shock of 1979-1980 and the decline in export earnings that occurred during the world

recession of 1980-1982. However, the LAC countries did not foresee the depth and duration of the world recession or the steep rise in world interest rates that would add to their debt service burdens. For the LAC region as a whole, the public external debt was an estimated $268 billion at the end of 1984, and the private debt was another $103 billion. In the last few years there have been many debt reschedulings with public and private creditors, who have required that IMF-supported stabilization programs be adopted. Additional reschedulings will be necessary during the remainder of the 1980s.

Poor Prospects for Major Exports. During 1981-1983 coffee, bananas, and sugar accounted for 50% of Central America's commodity export earnings. Coffee is also a major foreign exchange earner in Haiti, as is sugar in the Dominican Republic, St. Kitts-Nevis, and Barbados, and bananas in Ecuador and the Windward Islands. Price prospects for all three of these commodities are poor for the rest of the decade, thus constituting a major impediment to economic recovery in countries that depend heavily on them. Similarly, the outlook is not good for bauxite, the principal export of Jamaica, Guyana, and Suriname. In the short run, a discouraging sign for commodity prices generally has been a drop of 12% between March and December 1984 in the IMF's index of commodity prices, ending a 16-month rise during which commodity prices partially regained ground lost during their steep decline at the beginning of the decade.

Structural Barriers to Export Diversification. The poor prospects for a number of traditional exports, combined with continued high debt-servicing requirements, makes rapid and sustained economic recovery in the LAC region more dependent on the development or expansion of nontraditional exports and particularly on agro-industrial products and other manufactures. During the 1960s and 1970s most LAC countries chose not to follow an export-oriented pattern of development but rather to pursue an import-substitution strategy, either individually or within the context of regional arrangements such as the Central American Common Market (CACM), the Caribbean Community and Caribbean Common Market (CARICOM), and the Andean Group. Even when this strategy was successful (as in Central America during the 1960s), the gains were relatively modest. By the 1970s new import-substitution opportunities were limited by the small size of the domestic or regional markets. This was particularly true in the Caribbean. Many existing import-substitution industries remained relatively inefficient but continued to operate profitably because they were protected by a high tariff wall. They were unable, however, to produce competitively for export markets. This remains a serious problem today.

Other barriers to exporting to markets outside the LAC region include tax incentive structures that favor import substitution, lack of access to foreign exchange for exporters who need imported materials, insufficient access to credit, onerous paperwork requirements, and investment climates that discourage foreign entrepreneurs. In some countries, an overvalued exchange rate is the greatest single obstacle to export expansion and diversification.

Inadequate Spread of the Benefits of Growth. Progress in broadening the availability of education, health services, and housing was substantial in the 1960s and 1970s. The economic crisis of the 1980s, however, has halted much

of this progress, leaving large segments of the LAC countries' populations still untouched. Health, nutrition, and educational services have almost certainly deteriorated in LAC countries that have been hit hard by the current economic crisis. Given fiscal constraints, the resumption of progress in these areas will require major improvements in the efficiency of service delivery. Substantial technical assistance and training will be necessary to achieve this. In addition, there will have to be a larger role for private sector channels in providing these services.

Infrastructure Problems. Recent natural and man-made disasters have caused serious infrastructure losses in a number of LAC countries. Rural areas in Bolivia, Ecuador, and Peru were ravaged by floods which destroyed or damaged bridges, roads, irrigation systems, and other structures. Hurricanes struck a number of Caribbean countries, causing the greatest relative damage in Dominica. In El Salvador, guerrillas have destroyed bridges, blown up power lines, and damaged other infrastructure in their efforts to overthrow the democratically elected government.

These obvious losses, however, account for only part of the problem. Because of foreign exchange shortages, infrastructure that has deteriorated from normal wear and tear has not been repaired or replaced. Furthermore, capital budgets have been slashed sharply in many countries as part of the effort to reduce fiscal deficits. Because of all these losses, large investments in infrastructure -- with a considerable foreign-exchange cost -- will be necessary to sustain the process of economic recovery. The multilateral banks will help finance these costs, but the magnitude of the problem -- which has grown as the recession has lengthened -- will require our assistance as well. Much of this assistance will be provided from local currency counterpart generated by ESF and PL 480 programs. In some cases -- e.g., El Salvador and the Eastern Caribbean -- infrastructure construction and reconstruction will be directly supported by DA and ESF project funding.

Rapid Population Growth. Although the LAC population growth rate has been reduced from 2.8% in the 1960s to about 2.3% at present, the average growth rate is higher in the poorer countries which are being assisted by A.I.D. Combined with economic policies that have failed to achieve sulf-sustaining growth, this has made it especially difficult for countries to meet objectives in health, education, nutrition, and other dimensions of welfare during a period of economic decline. In addition, greater population pressures without proper techniques for management of limited natural resources have contributed to soil erosion and other environmental degradation.

Weakness of Democratic Institutions. Unrepresentative political systems, lack of respect for human rights, indigenous and foreign-sponsored violence by anti-democratic elements, and ill-defined legal norms inhibit economic growth and development by restricting economic opportunities for disadvantaged groups and by creating uncertainties for potential investors, both domestic and foreign. Progress in these areas has been made, but continued efforts must be made to consolidate and expand the gains achieved to date. Costa Rica and the English-speaking Caribbean have well-established democratic traditions, but

other countries have less experience with free elections, other forms of democratic participation, and clear and equitable legal processes. Representative political systems, respect for human rights, and equitable legal systems cannot be established overnight, nor can they be imposed from outside. But outside assistance can be effective in supporting indigenous efforts in these areas. We have been encouraged by recent progress toward the institutionalization of democratic institutions in Central America and the Andean countries, the return of participatory democracy in Grenada, and the consolidation of democracy in the Dominican Republic. Continued support for these efforts will improve their chances for long-run success.

Strategy and Goals

A. Overview

A.I.D.'s strategy for addressing the problems outlined above is to support four broad approaches: (1) economic stabilization efforts in the near term, (2) basic structural reforms to permit a sustained economic recovery along more efficient lines, (3) efforts to overcome key constraints in the principal sectors in which A.I.D. is supporting programs promoting greater equity, and (4) programs to strengthen democratic institutions and human rights.

These approaches place more emphasis on policy reforms and management improvements than was the case of our programs in the 1970s. They also require more program assistance than project assistance in the short run. In addition, they involve more direct assistance to the private sector, both because the public sector's ability to absorb project assistance is limited by fiscal constraints, and because many private sector investments will be more productive in the short and medium terms. Still, the overall program is largely targeted on the needs of less advantaged populations, particularly by emphasizing productive employment opportunities as well as access to health care, education, and other social services. It is a growth-with-equity strategy designed to bring about broad-based national development and to strengthen support for democratic institutions.

Given the increasing magnitude of the assistance to the region over the last several years, A.I.D. has reviewed its capacity to manage, and the region's capacity to absorb, the increased level of resources. The review has concluded that the program does not currently exceed absorptive capacity. A comparison of levels of undisbured balances under A.I.D. programs indicates that the "pipeline" of undisbursed funds has actually fallen significantly in relation to annual disbursements. This improvement in part reflects an increase in the importance of more rapid-disbursing assistance to the private sector.

1. Stabilization. A.I.D. continues to encourage LAC governments to correct their macroeconomic disequilibria through stabilization programs. Most have adopted such programs, and we are encouraged by the success with which some of them have been implemented. Under these programs A.I.D. has cooperated with the IMF to provide foreign exchange to help cushion declines in economic

activity while countries are laying the groundwork for economic recovery. These programs also make it possible for countries to reschedule their external debts, thus further relieving their balance-of-payments constraints. A.I.D.'s support for stabilization efforts has been made available through ESF assistance, which provides both an incentive for countries to take action (through appropriate conditionality) and a means to do so without incurring unsustainable social and political stress. Our goal is to have the LAC countries managing their external sectors on a current basis by eliminating arrearages and the need for further debt reschedulings and by restoring government fiscal equilibrium. Some countries may not be able to achieve effective stabilization until 1986. Meanwhile, the need for stabilization assistance continues to be great. Indeed, significant amounts of such assistance are essential for preventing a further general decline in living standards. Increased stabilization assistance, unlike increases in project assistance of the same magnitude, will not create serious absorptive capacity problems.

2. Structural Reforms. Economic growth will be faster, more employment-intensive, and more equitable for countries following a development strategy based on exports to external markets rather than one built around import substitution in highly protected domestic or regional markets. Export expansion provides the foreign exchange needed for imported materials and capital goods that generate higher productivity and increased living standards. Small economies with limited markets and narrow resource bases are especially dependent on imports, and most of the LAC countries we are assisting are in this category.

The enactment by Congress of the trade provisions of the Caribbean Basin Initiative (CBI) in 1983 has provided increased export opportunities to this area, but expansion of nontraditional exports also requires structural reforms to correct overvalued exchange rates, eliminate tariff structures that promote inefficiency and saddle potential exporters with high-cost inputs, and change policies that artificially overprice labor and underprice capital. Legal and institutional reforms are also needed to encourage investment. Better policies and a stable political environment could generate a real growth rate of nontraditional exports of 20% a year by the end of the decade. That growth would significantly increase job opportunities and generate revenues needed to extend the coverage of social services and to rebuild and expand the infrastructure required to sustain rapid economic growth.

The main elements of our strategy for achieving export growth and the associated increases in income and employment are:

-- continuing our dialogue with cooperating countries on needed policy reforms and conditioning our assistance on appropriate structural adjustment;
-- supporting the greater commercialization of agriculture, the sector employing the greatest number of people, particularly for small farmers;
-- increasing the availability of credit for production in agriculture and industry, particularly small industry, and for exporting;

-- providing technical assistance and training for small business operators;
-- assisting investment and export promotion and strengthening private-sector organizations;
-- assisting in the development of free zones, industrial parks, and other mechanisms which simplify infrastructure and administrative problems facing private entrepreneurs; and
-- financing infrastructure construction and improvements, especially for stimulating small-farmer production.

3. Overcoming Sectoral Constraints to More Equitable Development. The labor-intensive pattern of economic growth to be fostered through structural reforms will help the rural and urban poor through the creation of jobs. However, targeted programs also are needed to ensure that the benefits of growth will be widespread. Opportunities for the rural poor can be increased by providing them with greater access to productive resources, including land and credit, as well as by eliminating price controls and other disincentives to production. Improved access to education and health care in both urban and rural areas, and greater efficiency in the provision of these services, would enable the poor to take better advantage of employment opportunities. Over the long term a reduction of population growth rates would make it easier for countries to meet their goals of reducing unemployment and raising living standards.

To address these sectoral constraints, A.I.D. will support programs to:

-- provide access to primary education for at least 90% of all school-age children, male and female, in those A.I.D.-assisted countries where this has not been achieved (Haiti, Bolivia, El Salvador, and Guatemala);

-- expand skills training, vocational training, and higher education programs to relieve key manpower bottlenecks to increased production and thus create more jobs both directly and indirectly;

-- improve health conditions, especially in rural areas, through malaria control efforts, dissemination of oral rehydration therapy, training of nurses and other health workers, and technical assistance and educational programs in the field of nutrition, thus lowering infant mortality rates to 75 per thousand or less and child death rates to less than 7 per thousand by 1988 in all A.I.D.-assisted countries where this has not been achieved (Haiti, Bolivia, Honduras, Peru, and Ecuador);

-- expand access to family planning information and contraceptive supplies, particularly through private institutions, to help bring about a reduction of the regional population growth rate from the 1982 level of 2.3% to 1.9% by 1988;

-- improve the access of poor rural families to land through support for colonization, legal reforms to provide secure land titles, and financing for land purchases;

-- provide better housing for low- and moderate-income families through technical assistance and Housing Guaranty loans; and

-- assist refugees and displaced persons through programs that provide health services, educational opportunities, and productive employment.

4. Democratic Institutions and Human Rights. Economic growth will best support U.S. interests in the LAC region if it occurs in an environment in which governments permit their people to participate freely in local and national political processes; to form labor unions, cooperatives, and other voluntary organizations; and to have recourse to a judicial system that will administer justice fairly and speedily. Although the U.S. Government cannot dictate to governments how they should structure their political institutions and processes, we can provide our moral and financial support to those countries upholding democratic institutions and respecting human rights. A key element in U.S. economic assistance decisions in each country of the LAC region will be the degree of commitment of that country to free elections, independence of the judiciary, and respect for individual rights.

In support of this element of our strategy, A.I.D. will seek to strengthen the administration of justice through technical assistance, training, and material support for court systems, criminal investigative agencies, public prosecutors and defenders, justice ministries, law schools, and bar associations. A.I.D. will also provide assistance to improve the administration of elections. In addition, activities with a large number of private voluntary agencies will support the development of democratic institutions and processes by providing assistance to labor unions, cooperatives, women's organizations, and other participatory groups.

The process of democratization in the LAC region will also be supported by a major new training initiative, the Caribbean and Latin American Scholarship Program (CLASP), which will provide scholarships for study in the United States and in the region itself to approximately 7,830 individuals. Of this number, 7,063 participants are expected to be trained under the Central American Peace Scholarships project (CAPS) over the next five years, a direct response to the NBCCA recommendation that more Central Americans be provided training opportunities in the United States. An additional 3,000 or so participants will be funded under U.S.I.A. programs, bringing the total to more than 10,000. Training will focus on priority economic, social, and political development needs.

FY 1986 Highlights

A program level of $1,293.9 million is proposed for FY 1986 in support of our objectives in the LAC region. Of this total $869.1 million is destined for Central America, $270.4 million for the Caribbean, $127.4 million for South America, and $27.0 million for LAC Regional programs. The paragraphs below summarize the distribution of these resources among functional categories of assistance and provide examples of new initiatives proposed for FY 1986.

To contribute to the objectives of economic stabilization and structural reforms, ESF resources of $833.0 million are requested, primarily for balance-of-payments support to assist countries in overcoming continuing foreign exchange shortages, which are due largely to unfavorable market conditions for their major exports and to their reduced access to private capital markets. ESF assistance is being requested for all twelve countries and three regional

programs, a reflection of the depth and persistence of the current economic crisis in the LAC region. The foreign exchange provided by ESF will help sustain the flow of imports of raw materials and other inputs needed for productive business enterprises to maintain and eventually increase their levels of production and employment. Local currency generations will support the credit requirements of these enterprises, finance key public service and infrastructure projects, and bolster the efforts of private voluntary organizations, cooperatives and similar groups to meet basic needs.

In the Development Assistance (DA) program, for which a total of $460.86 million is proposed, agriculture, rural development, and nutrition activities account for 41% of the regional total. The twin objectives of our strategy in this sector continue to be increasing production and generating the income needed by poor rural families to meet their basic requirements for food and other needs. To carry out this strategy our project activities are concentrated in four program areas: (1) improving agricultural productivity and diversification through research and technology transfer; (2) stimulating private sector investment in agribusiness and marketing; (3) expanding access to resources and influence through commercial land markets and farmer organizations; and (4) managing natural resources for sustained yields of water, crop production, forest products and grazing. All program resources provide a backdrop for a continued policy dialogue directed toward achievement of a competitive agricultural economy, regulated by market forces, that stimulates increased productivity by small commercial or potentially commercial farmers served by and supplying a thriving private agribusiness system.

New activities in FY 1986 include agricultural extension projects in Bolivia, Panama, and the Caribbean Region; support for the financing of land purchases by small farmers in El Salvador and Guatemala; agricultural marketing projects in Bolivia and Ecuador; small-scale irrigation projects in Haiti and Honduras; an agricultural sector recapitalization project in Peru; food crop and nontraditional export crop production projects in the Dominican Republic; and support for export-oriented agribusiness activities in Central America through the Latin American Agribusiness Development Corporation (LAAD), which since 1970 has been successfully expanding production and job opportunities for small farmers and landless workers in the region.

Our population planning programs ($25.5 million, or 5.5% of the DA program) emphasize the use of private sector mechanisms. About 70% of our resources are planned for private sector programs, both commercial and voluntary. Our activities stress improved management capacity and enhanced self-reliance. New activities in FY 1986 include expansion of family planning services in Jamaica, particularly through contraceptive sales and private sector involvement, consistent with the country's population policy.

In health ($46.9 million, or 10.2% of the DA program), A.I.D. is concentrating on assisting countries to expand basic health services by improving the efficiency of health services delivery through management improvements and cost recovery for services provided. We are also assisting in the development

of private sector channels for health services delivery. In addition, LAC regional and Central America regional projects focus on the extension of cost-effective health technologies and provide support to A.I.D. Mission initiatives in analyses of alternative financing mechanisms for health services, improved resource allocation, and the supply and distribution of essential drugs. A new Health Services Management Improvement project will be initiated in El Salvador, and in Guatemala we will support the establishment of a self-financing private sector organization that will provide quality primary health care to poor rural residents. An immunization project will be initiated in the Dominican Republic, and a new malaria control project will begin in Haiti.

Our efforts in education and human resources development ($92.3 million, or 20% of the DA program) include partial funding for the major new regional training initiative (CLASP) described above. In countries where literacy rates are still low, we will also emphasize the expansion and improvement of primary education. Elsewhere priority will be given to productive skills training, management training, and the development of cost-effective outreach mechanisms. Projects to improve the quality, management and cost-effectiveness of primary education will be initiated in the Dominican Republic, Guatemala, and Honduras. Skills training and management training projects will begin in Jamaica, Panama, Ecuador, Honduras, and the Caribbean Region.

New selected development activities ($107.5 million, or 23.3% of the DA program) will include support for export development programs in Belize, Bolivia, Peru, and the Central American region; a second loan to the Caribbean Financial Services Corporation to finance new private sector enterprises and the expansion of existing ones; and small business development projects in Belize and Ecuador.

Other U.S. resources which provide support for our objectives in the LAC region will be made available under the P.L. 480 program, which will provide much-needed foreign exchange to help the balance of payments. Local currency generations from the sale of P.L. 480-financed foodstuffs are integrated with our overall DA activities and are used as tools in our policy dialogue on macroeconomic and sectoral policies. The FY 1986 request for P.L. 480 resources is $257.3 million, of which $216 million is for Title I/III and $41.3 million is for Title II.

Special Concerns

1. Women in Development (WID). An important aspect of A.I.D.'s assistance program in the LAC region is the policy of assuring that women are included in the development process by taking into account the actual and potential impact on women of our country strategies and programs. In this regard, the LAC Bureau of A.I.D. has developed a Women in Development (WID) Action Plan to

strengthen the emphasis on women's issues related to development. This plan includes sensitivity training for A.I.D. personnel, project design/review guidelines related to WID, an assessment of the impact of WID activities in the LAC region over the last few years, and a review of the specific program initiatives required to carry out the increased emphasis on WID concerns.

2. Evaluation. In FY 1984 the LAC Bureau received 79 evaluations from the field. In FY 1985 the Bureau proposes that 136 evaluations be performed by the A.I.D. Missions and to carry out itself a number of selected sectoral and inter-country impact assessments/analyses. Among these evaluations will be that of a major private sector effort in Haiti begun in FY 1982. In the Caribbean Regional program, an assessment of the private sector development plan will continue. In Peru A.I.D. will evaluate its efforts to promote private sector growth in agriculture. The Agency's efforts to promote policy reforms will be evaluated by many of the missions. In several countries -- Jamaica, the Dominican Republic, and Costa Rica -- missions will be carrying out evaluations within the context of the CBI. All these evaluations will test and analyze the validity of A.I.D.'s efforts to effect needed policy reforms through project activity. The Bureau's backstopping efforts will concentrate on the following priority tasks: improving communication and guidance to the field; advising missions of lessons learned from earlier evaluations; providing logistical support for mission evaluations, as needed; and improving the ratio between evaluations planned and evaluations actually carried out.

Previous Page Blank

CARIBBEAN

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans	145,157	23,639	-	4,000	10,518	23,000	84,000	-
Grants	135,535	17,986	5,450	8,449	6,203	9,565	87,882	-
Total	280,692	41,625	5,450	12,449	16,721	32,565	171,882	
1985								
Loans	88,539	9,300	-	-	5,004	9,235	65,000	-
Grants	215,437	29,838	7,307	12,815	16,763	12,682	133,032	3,000
Total	303,976	39,138	7,307	12,815	21,767	21,917	198,032	3,000*
1986								
Loans	96,660	12,880	1,000	-	4,500	13,280	65,000	-
Grants	173,740	28,382	8,369	7,718	16,471	17,500	95,300	-
Total	270,400	41,262	9,369	7,718	20,971	30,780	160,300	

* Child Survival Fund

FY 1986
PROGRAM HIGHLIGHTS

- A.I.D will continue to support (1) economic stabilization and recovery programs in the Caribbean Basin countries, (2) basic structural reforms to permit a resumption of economic growth, and (3) efforts to overcome key constraints in the principal sectors of agriculture, health, population planning, education and human resource development.
- For FY 1986, $160.3 million of Economic Support Funds, $110.1 million of Development Assistsnce, $78 million of P.L. 480 Title I, and $9.9 million of P.L. 480 Title II is proposed for the Caribbean countries.

THE CARIBBEAN

Overview

Economic conditions in the Caribbean between 1980 and 1983 did not deteriorate as much as those in Central America and the Andean countries, and in general the political life of the region was more stable. Per capita gross domestic product (GDP) fell by 8% in Barbados, 7% in Haiti, and 1% in the Dominican Republic, but rose by 1% in Jamaica and by somewhat more than this in the less developed Eastern Caribbean countries as a group. Nevertheless, the countries of the region have very serious unemployment problems and need to make major structural adjustments to achieve sustained economic growth over the long term. Jamaica has the highest ratio of debt to GDP (232%) in the entire LAC region. The Dominican Republic also has a serious external debt problem.

Our specific goals in the sub-region vary from country to country given the great diversity within the region in indicators of socioeconomic progress. In general terms, we seek to:

-- end the decline in production in 1985 in those countries where this has not already occurred;

-- achieve a sustained rate of growth in per capita GDP of at least 2% a year by 1988;

-- achieve significant increases in agricultural production for both domestic consumption and export;

-- increase exports of nontraditional products by at least 15% a year from 1985 through 1988;

-- achieve in Haiti, by 1988, access to primary education for at least 90% of the school-age population of both sexes, a reduction of the infant mortality rate to 75 per thousand or less, and a drop in the child mortality rate to less than 7 per thousand;

-- reduce open unemployment rates in all countries of the region by 1987;

-- expand access to family planning information and contraceptive supplies; and

-- support efforts to strengthen democratic processes and respect for human rights and to uphold democratic traditions in those countries where they have been long-established.

Since all the Caribbean countries have small domestic markets, economic growth will depend to a high degree on success in stimulating the private sector to increase export earnings. Given the poor medium-term price prospects for sugar (especially important in the Dominican Republic, St. Kitts-Nevis, and Barbados), coffee (Haiti), and bauxite (Jamaica), export diversification needs to be given a high priority. The trade provisions of the Caribbean Basin Initiative have opened up new export opportunities, but the Caribbean

countries have been generally slow to take advantage of them by improving the climate for private investment. The specific problems vary from country to country, but the most significant obstacles to investment in new export industries include overvalued exchange rates, exchange controls and other government regulations, insufficient supporting infrastructure, and for some industries a lack of specialized labor skills.

The slow or negative growth of the Caribbean economies over the last few years has exacerbated an unemployment problem that had become serious even before the present crisis. Unemployment rates in a number of countries in the region now exceed 20% and are significantly higher for young people. Rates of emigration, both legal and illegal, tend to be high. The influx of illegal Haitian migrants to the United States is the most obvious manifestation of how a lack of economic opportunities in the Caribbean affects the U.S. economy, but there are also significant flows of migrants to the United States from other Caribbean countries. Without sustained economic growth, the pressures for migration from the Caribbean to the United States will become even greater.

Sustained economic growth is also important for preventing the kind of social unrest that gave rise to a regime in Grenada which endangered the safety of U.S. citizens and created a serious threat to U.S. security interests. During 1984 both Haiti and the Dominican Republic experienced brief but serious outbreaks of violence in response to deteriorating economic conditions, and in early 1985 violence erupted in Jamaica. Such incidents threaten progress toward the consolidation of democratic institutions and improvements in human rights, necessary steps for protecting our interests in the region.

In support of our objectives in the Caribbean, we are requesting in FY 1986 Economic Support Fund (ESF) resources of $160.3 million, Development Assistance (DA) of $110.1 million, and P.L. 480 funding of $87.93 million. In the Dominican Republic and Jamaica, these resources will be provided as balance-of-payments assistance in support of economic policy reforms. In Haiti, ESF resources will continue to support the development activities of nongovernmental organizations. In the smaller countries of the Eastern Caribbean, the emphasis will be on infrastructure revitalization, especially in Grenada, and on agricultural structural adjustment in Antigua and Dominica. New DA projects will emphasize activities in agriculture and rural development. New health projects will be initiated in the Dominican Republic and Haiti, and new education projects will begin in the Dominican Republic and the Eastern Caribbean. A second loan will be made to the Caribbean Financial Services Corporation (CFSC) to finance the establishment and expansion of private enterprises.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (517) DOMINICAN REPUBLIC

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 6,416

PER CAPITA GNP..... (DOLLARS,1982) 1,330

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 3.2%

ANNUAL RATE OF INFLATION (1970-82) 8.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976) 6.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1984)	TOTAL 63.3	MALE 61.4	FEMALE 65.2	
(1970)	TOTAL 56.6	MALE 54.8	FEMALE 58.5	

ADULT LITERACY RATE (1970) TOTAL 67% MALE 69% FEMALE 66%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1974 -1983) 0.0%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1982) 17%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 203

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE ,BEANS-DRY ,ROOTS AND TUBERS	26%	(1983)
CASH: SUGARCANE ,COFFEE ,COCOA BEANS	47%	(1983)

MAJOR AGRICULTURAL EXPORTS:(1983) RAW SUGAR ,COFFEE ,TOBACCO

MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,CORN ,SOYBEANS

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1981) 45%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1981)	719 (82)	518 (83)	567
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1981)	845 (82)	666 (83)	701
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1981)	-126 (82)	-149 (83)	-134
DEFENSE EXPENDITURES,			
AS % OF TOTAL EXPENDITURES.. (1981)	9.5% (82)	10.4% (83)	8.8%
AS % OF GNP..... (1981)	1.4% (82)	1.3% (83)	1.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1981) 284 (82) 172 (83) 196
EQUIVALENT TO 1.6 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(1982)SUGAR ,NICKEL ,COFFEE

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1981) 741 (1982) 385 (1983) 504
AS % OF TOTAL EXPORTS (1981) 62% (1982) 50% (1983) 64%

MAJOR IMPORTS(1982)FOODSTUFFS ,PETROLEUM ,IND RAW MATERIA

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1981) 669 (1982) 535 (1983) 675
AS % OF TOTAL IMPORTS (1980) 60% (1981) 54% (1982) 47%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -251(82) -490(83) -497

TRADING PARTNERS: UNITED STATES ,VENEZUELA ,SPAIN

EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 28.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1982) 250
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 32.6%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.1% (1978) 2.7% (1984) 2.7%

POPULATION IN URBAN AREAS.....(1970) 40% (1984) 55%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1984) 35

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1980) 35.0%

POPULATION (1984) IN AGE GROUP:
(0-14YRS) 40.8% (15-64YRS) 56.4% (65+ YRS) 2.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 76

PEOPLE PER PHYSICIAN..... (1976) 4,019

MAJOR CAUSES OF
DISEASE (1982) ACUTE RESP. INFE,PARASITIC DISEAS,UNKNOWN AILMENTS
DEATH.. (1982) ENTERIC DISEASE ,PERINATAL DIS. ,PNEUMONIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 93%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 55%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1979)	TOTAL 96.0	MALE 95.0	FEMALE 96.0	
SECONDARY..... (1978)	TOTAL 28.0	MALE 29.0	FEMALE 28.0	
POST SECONDARY.. (1974)	TOTAL 8.0	MALE 8.5	FEMALE 7.5	

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 0.3%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY DOMINICAN REPUBLIC

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1979	1980	1981	1982	1983	TOTAL LOANS AND GRANTS 1946–83	REPAYMENTS AND INTEREST 1946–83	TOTAL LESS REPAYMENTS AND INTEREST 1946–83
I. ECONOMIC ASSISTANCE – TOTAL	48.4	55.8	38.5	82.4	63.1	830.4	162.7	667.7
Loans	38.7	33.7	29.0	72.5	52.4	501.3	162.7	338.6
Grants	9.7	22.1	9.5	9.9	10.7	329.1	-	329.1
a. A.I.D. and Predecessor Agencies	26.4	34.6	17.4	60.0	34.6	526.3	95.3	431.0
Loans	24.8	18.7	14.8	56.3	29.4	349.0	95.3	253.7
Grants	1.6	15.9	2.6	3.7	5.2	177.3	-	177.3
(Economic Support Fund)	-	-	-	41.0	8.0	258.2		
b. Food for Peace (PL 480)	20.7	19.7	18.6	19.3	25.3	269.3	58.7	210.6
Loans	13.9	15.0	14.2	16.2	23.0	143.9	58.7	85.2
Grants	6.8	4.7	4.4	3.1	2.3	125.4	-	125.4
Title I - Total Sales Agreements	13.9	15.0	14.2	16.2	23.0	143.9	58.7	85.2
Repayable in U.S. Dollars - Loans	13.9	15.0	14.2	16.2	23.0	143.9	58.7	85.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	6.8	4.7	4.4	3.1	2.3	125.4	-	125.4
Emerg. Relief, Econ. Develop. & World Food Program	-	0.2	-	-	-	7.4	-	7.4
Voluntary Relief Agencies	6.8	4.5	4.4	3.1	2.3	118.0	-	118.0
c. Other Economic Assistance	1.3	1.5	2.5	3.1	3.2	34.8	8.7	26.1
Loans	-	-	-	-	-	8.4	8.7	0.3-
Grants	1.3	1.5	2.5	3.1	3.2	26.4	-	26.4
Peace Corps	1.3	1.4	1.9	2.2	2.2	22.5	-	22.5
Narcotics	-	-	-	-	-	-	-	-
Other	*	0.1	0.6	0.8	1.1	3.9	-	3.9
II. MILITARY ASSISTANCE – TOTAL	1.0	3.5	3.4	5.5	6.6	61.9	4.9	57.0
Credits or Loans	0.5	3.2	3.0	4.0	5.0	18.2	4.9	13.3
Grants	0.5	0.3	0.4	1.5	1.6	43.7	-	43.7
a. MAP Grants	*	-	-	1.0	1.0	23.7	-	23.7
b. Credit Financing - FMS	0.5	3.2	3.0	4.0	5.0	18.2	4.9	13.3
c. Military Assistance Service-Funded (MASF) Grants	0.5	0.3	0.4	0.5	0.6	12.3	-	12.3
d. Transfers from Excess Stocks	-	-	-	-	-	3.9	-	3.9
e. Other Grants	-	-	-	-	-	3.8	-	3.8
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	49.4	59.3	41.9	87.9	69.7	892.3	167.6	724.7
Loans	39.2	36.9	32.0	76.5	57.4	519.5	167.6	351.9
Grants	10.2	22.4	9.9	11.4	12.3	372.8	-	372.8
Other U.S. Government Loans and Grants	26.0	10.8	1.2	-	-	173.0	163.2	9.8
a. Export-Import Bank Loans	0.7	3.7	1.2	-	-	107.1	84.0	23.1
b. All Other Loans	25.3	7.1	-	-	-	65.9	79.2	13.3-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	91.2	168.4	118.9	1228.0
IBRD	25.4	7.1	3.8	296.3
IFC	0.0	10.5	0.0	26.1
IDA	0.0	0.0	0.0	22.0
IDB	61.9	150.0	113.7	850.8
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	3.9	0.8	0.0	25.7
OTHER-UN	0.0	0.0	1.4	7.1
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

DOMINICAN REPUBLIC	CY 1982	CY 1983	CY 1978–83
United States	83.0	46.0	266.0
Germany, Fed. Rep.	6.1	10.3	38.8
Japan	4.4	3.3	18.9
Netherlands	2.0	1.9	11.6
Canada	1.3	1.7	7.0
Other	2.7	3.2	17.9
Total	99.5	66.4	360.2

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978–82
5.2	N.A.	7.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

DOMINICAN REPUBLIC

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Develop-ment	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans	56,764	13,800	-	4,000	4,964	-	34,000	-
Grants	7,582	3,030	50	924	2,176	1,402	-	-
Total	64,346	16,830	50	4,924	7,140	1,402	34,000	
1985								
Loans	8,086	4,850	-	-	1,036	2,200	-	-
Grants	113,914	6,250	650	3,951	6,383	1,680	95,000	-
Total	122,000	11,100	650	3,951	7,419	3,880	95,000	
1986								
Loans	16,080	9,680	-	-	2,000	4,400	-	-
Grants	63,920	5,500	1,350	2,070	2,700	2,300	50,000	-
Total	80,000	15,180	1,350	2,070	4,700	6,700	50,000	

FY 1986
PROGRAM HIGHLIGHTS

- Some $50 million in Economic Support Funds will support efforts to overcome economic imbalances. Policy dialogue will reinforce stabilization, emphasizing private sector growth and reducing the balance-of-payments deficit.
- Some $30 million in Development Assistance will continue emphasis on institutional development and technology transfer. Major activities supported will include: agriculture, rural education, and small industries.

DOMINICAN REPUBLIC

RESOURCE FLOWS (In thousands of dollars)			
Program	FY1984 (Actual)	FY1985 (Estimated)	FY1986 (Proposed)
Aid *			
Loans	40,133	25,630	18,364
Grants	4,541	81,621	79,092
Total AID	44,674	107,251	97,456
P.L. 480 **			
Title I	26,000	35,500	30,000
(of which Title III is)	(-)	(-)	(-)
Title II	2,805	1,907	1,792
Total P.L. 480	28,805	37,407	31,792
Total AID and P.L. 480	73,479	144,658	129,248

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 (in thousands of dollars)						
Program	FY1984 (Actual)		FY1985 (Estimated)		FY1986 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	19.6	3,000	90	14,000	64.0	10,000
Rice	-	-	-	-	-	-
Feedgrains	152.7	23,000	145	19,000	156.0	20,000
Vegoil	-	-	3	2,500	-	-
Non-food	-	-	-	-	-	-
Title I Total	172.3	26,000	238	35,500	220.0	30,000
(of which Title III is)	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies Government - to - Government	9.8	2,805	7.7	1,907	7.5	1,792
Title II Total	9.8	2,805	7.7	1,907	7.5	1,792
Total P.L. 480	182.1	28,805	245.7	37,407	227.5	31,792

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

DOMINICAN REPUBLIC

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire [a]	22	20	20
PASA [b]	1	1	1
Total	23	21	21

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*
[b] *On board end of year.*

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic [a]	Technical [b]	Academic	Technical	Academic	Technical
S&T/IT Managed [c]	23	40	80	120	154	157
Contract Managed [d]	20	18	21	47	24	15
Total	43	58	101	167	178	172

[a] *Degree seeking participants.*
[b] *Non-degree seeking participants (may be at universities).*
[c] *Participants programmed by Missions and sent to S&T/IT for management.*
[d] *Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.*

*Does not include: 30 third-country participants in FY 1984; 53 third-country participants in FY 1985; and 55 third-country participants in FY 1986.

DOMINICAN REPUBLIC

Development Overview

The Dominican Republic, with a per capita GNP of only $525, is in the midst of a severe economic crisis. Externally, it has accumulated over $2.5 billion in public and private debts with interest and amortization payments exceeding $700 million in 1984. The overall balance of payments deficit for 1984 is estimated at more than $300 million. Internally, government expenditures will exceed receipts by approximately $100 million in 1984. Structurally, an import-oriented industrial stance and a series of laws and administrative practices supporting an inward-looking development strategy hamper the development of a vibrant export-oriented agriculture and industrial sector.

The current economic crisis reflects the following basic structural problems: (1) heavy dependence on a few primary exports whose world prices fluctuate widely; (2) predominance of inefficient, capital-intensive domestic industries enjoying substantial tariff protection; (3) failure of agricultural production to achieve its potential because of price disincentives, inadequate infrastructure, inadequate support for small farmers who produce primarily for the domestic market, and a deteriorating and badly managed natural resource base; (4) lack of jobs for the expanding work force; and (5) shortage of skilled and semi-skilled workers as well as lack of highly trained personnel in critical fields, particularly knowledgeable, effective managers and technicians to direct the country's development effort. In addition, the country's population continues to expand at an estimated 2.7% a year. Nearly 45% of the population is under age 15, and the present economy simply cannot cope with the demands of new job seekers. Continuing rural-urban migration exacerbates this problem.

The Dominican economy needs a comprehensive adjustment program that will address both short-term stabilization and medium-term structural reform. In an effort to achieve this, the Government of the Dominican Republic (GODR) concluded a $450 million three year Extended Fund Facility (EFF) agreement with the International Monetary Fund (IMF) in January 1983. The EFF reforms called for: (a) public sector expenditure reduction; (b) GODR revenue increases through new tax measures; (c) import duty increases through adjustment of monetary exchange rates; and (d) further transfer of imports to the parallel market. The GODR rescheduled some $600 million in commercial bank debts in late 1983. However, during the fourth quarter of 1983 the GODR was unable to stay within the IMF program targets. Efforts to negotiate the targets for the second year of the program ended in July 1984, after eight months of intensive negotiations with the IMF. The GODR obtained a transitional "bridge" agreement intended to lead to a standby arrangement, possibly in early CY 1985. In conjunction with this agreement, the GODR published a comprehensive Economic Policy Statement outlining policies and specific actions that need to be taken through the end of 1985, including the unification of monetary exchange rates at the parallel market rate and reduction of public deficits. A.I.D. fully supports the GODR policy

measures contained in the Economic Policy Statement, and will support implementation of the reforms using FY 1984 and FY 1985 Economic Support Fund assistance supplemented by Development Assistance and P.L. 480 resources.

The current development effort in the Dominican Republic continues to be hampered by the external, internal, and structural constraints outlined above. The GODR has begun to focus on short-term adjustment measures but must now implement essential medium-term policy measures, including agricultural development and export diversification, expansion of social services, and stimulation of greater private participation in the economic recovery program.

U.S. Interests and Objectives

The Dominican Republic's size and location underscore the country's importance to U.S. Caribbean regional interests. As a functioning democracy in which human rights are respected, the Dominican Republic shares common ideals with the United States. The GODR consistently has supported the United States on key issues in international fora. Two major U.S. objectives in the Dominican Republic are to support the growth of democratic institutions and to speed economic and social development, particularly private sector development, export promotion and job creation.

The Dominican Republic is a leading importer of U.S. goods in the Caribbean. Total U.S. private investment in the country is estimated at more than $500 million. Strong cultural and educational ties link the two countries. Thousands of Dominicans have studied in the United States and continue to maintain professional contacts with U.S. institutions. A major element of U.S.-Dominican relations is Dominican migration to the United States. An estimated 850,000-1,000,000 Dominicans now reside in the United States. Remittances from relatives in the United States are significant, estimated at between $200-$300 million annually.

The Peace Corps has more than 140 volunteers in the Dominican Republic. Many are engaged in A.I.D.-funded projects, working in agriculture, rural and community development, appropriate technology, nutrition, cooperatives, agro-forestry, and aquaculture.

The Dominican Republic's designation as a beneficiary country under the Caribbean Basin Initiative (CBI) established the CBI as a major U.S. foreign policy instrument for the country. In the overall U.S. interest of fostering growth and development in the largest democratic nation of the Caribbean, the United States must remain a steadfast partner with the Dominican Republic.

A.I.D. Development Strategy

A.I.D.'s goal in the Dominican Republic is to encourage and support economic structural reform, institutional and policy development, technology transfer and equitable growth within a strengthened democratic framework. The strategy is to expand private sector growth and employment through increased production and export of labor-intensive goods and services, and increased domestic and

foreign investment. The A.I.D. program will focus on four mutually reinforcing areas: (1) economic stabilization and recovery, (2) export promotion, (3) agriculture and rural development, and (4) human resources development.

The main objective in export promotion is to reinforce the GODR's decision to expand nontraditional exports as the basic engine of growth. A.I.D. has or will initiate new projects in economic policy analysis and planning, export and investment promotion, agribusiness promotion, and mineral export promotion. All are designed to strengthen the private sector, generate employment, and increase foreign exchange earnings and domestic investment.

A.I.D.'s strategy in agriculture and rural development is to increase non-traditional agricultural exports and domestic food production. This requires the creation of a more favorable agricultural production environment, which A.I.D. is helping to foster through assistance to the GODR in policy analysis. A.I.D. is also assisting the GODR in managing and preserving the country's natural resource base, including forestry, water management, and watershed development.

In human resources the A.I.D. strategy is: (1) to increase the capabilities of key public and private sector policy makers to implement sound development strategies through management and other training, (2) to expand primary education in rural areas, and (3) to improve the management and efficiency of health-care delivery.

A.I.D. Program (FY 1984 and FY 1985)

In a period of deepening economic crisis, A.I.D. assistance is critical to the economic life of the country and the continuation of public services.

A. Economic Support Fund (ESF)

The objective of ESF is to provide balance-of-payments support while the GODR undertakes difficult adjustment measures to solve external, internal, and structural imbalances. Through September 30, 1984, the Private Enterprise Sector Development program (517-0171) had provided ESF funding totaling $83 million, with $34 million in FY 1984. In addition, $50 million in FY 1984 supplemental funding which was provided to the GODR late December 1984, and a planned increment of $45 million in FY 1985, will support an agenda of fiscal and monetary reforms to encourage economic diversification, job creation and growth of the private sector.

Local currencies generated by the ESF program are deposited in a special account and are jointly programmed to provide credit to priority private sector activities, particularly those in agro-industry and other nontraditional exports. Local currencies are also earmarked for support of productive infrastructure projects, especially those which will impact on the private sector and export promotion strategies, such as the free trade zones, rural roads, and port facilities. These funds also support the development programs of Dominican and U.S. private and voluntary organizations (PVOs).

B. Development Assistance (DA)

1. Agriculture, Rural Development, and Nutrition

In FY 1984, 55% of the A.I.D. DA program was devoted to agriculture and rural development. Approximately 41% of the total program is planned for this sector in FY 1985. FY 1984 was a transition year from a strategy focused on resource conservation and management (which is well on its way to successful completion) to one concentrating on export-oriented production and related policy reforms. Among the major ongoing projects is the Natural Resources Management project (517--0126) which has reversed the trend of erosion in two watersheds by instilling new farming methods and conservation practices among the rural population. Under the Energy Conservation and Resources Management project (517-0144), a fuelwood nursery and research center were established, and adaptive trials are being carried out on fast-growing tree species. Nursery personnel have been trained in the new technology, and considerable interest is being generated in the private sector. Under the mini-hydro component of this project, 27 potential sites have been studied, from which five have had prefeasibility studies completed. A feasibility study is being carried out for the construction of the first of two mini-hydro facilities.

In mid-1983, the Rural Savings Mobilization project (517-0179), now funded at $500,000, began establishing rural savings branches, and nine are now operating. In FY 1985, the Forestry Management project (517-0173) and the Rural Roads Maintenance project (517-0177) will be fully funded.

In FY 1984, A.I.D. initiated the Agricultural Policy Analysis project (517-0156) to help define the policy alternatives available to the GODR and to improve the quality and consistency of its agricultural policies. In FY 1985, A.I.D. will begin the Agriculture Research and Technology Transfer project (517-0180) which is designed to rationalize research efforts to increase productivity on cultivated lands in the Dominican Republic . The Agribusiness Promotion project (517-0186), one of the key initiatives to promote exports and increase foreign and domestic private investments, will start in FY 1985.

Program Development and Support (PD&S) funds were used to finance project studies, preparation, and evaluations of several projects, including a PVO fisheries project. PD&S financing of a minority contractor also helped in developing guidance for A.I.D.'s strategy on export-oriented agribusiness.

2. Population Planning

In FY 1984, A.I.D. evaluated a grant to a Dominican private voluntary organization, PROFAMILIA. The report's recommendations have strengthened the quality of the research efforts of PROFAMILIA's population studies institute and streamlined its management. A.I.D. also granted funds to the National Population and Family Council to provide evening family planning services for industrial and domestic laborers, a group that has been overlooked by formal family planning centers. Several Dominicans attended short-term training courses in the United States and third countries in natural family planning and computer training for demographic applications.

In FY 1985, 2.4% of total DA assistance will be used in this sector, up from only $50,000 in FY 1984. Additional operational program grants (OPGs) will be made to indigenous PVOs to expand family planning services. PD&S funds will be used to expanded family planning programs and design training for promoters to assist in the delivery of services in rural areas not yet covered.

3. Health

In FY 1984, 16% of the D.A. program was devoted to health projects, and about 15% of total DA funds are planned for this sector in FY 1985. The new Health Systems Management project (517-0153) loan component was funded in FY 1984 and the grant will be fully funded in FY 1985. This project addresses managerial deficiencies in the Secretariat of State for Public Health and Social Assistance by providing technical assistance and training to mid- and lower level management personnel and to some 5,000 community health promoters. The project incorporates the recommendations made in the evaluation of the Health project (517-0120) to expand the outreach of primary health care. The Applied Nutrition Education Program OPG (517-0174), funded in FY 1984, is now operating in 26 provinces. In FY 1985 a Self-Financing Primary Health Care OPG (517-0222) will support an indigenous PVO in testing the feasibility of financing health services through user payments.

4. Education and Human Resources

Almost 24% of the DA program was used in this sector in FY 1984, and about 27% of total DA funds in FY 1985 are planned for education and human resources. The Graduate Management Training project (517-0157) with the Catholic University was initiated with 100 Masters-level students in its graduate administration program. The University now has the capacity to provide training for private sector managers, in addition to its ongoing graduate program. Two OPGs were fully funded in FY 1984, the Women's Training and Advisory Services OPG (517-0146) and Radio Santa Maria (517-0163). Both projects were evaluated. The Women's Training project, which is now completed, exceeded by 265% its target outputs for intensive skills training of marginal women in an urban neighborhood. The implementing PVO, Accion Pro-Education y Cultura, acquired new experience in working with disadvantaged urban women. The project evolved from a job training project to a small business development activity, and 108 women received small loans to start micro-businesses, with another 60 loan applications pending at the end of the project. The evaluation of the Radio Santa Maria project demonstrated the cost effectiveness of radio education compared to traditional learning techniques. This evaluation also provided the basis for efforts under the Rural Education project ((517-0172) to integrate radio education into the rural education system. The Rural Education activity, which started in FY 1984, will finance over 800 rural primary classrooms and broaden the coverage of low-cost instruction technologies. The Policy Anaysis and Training project (517-0188) will start in FY 1985. It is designed to improve the performance of key government entities responsible for economic policy decisions by providing advisory services and short-term training, thereby improving implementation of the structural adjustment program and the general

climate for private sector growth. The Development Training project (517-0216), which started in FY 1985, is designed to provide training opportunities for public and private personnel.

5. Selected Development Activities

In FY 1984, about 5% of the DA program was applied to these activities. In FY 1985, funding for these projects will increase to 14% of the total DA Program. In FY 1984, three OPGs were funded including the Housing/Appropriate Technology OPG (517-0164), which is implemented through CARE. A grant to the Bi-National Center (517-0210) enables it to provide university testing and guidance to Dominicans wishing to study in the United States. An OPG to the Association for the Development of Micro-Enterprises (517-0108) has created almost 1,500 new jobs and helped 930 small enterprises with over 5,200 loans. The La Vega Agricultural School (517-0212) received a grant to purchase new tools and equipment to upgrade the offerings of that institution. The Special Development Activities Fund (517-0050) supports small self-help projects in rural areas, usually under the supervision of Peace Corps Volunteers. Some 15 actitities were funded in FY 1984 and a similar number is planned for FY 1985. About 25 activities were funded under Program Development and Support (PD&S), most dealing with export and trade promotion, such as the Atlanta Market Center Spring Gift Show, and project development activities for Agri-Business Promotion and the Mineral Export Promotion project (517-0183), which will start in FY 1985. In the first stage of the Minerals project, a geological map of selected areas of the Dominican Republic will be developed, which will facilitate foreign and domestic mining investments. The Export and Investment Promotion project (517-0190), which is intended to improve the climate for private investments and promote the export of non-traditional products, will begin in FY-1985.

6. P.L. 480 Program

The FY 1984 P.L. 480 Title I program of $26 million has generated approximately 45 million pesos which were deposited in a special account in the Central Bank. Many activities financed from this counterpart fund are either directly supportive of, or complementary to, A.I.D.-funded projects, including the Rural Roads Maintenance and Rehabilitation project (517-0130) and the Rural Development Management project (517-0125). Additional activities funded with Title I resources include logistic support for PVOs engaged in P.L. 480 Title II activities, rural housing, sanitation, vegetable production, reforestation, irrigation, and credit for small farmers. FY 1985 local currency will also be used to support ongoing activities in rural areas.

Catholic Relief Services (CRS), CARE, and Church World Service (CWS) implement the P.L. 480 Title II program. The PVOs use the food for maternal and child health, other child-feeding, and food-for-work rural infrastructure projects. About 183,000 recipients benefit from these programs. As a result of the 1982 evaluation of the Title II program, the PVOs have submitted three-year plans under which food commodities are targeted toward the neediest groups and more

integrated with other Dominican and A.I.D. development programs. As a result of an internal CWS evaluation, this PVO will complete its work in FY 1985 utilizing P.L. 480 Title II food.

Requested Year Program (FY 1986)

The reqested program of $50 million of ESF and $30 million of DA in FY 1986 will continue to assist the GODR to stabilize the economy and implement needed structural reforms, and to support essential social services.

A. Economic Support Fund (ESF)

A.I.D. requests $50 million in ESF for balance-of-payments support to GODR efforts to overcome external, internal, and structural imbalances. A.I.D.'s overall policy goal is to create a favorable export climate in which private Dominican entrepreneurs can compete more effectively in world markets with labor-intensive goods and services. Reduction of administrative obstacles to export activities, retention of foreign exchange earnings by exporters of non-traditional products, unification of the exchange rate, rationalization of public sector enterprises, and improved monetary and fiscal performance will be high priority GODR performance targets related to ESF assistance. .

B. Development Assistance (DA)

1. Agriculture, Rural Development, and Nutrition

The proposed level of $15.18 million for the agriculture sector represents 50% of the DA program. Four projects will be implemented to increase production and exports within a reformed policy environment that gives a higher priority to generating needed foreign exchange. Agriculture Research and Technology Transfer (517-0180) and Agri-Business Promotion (517-0186) projects will each receive incremental funding. Two new projects are proposed: Food Crops Production (517-0213) to increase production of basic food commodities, particularly those which are currently being imported; and Riverbasin Commercial Farming (517-0214) which will revitalize and expand a large irrigation system and ensure that private farmers have access to credit, cold storage, transport, and processing facilities needed to promote non-traditional export crops.

2. Population Planning and Health

These combined sectors represent 11% of the DA program, with $1.35 million in Population Planning and $2.07 million in Health. Funds will be used for Program Development and Support and OPG funds are requested for family planning and health. In the health sector, a new Immunization Program (517-0215) will be initiated. This project will assist the Ministry of Health in vaccinating children and adults against endemic diseases. Final funding will be provided to the Self-Financing Primary Health Care OPG (517-0222).

3. Education and Human Resources

The Education sector funding proposed at $4.7 million represents 16% of the DA program. Incremental funding will be provided for the Policy Analysis and Training project (517-0188), and the Development Training project (517-0216). A new Education Management project (517-0217) will be started to assist the Secretariat of Education in reinforcing a decentralized administrative structure and improving educational planning. Funds are also proposed for Program Development and Support.

4. Selected Development Activities

A total of $6.7 million is proposed for this sector, which represents 22% of the DA program. These funds will be directed toward A.I.D.'s priority of stimulating exports under the Caribbean Basin Initiative. Incremental funding will be provided for the Mineral Export Promotion project (517-0183) and the Export and Investment Promotion project (517-0190). Funds also will be used for Special Development Activities and for Program Development and Support.

5. P.L. 480 Program

The P.L. 480 Title I program, proposed at $35.5 million, will provide needed commodities on a concessional basis. Local currency generated from the sale of Title I food stuffs will support both the regular A.I.D. program and achievement of various self-help measures in rural areas. Activities will include rural housing, sanitation, vegetable production, reforestation, irrigation, and credit for small farmers. The Title II program will provide about $1.8 million in commodities for distribution by two PVOs in rural food-for-work, maternal and child health, and infant and school feeding programs.

MISSION DIRECTOR: Philip R. Schwab

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: DOMINICAN REPUBLIC

CP 86

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION													
PROGRAM DEVELOPMENT AND SUPPORT		G	517-0000	62	C	---	---	8,957	8,809	500	350	500	350
NATURAL RESOURCES MANAGEMENT		G	517-0126	81	84	500	500	500	366	---	100	---	34
NATURAL RESOURCES MANAGEMENT		L	517-0126	81	84	10,500	10,500	10,500	1,893	---	2,500	---	1,500
RURAL FEEDER ROADS		L	517-0130	79	80	10,000	10,000	10,000	9,664	---	336	---	---
ENERGY CONSERVATION AND RESOURCES DEV		G	517-0144	82	84	3,114	3,114	3,114	886	---	1,000	---	1,000
ENERGY CONSERVATION AND RESOURCES DEV		L	517-0144	82	84	5,268	5,268	5,268	695	---	1,000	---	1,500
SMALL INDUSTRY		G	517-0150	82	84	595	595	595	94	---	150	---	150
SMALL INDUSTRY		L	517-0150	82	84	3,500	3,500	3,500	1,136	---	1,500	---	864
AGRICULTURE POLICY ANALYSIS		G	517-0156	83	84	500	500	500	---	---	200	---	300
ON - FARM WATER MANAGEMENT		L	517-0159	83	84	12,000	12,000	12,000	---	---	1,500	---	2,500
AGRICULTURAL SECTOR TRAINING		L	517-0160	83	83	3,450	3,450	3,450	---	---	250	---	600
FORESTRY MANAGEMENT		G	517-0173	84	85	1,950	1,950	---	---	1,950	---	---	300
FORESTRY MANAGEMENT		L	517-0173	84	85	6,000	6,000	6,000	---	---	300	---	900
RURAL ROADS MAINTENANCE II - (PVO)		L	517-0177	83	87	15,000	15,000	10,650	100	2,150	5,000	---	4,000
SAVINGS MOBILIZATION I		G	517-0179	83	84	500	500	500	51	---	300	---	149
AGRICULTURAL RESEARCH AND EXTENSION		G	517-0180	85	88	---	8,000	---	---	2,000	---	3,000	750
AGRI-BUSINESS PROMOTION		G	517-0186	85	88	---	1,800	---	---	1,800	---	---	200
AGRI-BUSINESS PROMOTION		L	517-0186	85	88	---	8,500	---	---	2,700	---	2,800	500
FOOD CROPS PRODUCTION	*	G	517-0213	86	87	---	1,000	---	---	---	---	1,000	---
FOOD CROPS PRODUCTION	*	L	517-0213	86	87	---	6,000	---	---	---	---	2,880	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: DOMINICAN REPUBLIC

CP 86

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
RIVERBASIN COMMERCIAL FARMING	•	G	517-0214	86	87	---	1,000	---	---	---	---	1,000	---
RIVERBASIN COMMERCIAL FARMING	*	L	517-0214	86	87	---	10,000	---	---	---	---	4,000	---
PRIVATE AND VOL ORGANIZATIONS - OPG'S	*	G	517-9999	78	C	---	---	1,376	882	---	687	---	239
TOTAL FOR ACCOUNT						72,877	109,177	76,910	24,576	11,100	15,173	15,180	15,836
GRANTS						7,159	18,959	15,542	11,088	6,250	2,787	5,500	3,472
LOANS						65,718	90,218	61,368	13,488	4,850	12,386	9,680	12,364
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT		G	517-0000	62	C	---	---	72	41	150	80	150	100
PRIVATE AND VOL ORGANIZATIONS - OPG'S	*	G	517-9999	78	C	---	---	407	243	500	120	1,200	150
TOTAL FOR ACCOUNT						---	---	479	284	650	200	1,350	250
GRANTS						---	---	479	234	650	200	1,350	250
LOANS						---	---	---	---	---	---	---	---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT		G	517-0000	62	C	---	---	---	---	200	150	200	150
HEALTH SECTOR II		L	517-0120	79	79	8,000	8,000	8,000	6,410	---	1,590	---	---
HEALTH SYSTEMS MANAGEMENT		G	517-0153	84	85	4,000	4,000	679	---	3,321	200	---	600
HEALTH SYSTEMS MANAGEMENT		L	517-0153	84	85	4,000	4,000	4,000	---	---	200	---	750
IMMUNIZATION PROGRAM	•	G	517-0215	86	86	---	1,500	---	---	---	---	1,500	100
PRIVATE AND VOL ORGANIZATIONS - OPG'S	•	G	517-9999	78	C	---	---	910	391	430	400	370	450
TOTAL FOR ACCOUNT						16,000	17,500	13,589	6,801	3,951	2,540	2,070	2,050
GRANTS						4,000	5,500	1,589	391	3,951	750	2,070	1,300
LOANS						12,000	12,000	12,000	6,410	---	1,790	---	750

*Refers to the planned project summary sheet

[C]Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: DOMINICAN REPUBLIC

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	517-0000	62	C	---	---	586	586	300	175	200	175
EDUCATION SECTOR LOAN	L	517-0119	79	79	7,500	7,500	7,500	7,421	---	79	---	---
HUMAN RESOURCES DEVELOPMENT	G	517-0127	81	81	750	750	750	593	---	157	---	---
HUMAN RESOURCES DEVELOPMENT	L	517-0127	81	81	4,250	4,250	4,250	707	---	625	---	750
GRADUATE MANAGEMENT TRAINING	G	517-0157	83	85	5,000	5,000	2,230	729	2,770	750	---	1,000
AGRICULTURAL SECTOR TRAINING	L	517-0160	83	83	1,550	1,550	1,550	---	---	150	---	250
RURAL EDUCATION	G	517-0172	84	85	---	2,000	187	---	1,813	300	---	575
RURAL EDUCATION	L	517-0172	84	85	---	6,000	4,964	---	1,036	1,500	---	1,500
POLICY ANALYSIS TRAINING	G	517-0188	85	87	---	2,500	---	---	1,000	150	1,000	300
DEVELOPMENT TRAINING	G	517-0216	85	87	---	6,000	---	---	500	---	500	150
EDUCATION MANAGEMENT	* G	517-0217	86	88	---	1,000	---	---	---	---	1,000	---
EDUCATION MANAGEMENT	* L	517-0217	86	88	---	10,000	---	---	---	---	2,000	---
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	517-9999	78	C	---	---	425	146	---	150	---	90
TOTAL FOR ACCOUNT					19,050	46,550	22,442	10,182	7,419	4,036	4,700	4,790
GRANTS					5,750	17,250	4,178	2,054	6,383	1,682	2,700	2,290
LOANS					13,300	29,300	18,264	8,128	1,036	2,354	2,000	2,500
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	517-0000	62	C	---	---	935	729	299	500	750	600
SPECIAL DEVELOPMENT ACTIVITIES	G	517-0050	62	C	---	---	1,050	1,048	50	52	50	50
ENERGY POLICY DEVELOPMENT	G	517-0143	80	81	770	770	770	697	---	73	---	---
ENERGY CONSERVATION AND RESOURCES DEV	G	517-0144	82	84	1,000	1,000	1,000	673	---	327	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: DOMINICAN REPUBLIC

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
ENERGY CONSERVATION AND RESOURCES DEV	L	517-0144	82	84	6,550	6,550	6,550	---	---	600	---	1,000
SMALL INDUSTRY	G	517-0150	82	84	255	255	255	100	---	100	---	55
SMALL INDUSTRY	L	517-0150	82	84	1,500	1,500	1,500	---	---	500	---	1,000
MINERAL EXPORT PROMOTION	G	517-0183	85	88	---	5,000	---	---	500	---	1,000	250
EXPORT INVESTMENT PROMOTION	G	517-0190	85	88	---	4,000	---	---	500	50	500	200
EXPORT INVESTMENT PROMOTION	L	517-0190	85	88	---	8,000	---	---	2,200	---	4,400	750
PRIVATE AND VOL ORGANIZATIONS - DPG'S	* G	517-9999	78	C	---	---	1,114	385	331	100	---	625
TOTAL FOR ACCOUNT					10,075	27,075	13,174	3,632	3,880	2,302	6,700	4,530
GRANTS					2,025	11,025	5,124	3,632	1,680	1,202	2,300	1,780
LOANS					8,050	16,050	8,050	---	2,200	1,100	4,400	2,750
ECONOMIC SUPPORT FUND												
PRIVATE ENTERPRISE SECTOR DEVELOPMENT	G	517-0171	82	90	---	161,000	---	---	95,000	75,000	50,000	70,000
PRIVATE ENTERPRISE SECTOR DEVELOPMENT	L	517-0171	82	90	83,000	244,000	83,000	75,000	---	8,000	---	---
TOTAL FOR ACCOUNT					83,000	405,000	83,000	75,000	95,000	83,000	50,000	70,000
GRANTS					---	161,000	---	---	95,000	75,000	50,000	70,000
LOANS					83,000	244,000	83,000	75,000	---	8,000	---	---
TOTAL FOR COUNTRY					201,002	605,302	209,594	120,475	122,000	107,251	80,000	97,456
GRANTS					18,934	213,734	26,912	17,449	113,914	81,621	63,920	79,092
LOANS					182,068	391,568	182,682	103,026	8,086	25,630	16,080	18,364

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Food Crops Production		1,000 (G) 2,880 (L)		FY 1986 1,000 (G) 2,880 (L)	Life of Project Funding 1,000 (G) 6,000 (L)
Number 517-0213 [X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1986	Estimated Final Obligation FY 1987 / Estimated Completion Date of Project FY 1988
[X] GRANT [X] LOAN [ ] CONTINUING					

Purpose: To develop the capability of small and medium-sized commercial farms to expand production of basic commodities (e.g., maize, sorghum, and peanuts) for the national market, especially products that are now imported in large quantities; and to establish an improved agricultural marketing system involving private sector delivery of production inputs and support services.

Project Description: The major constraints to increased agricultural production include: inadequate incentives due to poor national price policy, weak technology dissemination, poor management of irrigation systems, and limited delivery of production inputs. Whereas the first three categories of constraints are or will be treated by existing and planned A.I.D. projects, the last constraint has yet to be addressed adequately. Previous efforts to deliver production inputs, such as seeds, chemicals, and machinery services to farmers, have had limited success largely because of the weak capability of the responsible government entities. As a result, private sector entities are becoming increasingly important for the delivery of these services. However, they need assistance in becoming reliable suppliers of production inputs and services. In particular, commercial farmers need the timely delivery of seeds, fertilizers, credit, technical supervision, market information, and storage services in order to produce commodities that are in great demand in local markets. The proposed project would assure that the inputs and services required for increased agricultural production are delivered effectively by private sector entities strengthened by this project. This will require a fundamental reorientation of public policy toward small- and medium-size commercial farms.

The major activities to be undertaken by this project involve the provision of improved technology, production inputs, credit and storage services to farmers, and the strengthening of essential public services, such as maintaining foundation seed stocks. The project will assist in the: (1) establishment of private sector management of seed reproduction, machinery and marketing services; and (2) reduction of GODR-provided subsidies currently supporting production inputs and services. The project will also strengthen the capabilities of: (1) private financial institutions to provide agricultural production credit and working capital to farmers' organizations; and (2) commodity buyers to provide technical guidance to producers concerning production technology and quality standards.

Relationship of Project to A.I.D. Country Stratgey: The project will contribute directly to several strategic objectives, especially: foreign exchange savings; increased food production, farm income and employment; greater private sector involvement in managing productive enterprises; and reduction of government subsidies and/or controls in economic activity.

Host Country and Other Donors: The GODR will provide budgetary support and such in-kind contributions as may be required to achieve specific project objectives. These will include, as necessary, the application of requisite policy changes, stimulation of inputs delivery through the private sector, facilitation of agricultural credit resources, etc.

Beneficiaries: Potential project beneficiaries include the hundreds of farmers' associations organized along commodity lines or by regions and the dozens of major commodity buyers that process and/or wholesale agricultural produce. The project is expected to benefit directly or indirectly a vast majority of the 175,000 farm families in the Dominican Republic.

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Riverbasin Commercial Farming		1,000 (G) 4,000 (L)		FY 1986 1,000 (G) 4,000 (L)	Life of Project Funding 1,000 (G) 10,000 (L)

Number 517-0214	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☒ LOAN	☐ CONTINUING				FY 1986	FY 1987	FY 1989

Purpose: To increase production of non-traditional export crops on a commercial basis in a selected riverbasin.

Project Description: The Dominican Republic still has an untapped potential to increase its agricultural production in non-traditional crops, both for domestic consumption as well as for the export market. Such under-utilized potential lies in several riverbasins where the lack of complete infrastructure impedes investment by commercial farms and hinders production. In several of these riverbasins the Government of the Dominican Republic (GODR) has invested heavily in irrigation works and other infrastructure. These do not function efficiently, however, and critical minor investments remain to make the overall project successful, such as clearance of canals which have deteriorated or silted up due to improper management or lack of ongoing maintenance. Nonetheless, these areas offer vast productive potential, and many private producers, both medium- and large-scale, are interested in investing further in commercial farms if a joint public-private activity can be developed. Limited inputs of credit and infrastructure repair would have a significant impact on production and employment, a major GODR objective for this project which was included in the Emergency Assistance Program prepared for President Jorge Blanco's visit to the United States in April 1984. One such riverbasin is the Azua Valley, located approximately 100 kilometers west of Santo Domingo, in the southwest region of the country. The area is semi-arid with an average annual rainfall somewhere near 400 mm (approximately 16 inches).

The project will finance land improvement infrastructure, such as drainage and irrigation canals: (1) to bring up to 12,000 hectares of land under cultivation, (2) to reclaim 1,000 hectares of flooded land, (3) to rehabilitate 2,500 hectares that currently have drainage or salinity problems, (4) to provide technical assistance to 2,500 farmers, and (5) to create some 2,500 new jobs directly through construction of the system and indirectly through the agri-business ventures which will result from this project.

During the design of this project, the GODR will prepare plans for the development and effective use of the areas to be irrigated. Private investment will be encouraged through the provision of credit; long-term leases on government-owned lands; and technical assistance in horticulture, water management, and systems maintenance.

Relationship of Project to A.I.D. Country Strategy: This project is consistent with A.I.D. and Caribbean Basin Initiative strategies of supporting agriculture production for export. It also complements the Mission's On-Farm Water Management project (517-0156) as well as the planned Agri-Business Promotion project (517-0186).

Host Country and Other Donors: The GODR has previously made infrastructure investments with its own sources as well as with Inter-American Development Bank funds. The Government of Israel has provided some limited long-term assistance in the project area. The GODR will contribute budgetary resources commensurate with the proposed investments, and in-kind contributions in land and personnel to achieve project objectives.

Beneficiaries: The direct beneficiaries will be the approximately 2,500 to 3,000 private farmers who will establish commercial farms in the area. Such farms will generate several thousand new jobs, and thus numerous rural workers will benefit indirectly from this project. In addition, some 2,500 people will receive jobs in the construction of the irrigation system and the agro-industrial installations.

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Immunization Program			1,500 (G)	FY 1986 1,500 (G)	Life of Project Funding 1,500 (G)

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
517-0215 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING				FY 1986	FY 1986	FY 1988

Purpose: To assist the Government of the Dominican Republic (GODR) to prevent diseases of infancy and childhood.

Project Description: The project will involve the systematic immunization of infants and young children against diphtheria, pertussis, tetanus, tuberculosis, measles, german measles, and polio; as well as immunization of pregnant women against tetanus (to prevent neonatal tetanus).

The project will provide assistance in the design and management of appropriate immunization services within the Dominican Republic's primary health care system. Training will be provided to rural health promoters, their supervisors, and other health personnel and volunteers in the administration of these vaccines. Training materials will be developed through the project, and equipment (jet guns, refrigerators, power sources) needed to establish or improve the "cold chain" will be procured with project funds. Materials (needles and syringes, cotton and alcohol) and vaccines will also be purchased with project funds.

Relationship of Project to A.I.D. Country Strategy: The major long-term goal of A.I.D. in the Dominican Republic in the area of human resource development is the promotion of an efficient health services system with the capacity to support a long-term GODR commitment to improved health care delivery and fertility reduction. The proposed project supports preventive health care measures consistent with this strategy.

Host Country and Other Donors: The GODR will contribute over $3 million in salaries of health personnel and promoters to cover transportation costs, including fuel and maintenance of vehicles and some refrigerated storage space. The Pan American Health Organization has been providing sporadic technical assistance in immunization programs and purchasing vaccines with a revolving fund occasionally made available by the GODR.

Beneficiaries: Direct beneficiaries will be: children under 5 years of age (800,000 plus an annual increment of approximately 145,000), and pregnant women (approximately 150,000 per year)

Ultimately, protection against tetanus should be provided to the Dominican Republic's entire population, in which case the beneficiaries of this specific intervention would be close to six million.

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Education Management				FY 1986 1,000 (G) 2,000 (L)	Life of Project Funding 1,000 (G) 10,000 (L)

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
517-0217	☒ NEW		1,000 (G) 2,000 (L)		FY 1986	FY 1988	FY 1989
☒ GRANT ☒ LOAN	☐ CONTINUING						

Purpose: To assist in the consolidation of the GODR's education reform efforts by strengthening the Secretariat of Education's (SEEBAC) decentralized systems through improved administrative, logistical, and supervisory support.

Project Description: The Dominican Republic's education sector has suffered from low access, high levels of illiteracy, and from internal and external inefficiencies. As early as 1978, the Government of the Dominican Republic (GODR) initiated an educational reform program in which A.I.D. and other donors have assisted in strengthening access and literacy. Significant improvements have been made in these areas, but the 1983/1984 education sector assessment noted that SEEBAC continued to be weak in the areas of internal and external efficiency. This project, therefore, will provide financing for: (1) reinforcing a decentralized administrative structure; and (2) an improved system for educational planning. A regional center system will provide teachers and parents with enhanced administrative and technical support services, and, at the same time, will serve as in-service teacher training facilities. Planned assistance will focus on the construction and equipping of nine regional centers; the training of personnel; the development of administration, supervision, and technical guidebooks; a teacher supervisory and evaluation plan; and a management information system to link the centers with the central Secretariat. An efficiently functioning educational administration system with proper educational planning are viewed as critical to the achievement of the goals set forth in the education reform program. .

Relationship of Project to A.I.D. Country Strategy: With A.I.D. assistance in two major education sector loans, SEEBAC has implemented a rural education program in nine provinces, to expand the infrastructure base of classrooms and to initiate programs of teacher training, research, and statistics. The proposed project will be the capstone of a decade of AID assistance to rural primary education which has focused on: (1) the improvement of basic education, and (2) the realization of the goals set forth in the 1978 education reform movement. The new project will complement and build upon the current program by facilitating the restructuring and strengthening of policy decision-making, as well as structural and administrative reform.

Host Country and Other Donors: The GODR will provide in-kind or cash counterpart support for the activities contemplated under this project, including all the local currency necessary to establish and maintain the nine regional centers. Close coordination will be maintained with the Inter-American Development Bank project, which will focus on expansion of the rural education program to areas not covered by A.I.D education sector loans.

Beneficiaries: The 21,000 administrators, supervisors, and teachers within the Secretariat of Education will be direct beneficiaries of the project. The ultimate indirect beneficiaries of this activity are the 1,600,000 children and their families in the Dominican Republic who will have a more efficient school system.

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations -- Operational Program Grants			370	FY 86 1,570	Life of Project Funding Continuing
Number 517-9999 [X] GRANT [ ] LOAN	[X] NEW [X] CONTINUING	Population 1,200	ED. & HR	Sel. Act.	Initial Obligation FY 78	Estimated Final Obligation FY Continuing	Estimated Completion Date of Project FY Continuing

Purpose: To strengthen the capacity and to marshall the expertise of both U.S. and Dominican private voluntary organizations (PVOs) in development programs for the poor.

Project Description: The Dominican Republic has a strong well-developed private sector with a long history of involvement in social and economic development. A.I.D. provides operational program grants (OPGs) to those organizations which, through their unique capabilities and community outreach, can undertake low-cost developmental activities that have high impact. A.I.D. is currently working with a number of local PVOs to develop their ability to plan and execute projects and to strengthen local institutions to carry forward developmental activities when A.I.D. funding ends. This approach has been successful in developmental activities involving rural credit and marketing, nonformal education, fresh-water fish culture, small business promotion, and vocational training for women. The majority of OPG assistance has been to local PVOs because of the high degree of local interest in development activities. OPGs in final stages of development include training in population activities, and health services in rural areas.

Relationship of Project to A.I.D. Country Strategy: PVOs fully complement A.I.D.'s food production, human resources development, and employment generation strategies. The human and financial resources which PVOs provide encourage the widest possible participation in development.

Host Country and Other Donors: In many cases, A.I.D. funds represent less than half of the total OPG project costs and, in every case, no more than 75% of the resources devoted to the project. The remained is covered by PVOs and the Government of the Dominican Republic.

Beneficiaries: Beneficiaries of the OPG projects are the rural and urban poor.

Previous Page Blank

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (521) HAITI

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 5,654

PER CAPITA GNP..... (DOLLARS,1982) 300

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 0.6%

ANNUAL RATE OF INFLATION (1970-82) 9.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(.) . %

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1984)	TOTAL 54.9	MALE 53.3	FEMALE 56.6
(1970)	TOTAL 48.9	MALE 48.0	FEMALE 49.8

ADULT LITERACY RATE (1971) TOTAL 21% MALE 26% FEMALE 17%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1974 -1983) 0.4%

AGRICULTURAL PRODUCTION AS % OF GDP.....(.) .%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 364

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: CORN ,SORGHUM ,RICE	55%	(1983)
CASH: COFFEE ,SISAL ,VEGETABLES	30%	(1983)

MAJOR AGRICULTURAL EXPORTS:(1983) COFFEE ,SISAL ,RAW SUGAR

MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,SOYBEANS ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 57%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(.) . (79) 165 (80) 185

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1979) 210 (80) 254 (81) 292

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(.) . (79) -45 (80) -68

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (.) . % (.) . % (.) . %
AS % OF GNP..... (.) . % (.) . % (.) . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1980) 26 (81) 31 (82) 4
EQUIVALENT TO 0.1 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(1982)COFFEE ,LIGHT IND. PROD,BAUXITE

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1981) 261 (1982) 113 (1983) 102
AS % OF TOTAL EXPORTS (1980) 77% (1982) 63% (1983) 54%

MAJOR IMPORTS(1982)CONSUMERS DUR. ,FOODSTUFFS ,INDUSTRIAL EQ

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1981) 331 (1982) 172 (1983) 160
AS % OF TOTAL IMPORTS (1981) 77% (1982) 52% (1983) 52%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -203(82) -102(83) -124

TRADING PARTNERS: UNITED STATES ,FRANCE ,CANADA

EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 31.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1982) 19
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 10.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.4% (1978) 1.4% (1984) 1.9%

POPULATION IN URBAN AREAS.....(1970) 20% (1984) 27%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) . (1984) 36

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1976) 5.0%

POPULATION (1984) IN AGE GROUP:
(0-14YRS) 42.3% (15-64YRS) 54.2% (65+ YRS) 3.5%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 108

PEOPLE PER PHYSICIAN..... (1979) 8,202

MAJOR CAUSES OF
DISEASE (1981) INFLUENZA ,HELMINTHIASIS ,SKIN INFECTIONS
DEATH.. (1977) FLU & PNEUMONIA ,ENTERIC DISEASE ,TETANUS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 93%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 14%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1981)	TOTAL 78.9	MALE 85.4	FEMALE 72.6
SECONDARY..... (1981)	TOTAL 14.4	MALE 15.6	FEMALE 13.4
POST SECONDARY.. (1979)	TOTAL 0.7	MALE 1.0	FEMALE 0.4

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 9.5%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY HAITI

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1979	1980	1981	1982	1983	TOTAL LOANS AND GRANTS 1946–83	REPAYMENTS AND INTEREST 1946–83	TOTAL LESS REPAYMENTS AND INTEREST 1946–83
I. ECONOMIC ASSISTANCE – TOTAL	24.8	27.1	34.6	34.3	46.2	388.5	13.0	375.5
Loans	8.6	8.6	8.6	13.0	11.0	98.9	13.0	85.9
Grants	16.2	18.5	26.0	21.3	35.2	289.6	-	289.6
a. A.I.D. and Predecessor Agencies	9.1	11.1	9.2	12.0	27.3	204.1	7.0	197.1
Loans	-	-	-	-	-	22.6	7.0	15.6
Grants	9.1	11.1	9.2	12.0	27.3	181.5	-	181.5
(Economic Support Fund)	-	1.0	-	-	10.0	58.7		
b. Food for Peace (PL 480)	15.4	15.8	24.5	22.2	18.5	178.2	5.7	172.5
Loans	8.6	8.6	8.6	13.0	11.0	76.0	5.7	70.3
Grants	6.8	7.2	15.9	9.2	7.5	102.2	-	102.2
Title I - Total Sales Agreements	8.6	8.6	8.6	13.0	11.0	76.0	5.7	70.3
Repayable in U.S. Dollars - Loans	8.6	8.6	8.6	13.0	11.0	76.0	5.7	70.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	6.8	7.2	15.9	9.2	7.5	102.2	-	102.2
Emerg. Relief, Econ. Develop. & World Food Program	1.3	1.3	2.1	1.4	0.4	18.7	-	18.7
Voluntary Relief Agencies	5.5	5.9	13.8	7.8	7.1	83.5	-	83.5
c. Other Economic Assistance	0.3	0.2	0.9	0.1	0.4	6.2	0.3	5.9
Loans	-	-	-	-	-	0.3	0.3	-
Grants	0.3	0.2	0.9	0.1	0.4	5.9	-	5.9
Peace Corps	-	-	-	-	0.2	0.2	-	0.2
Narcotics	-	-	-	-	-	-	-	-
Other	0.3	0.2	0.9	0.1	0.2	5.7	-	5.7
II. MILITARY ASSISTANCE – TOTAL	0.4	0.1	0.4	0.5	0.7	7.7	1.4	6.3
Credits or Loans	0.2	-	0.3	0.3	0.3	2.1	1.4	0.7
Grants	0.2	0.1	0.1	0.2	0.4	5.6	-	5.6
a. MAP Grants	-	-	-	-	-	2.4	-	2.4
b. Credit Financing - FMS	0.2	-	0.3	0.3	0.3	2.1	1.4	0.7
c. Military Assistance Service-Funded (MASF) Grants	0.2	0.1	0.1	0.2	0.4	2.2	-	2.2
d. Transfers from Excess Stocks	-	-	-	-	-	0.2	-	0.2
e. Other Grants	-	-	-	-	-	0.8	-	0.8
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	25.2	27.2	35.0	34.8	46.9	396.2	14.4	381.8
Loans	8.8	8.6	8.9	13.3	11.3	101.0	14.4	86.6
Grants	16.4	18.6	26.1	21.5	35.6	295.2	-	295.2
Other U.S. Government Loans and Grants	0.3	-	0.8	0.8	1.3	43.4	42.5	0.9
a. Export-Import Bank Loans	-	-	-	-	-	38.8	40.1	1.3-
b. All Other Loans	0.3	-	0.8	0.8	1.3	4.6	2.4	2.2

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	47.2	89.5	36.5	494.4
IBRD	0.0	0.0	0.0	2.6
IFC	0.0	0.0	0.0	3.2
IDA	19.0	56.0	19.1	224.3
IDB	17.6	32.6	17.4	214.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	6.5	0.9	0.0	36.6
OTHER-UN	5.1	0.0	0.0	13.7
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

HAITI	CY 1982	CY 1983	CY 1978-83
United States	43.0	39.0	212.0
Germany, Fed. Rep.	12.2	12.4	57.6
Canada	9.2	11.4	49.9
France	4.3	6.2	27.7
Japan	5.9	1.6	11.3
Other	4.1	5.3	24.2
Total	78.7	75.9	382.7

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

HAITI

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Develop-ment	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans		-	-	-	-	-	-	-
Grants	25,738	10,228	2,820	6,179	490	925	5,096	-
Total	25,738	10,228	2,820	6,179	490	925	5,096	
1985								
Loans	-	-	-	-	-	-	-	-
Grants	30,700	12,039	3,004	5,170	1,000	1,487	5,000	3,000
Total	30,700	12,039	3,004	5,170	1,000	1,487	5,000	3,000
1986								
Loans		-	-	-	-	-	-	-
Grants	30,300	14,232	1,880	4,108	1,400	3,380	5,300	-
Total	30,300	14,232	1,880	4,108	1,400	3,380	5,300	

1/ Child Survival Fund

FY 1986
PROGRAM HIGHLIGHTS

- Rural development programs will emphasize reforestation, watershed and regional development, agricultural research and extension, rural credit, livestock promotion, and labor-intensive rural infrastructure.
- Private sector programs will continue to promote a housing finance institution, labor-intensive export-oriented investments, support to microbusiness enterprises, and closer collaboration between business and government.
- Health and population programs will address priority diseases, expand and strengthen the rural delivery system, continue the malaria control program, and extend family planning services through a better coordinated public and private sector network, in each instance emphasizing user financing and containing growth in recurrent costs.

HAITI

RESOURCE FLOWS (In thousands of dollars)			
Program	FY1984 (Actual)	FY1985 (Estimated)	FY1986 (Proposed)
Aid *			
Loans	183	1,713	-
Grants	17,232	39,895	38,666
Total AID	17,415	41,608	38,666
P.L. 480 **			
Title I	11,000	15,000	18,000
(of which Title III is)	(-)	(15,000)	(18,000)
Title II	8,638	7,595	7,692
Total P.L. 480	19,638	22,595	25,692
Total AID and P.L. 480	37,053	64,203	64,358

**AID levels represent actual and estimated expenditures*
***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 (in thousands of dollars)						
Program	FY1984 (Actual)		FY1985 (Estimated)		FY1986 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	47.9	8,000	94.0	15,000	96.0	15,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	4.0	3,000	-	-	5.0	3,000
Non-food	-	-	-	-	-	-
Title I Total	51.9	11,000	94.0	15,000	101.0	18,000
(of which Title III is)	-	-	94.0	15,000	101.0	18,000
Title II 1/						
Voluntary Agencies	31.2	8,638	30.2	7,595	31.0	7,692
Government - to - Government						
Title II Total	31.2	8,638	30.2	7,595	31.0	7,692
Total P.L. 480	83.1	19,638	124.2	22,595	132.0	25,692

1/See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

HAITI

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire [a]	25.7	25	25
PASA [b]	1.2	1	1
Total	26.9	26	26

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*
[b] *On board end of year.*

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic [a]	Technical [b]	Academic	Technical	Academic	Technical
S&T /IT Managed [c]	8	40	25	80	48	103
Contract Managed [d]	28	6	16	2	20	2
Total	36	46	41	82	68	105

[a] *Degree seeking participants.*
[b] *Non-degree seeking participants (may be at universities).*
[c] *Participants programmed by Missions and sent to S&T/IT for management.*
[d] *Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.*

*Does not include: 11 third-country participants in FY 1984; 14 third-country participants in FY 1985; and 20 third-country participants in FY 1986.

HAITI

Development Overview

During the 1960s, when other developing countries in this hemisphere were benefiting from programs promoted under the Alliance for Progress, A.I.D. and other donors terminated their assistance to Haiti because of human rights concerns and policy differences. Unable to attract foreign private or public investments, Haiti entered a decade of isolation and economic stagnation. When A.I.D. resumed its assistance program in 1973, Haiti was suffering from acute resource shortages, a deteriorating land base, a lack of adequate infrastructure in the countryside, weak public and private institutional framework, and low educational levels.

In spite of these difficulties, progress has begun and a foundation has been laid for stable growth in which more people can participate. Primary and secondary road networks have been constructed and a national road maintenance service established; telecommunication services have been improved; electrical generating capacity expanded; public health programs extended to rural areas, and rice production has increased to near self-sufficiency. Major social welfare indices have shown improvements in health, education and energy consumption. The most dynamic change and one that offers even greater potential has been in the manufacturing sector. A reliable, low-cost labor supply and close proximity to the U.S. market offer advantages for private investment. Encouraged by U.S. support, the Haitian Government has eagerly pursued the benefits available under the Caribbean Basin Initiative (CBI) and continues to meet the criteria for CBI eligibility.

However, Haiti remains one of the poorest countries in the world, with per capita annual income less than $300 and the vast majority of Haitians living below an absolute poverty level of $150 per year. The major constraints to development include:

1. rapid population growth resulting in one of the highest people to arable land density ratios in the world;

2. severe soil erosion resulting from clearing and farming much of Haiti's mountainous terrain;

3. limited natural resources with virtually no known commercially exploitable minerals;

4. underdeveloped human resources with nearly 80% of the adult population illiterate;
5. weak public sector institutions and an excessively centralized government structure;

6. periodic and often severe natural disasters, including hurricanes, droughts and flash floods;

7. a weak industrial base with limited access to credit and foreign exchange;

8. inadequate physical infrastructure limiting access to basic services and markets.

The U.S. assistance program and those of other bilateral and multilateral donors have played an important role in persuading the GOH to adopt progressive development policies in recent years, involving greater fiscal control and accountability, expansion of basic services to the rural poor, and improved collaboration with the business and private voluntary communities. Foreign donor assistance has accounted for approximately 65% of the GOH's investment budget over the past decade and will remain critical for the expenditures to achieve economic stability within an International Monetary Fund program.

U.S. Interests and Objectives

A friendly government and populace in Haiti are important to U.S. security interests in the Caribbean region due to Haiti's strategic location vis-a-vis Cuba and the Panama Canal and its proximity to the United States.

The United States maintains a favorable balance of trade with Haiti. U.S. private investments have played a predominant role in the growth of the light manufacturing sector which increased its net exports from $13 million in 1970 to $93 million in 1983. Social and economic improvements achieved through U.S. development assistance have helped attract and maintain U.S. business investments, which, in turn, generate increased employment.

The U.S. also has humanitarian and social interests in Haiti. Absolute poverty and illiteracy among 77% of the population and malnutrition and disease that produce the lowest life expectancy of any nation in this hemisphere argue strongly for a substantial U.S. foreign assistance program. High levels of unemployment and underemployment in Haiti, particularly the lack of economic opportunity in the rural areas, have created strong migration pressure. The shocking scenes in 1981 of drowned Haitian refugees on the beaches of Florida visibly demonstrated that the development problems of Haiti have become too evident to be ignored and are of real and continuing importance for the United States.

A.I.D. Development Strategy

A.I.D.'s strategy is aimed at creating a more dynamic and development orientedsociety with particular emphasis on the development of private, non-governmental organizations. A.I.D. will also attempt to strengthen the government's capacity to deliver goods and services, particularly in rural areas. At the sectoral level, A.I.D.'s strategy is designed to accomplish the following:

1. in agriculture, promote the production of crops for which Haiti has a comparative advantage; increase the production of staple food crops in lowland areas; reverse ecological deterioration by changing upland agricultural practices; promote proper soil and water management strategies; and reduce deforestation;

2. in population, increase the availability and utilization of voluntary family-planning services, particularly those provided by the private sector, and develop and implement policies to promote lower fertility and reduce rural-urban migration;

3. in health and nutrition, increase the availability and improve the quality of services to the poor, particularly in the rural areas;

4. in the private sector, promote domestic and foreign private investment in Haiti, especially in agribusiness enterprises and labor-intensive manufacturing operations which maximize the in-country value added;

5. in rural infrastructure, construct or upgrade farm to market roads and potable water systems utilizing labor-intensive techniques;

6. in education and human resources, increase opportunities in basic education and vocational training for the rural and urban poor;

7. in disaster preparedness, establish an integrated public/private system capable of responding quickly and effectively to natural disasters, thereby mitigating their impact on development progress.

A.I.D. Program (FY 1984 and FY 1985)

In FY 1984, A.I.D. continued to emphasize the role of voluntary and other non-governmental organizations (NGOs) in carrying out development programs. A.I.D. channeled more than $8.6 million of P.L. 480 Title II foodstuffs through such organizations. This and other support through the voluntary and private sectors represented over 40% of the total U.S. Government resources provided to Haiti during FY 1984.

Haiti's economic stabilization program continued to constain budget outlays in the 1984 development budget. The $17.3 million generated under the P.L. 480 Title I program have alleviated some of this strain by providing counterpart funds in support of priority development projects.

A. Economic Support Fund (ESF). With $5 million in ESF funding during FY 1984, A.I.D. financed the following development activities with NGOS in support of one or more of A.I.D.'s strategic objectives in health, agriculture, employment generation and institutional development to meet basic human needs: a $ 1 million grant for a goat improvement program with Winrock International; a $500,000 grant with a local private voluntary organization (PVO) to extend credit and basic social services to low income women; a labor-intensive public works program with the Haitian Red Cross, including cash contributions from the Government of Haiti (GOH); a grant of $436,000 to the newly formed Association of Private Health Organizations for expanding primary health care to 500,000 rural Haitians; support to the Haitian Association of Voluntary Agencies enabling them to assist small PVOs and coordinate joint PVO programming and training; the establishment of the privately owned Haitian Mortgage Bank (521-0163), including a pilot project for low income, non-subsidized housing; and a $2 million strengthening grant to the Haitian Development Foundation (521-0144) for upgrading that institution's capacity for furnishing credit and technical services to micro- businesses.

The Development Finance Corporation (521-0154), established in FY 1983 with ESF funding to provide long-term capital for industrial activities, began loan operations in FY 1984. Portfolio development is advancing more rapidly than anticipated with approximately 450 jobs created from first year sub-project loans, which totaled more than $1 million.

In FY 1985, under the proposed Non-Governmental Organization Support III project (521-0182), A.I.D. will provide grants to a number of NGOs to adopt aquaculture technologies to local conditions; to provide training and technical assistance to small ceramic producers; to multiply and extend upgraded seed, tuber and pulse varieties; to provide family planning servic to urban slum areas; to provide technical assistance to private and public health organizations; to establish a conch breeding capability in Haiti coastal waters, and to improve the socio-economic conditions of women factory workers. In addition, a $1 million grant will be used to extend efforts begun under the Technical Consultants and Training program (521-0167) to improve the capability of the Haitian public sector to attract and support private-sector investment, primarily through reforms in the area of tax and customs administration.

B. Agriculture, Rural Development and Nutrition. About 50% of total DA resources in both FY 1984 and FY 1985 are devoted to this sector. The Agro-Forestry Outreach project (521-0122) has been the most successful seedling distribution and forestry extension program undertaken in Haiti. Through September 30, 1984, the various private voluntary and community-based organizations participating in the project have distributed over 11 million tree seedlings to 20 thousand Haitian peasants exceeding original targets by a wide margin. In FY 1984 additional demonstration plots were established, agroforestry extension agents were trained, and technical and socio-economic research was undertaken. Based on a recent project evaluation and audit, a $3.5 million project amendment is being developed in FY 1985 to strengthen the project's research component and extend project activities through the end of CY 1986.

The Small Farmer Marketing project (521-0083), to be completed in FY 1985, has achieved its major objectives of creating new coffee marketing cooperatives and strengthening existing ones in rural Haiti. Progress under the Integrated Agricultural Development project (521-0078) was mixed during FY 1984. Within the irrigation component, the pace of construction activities was slower than planned, although an irrigation system involving 125 acres was completed. In late FY 1984 a new management team took charge within the Ministry of Agriculture and is working closely with A.I.D. technicians to complete additional irrigation schemes during FY 1985 covering about 400 acres. The project's research and extension component continued to make significant progress in identifying varieties of high-yield food crops which are superior to indigenous crops and can be reproduced. Under the Agricultural Development Support II project (521-0092) farming system trials are progressing although problems remain in encouraging trainees to spend adequate time in the rural areas. During FY 1985, A.I.D. will be analyzing agricultural extension systems to develop improved outreach schemes for providing extension services to small farmers.

Under the Strengthening Rural Credit Services project (521-0121) progress was made toward strengthening one of Haiti's principal rural credit institutions, the Bureau of Agricultural Credit (BCA). The BCA has reduced excess liquidity, thereby making more of its capital available for loans to small farmers; increased lending rates to 16.6%, a level closer to actual operating costs; improved reporting and management systems; initiated a rural savings mobilization program and upgraded rural credit facilities. A planned FY 1985 amendment will finance continued technical assistance and provide additional loan capital.

After a delay of several months which was caused by the continued presence of African Swine Fever, considerable progress was made in getting the Interim Swine Repopulation project (521-0170) underway in FY 1984. The 500 nucleus swine have been imported and the breeding program has begun. Some 40 private and voluntary organizations located in rural Haiti have signed contracts to establish secondary multiplication centers for breeding and distributing swine to low-income farm families.

Four agriculture projects begun under the FY 1983 Non-Governmental Support I project (521-0169) in the areas of coffee, cocoa and poultry cooperative development and fruit tree crop improvement all made progress in FY 1984, thereby contributing to AID's strategy of increased agricultural production while safeguarding Haiti's fragile land resource base. The Groupement Pilot (521-0129) operational program grant project was concluded in FY 1984. This project achieved its objective of establishing 50 community-based voluntary associations, which continue to provide educational and technical services to large numbers of rural peasants. A follow-on project will be developed in FY 1985 under the Non-Governmental Support III program.

Implementation of the Secondary Roads Development project (521-0149) started slowly in FY 1984 due to delays by the GOH in meeting counterpart funding requirements and because of equipment and spare-part maintenance and procurement problems. The pace of rural road construction picked up in the final quarter of FY 1984 and is expected to continue now that the funding issue has been resolved. Equipment is being repaired, and four labor intensive work units have begun operations.

A $6 million Community Water Systems project (521-0155) was initiated in late FY 1984 to improve the quality of life for an estimated 160,000 rural Haitians through the construction and rehabilitation of some 40 community water systems. The project builds on a series of successful community water projects financed by A.I.D. and executed by PVOs.

In FY 1985, there will be two new project starts in the agricultural sector: Local Resources Development (521-0156) and Coffee/Cacao Promotion (521-0173). The former will assist, through a grant to a PVO, in providing for community operated and maintained irrigation systems and other agricultural activities; the latter will enhance Haiti's comparative advantage for its export-oriented, soil-conserving, perennial tree crops by reinforcing public and private-sector institutions for research, extension, and marketing.

C. Health and Family Planning. More than 13% of total DA funding in FY 1984 and about 12% in FY 1985 is being applied to population planning. In FY 1984, 30% of total DA funding went to health activities. For FY 1985, 32% of the DA program will be used for health projects. In FY 1984, the Rural Health Delivery System (RHDS) project (521-0091) supported efforts to decentralize management and administration of the national health care system. Special attention was given to three health priorities: a) control of diarrhea by distribution of oral rehydration solution, promotion of breastfeeding, and mothers' education; b) immunization and vaccination of infants and mothers-to-be against communicable diseases; and c) child growth surveillance and nutritional education through rural health posts. Under a program to expand the availability of essential generic drugs in rural areas, approximately 100 community pharmacies have opened and an estimated 300,000 doses of low-cost drugs were sold during FY 1983/84. With the 1984 opening of the newly constructed garage and regional workshops, regular vehicle maintenance and repair of the Ministry of Health's fleet is now possible. To improve access to health services in rural areas forty-seven new dispensaries and two health centers were opened in 1984, and nine other facilities have been renovated. In FY 1985 renovation of an additional ten facilities is planned. Work will continue on improving central and regional administration, and supervision will be increased to improve the quality of services provided.

The September 1984 mid-project evaluation of the Management of Malaria project (521-0143) recommended a number of technical and administrative modifications to improve anti-malaria operations. These recommendations will be incorporated in the FY 1985 program. Under the Urban Health and Community Development II project (521-0159), begun in FY 1984, efforts have been initiated to expand a

highly effective health and social services program operated by a local PVO which serves a major slum area in Port-au-Prince. Some $3 million from the Child Survival Fund will support a major new PVO health project. The project will focus on oral rehydration therapy and immunizations. Also, five U.S. Peace Corps Volunteers are participating in health services projects.

During FY 1984, the Family Planning Outreach project (521-0124) focused on strengthening the organization and management of family planning services at the district level. Vasectomy services were added to voluntary surgical sterilization (VSC) activities with excellent public response and acceptance. The number of facilities providing these VSC services increased by 20% in 1984. During FY 1985, it is planned to expand mobile VSC services to 20 participating health centers and formalize the GOH population policy. The planned FY 1985 Population for Development project (521-0189) will facilitate the implementation of a multidimensional population strategy through population education, adult education, social science research, and policy studies.

D. Education and Human Resouces. Some 2% of the total DA program was used in this sector in FY 1984. In FY 1985, 4% of total DA resources will go to education and human resources. Given the underdeveloped status of Haiti's most important resource, its people, and the deplorable state of its primary education system, A.I.D. is undertaking a comprehensive education sector assessment before developing a project in FY 1986 to upgrade primary school education, principally in rural areas. This project, Incentives to Improve Primary School Education (521-0190), will address the problems of inadequate facilities, high attrition rates, lack of learning materials, and the shortage of qualified teachers.

Through FY 1984, a total of 274 people were trained under the Resource Training Center project (521-0104) in managerial and technical skills bearing on rural development programs. Under the Community Integrated Nutrition and Education Centers (CINEC) OPG (521-0138), a head-start-type program executed by CARE, 121 preschool centers were established. A recent evaluation of this project indicated that school attendance, retention levels, and other education indicators measurably improved for those primary school students who participated in the program. The Ministry of Education has adopted the CINEC approach for all preschool programs. Further support for this innovative program is planned for FY 1985 and beyond.

E. Selected Development Activities. Some 4% of total DA resources were used for these activities in FY 1984, and 6% of the total program is planned for this category in FY 1985. In response to U.S. urging and the opportunities made available under the CBI, Haiti's Presidential Commission for Investment Promotion was created by presidential decree in FY 1984. Supported by A.I.D. technical assistance, members of this permanent joint public/private-sector entity will discuss investment constraints and long-term policy matters on a regular basis.

To generate employment and foreign exchange and alleviate credit constraints, A.I.D.'s private-sector program concentrates on the development of activities in three sub-sectors: intermediate credit institutions, non-traditional

exports, and export and investment promotion. Major achievements included the establishment of the Haitian Mortgage Bank, a follow-on grant to the Haitian Development Foundation in support of micro businesses, and the initiation of lending activities to industrial enterprises by the Development Finance Corporation, under the ESF program. A new project to assist all three institutions, the Private Enterprise Management and Productivity Center (521-0183), is planned for FY 1985. The Center will provide management training, small-business skill training, and financial packaging services to assist entrepreneurs to take advantage of these expanded credit opportunities.

In export promotion, the Haitian Crafts Development project financed from FY 1983 ESF, and the LAC regional program with the Atlanta Market Center are designed to stimulate export promotion of handicrafts. Preliminary results indicate an estimated increase in annual sales of nearly $250,000 for rural cottage-based industries as a result of these activities. In FY 1985, A.I.D. will finance a new project, Crafts Export Center (521-0179), which builds on this success. The project will institutionalize the more sophisticated elements of product design, packaging and export marketing by integrating local manufacturing capabilities with rural craft skills in order to increase employment opportunities for the rural population. Also in FY 1985 the Investment Authority project (521-0186) will be developed involving both the public and private sectors. Through a centrally supported contract, an agribusiness promotion program will begin in FY 1985 to encourage Haitian entrepreneurs to become involved in non-traditional agricultural exports and encourage foreign investors to participate in joint ventures from a production and/or marketing position.

Finally, $200,000 per year in both FY 1984 and FY 1985 through the continuing FY 1984 Special Development Activities project (521-0062) finances community-based, self-help development activities, including road rehabilitation, construction of schools and sanitation facilities, and agricultural production programs.

F. P.L. 480: During FY 1984, $8.6 million in Title II commodities were channeled through four voluntary agencies to meet both humanitarian and development needs in Haiti. Nearly 619,000 people from Haiti's lower-income strata benefited from school feeding, maternal/child health and food-for-work activities under the Title II program. Evaluations of these programs have resulted in improved program management. A reduction in inland losses to under one percent of total program tonnage was achieved by acquiring more secure and larger storage facilities, upgrading staff and improving inspections. The FY 1985 program will continue at slightly lower commodity levels.

As in previous years, the FY 1984 Title I program, totaling $11 million in commodity imports, continued to assist Haiti by reducing the foreign exchange costs for food imports, reducing the food gap, and assisting the Haitian Government to undertake self-help measures to spur development and reduce the country's dependency on external aid. The proceeds generated from the sale of commodity imports (wheat and vegetable oil) were used primarily to finance the local currency costs associated with priority projects in the agriculture, health, and transport sectors.

A Title III program is being designed for the period FY 1985-1987, with commodity imports of $15 million planned for FY 1985. Through this program we will seek to increase our impact on the agricultural sector and the rural population. The program will institute policy reforms and projects designed to increase rural incomes, lower the nutritional deficit of the poor, and improve agricultural productivity. It will also support improved health care in the rural areas, expand and better maintain the road network, and improve the delivery of government services to rural communities.

Requested Year Program (FY 1986)

A. Agriculture, Rural Development and Nutrition. In this sector, $14,232,000 is requested to support several ongoing programs and to undertake four new initiatives, all supportive of A.I.D.'s strategy of shifting farmers to the production of perennial export crops, increasing production of staple food crops in lowland areas, increasing food supplies for the poor, and developing proper soil and water management techniques. Incremental funding is required for: Agricultural Development Support II (521-0092), Strengthening Rural Credit Services (521-0121), Agroforestry Outreach (521-0122), Local Resource Development (521-0156), Coffee and Cacao Promotion (521-0173), Secondary Roads Development (521-0149) and Community Water Systems Development (521-0155). A new Rural Information Systems for Policy Analysis project (521-0184) will support a program in the National Statistics Institute for data collection and analysis in the rural sector to enable more effective public and private sector investment in the agriculture sector by making available reliable information on the status of the rural economy.

The proposed Agricultural Outreach Development project (521-0187) will increase farm production and income through the application of more cost-effective technologies. This will be accomplished by strengthening private and public sector institutions involved in agricultural extension services. The Soil Conservation and Irrigation Development project (521-0191) will promote private and public sector cooperation in an effort to implement decentralized irrigation and soil conservation measures. An Operational Program Grant (OPG) for Agricultural Development for Small Communities (521-0178) will be developed and implemented concomitant with the Soil the Conservation and Irrigation Management project (521-0191), to support PVO efforts to organize farmers in key watershed areas into associations to improve the management of irrigation systems and implementation of soil conservation measures.

B. Health and Family Planning. In these sectors, $5,988,000 is requested to support ongoing projects and initiate two new activities. Incremental funding is required for: Family Planning Outreach (521-0124), Population for Development (521-0189), Urban Health and Community Development II (521-0159), and the final contribution for the Management of Malaria project (521-0143).

Final design of the new Targeted Community Health Outreach project (521-0172) will be completed early in FY 1986 to build on the accomplishments of the RHDS project to address continuing constraints to service delivery. The new project will focus on improved management at central and peripheral levels, reduction of the growth of recurrent costs, increased participation by communities and better coordination with the private sector. Also in FY 1986 an Expanded Malaria Control project (521-0188) is proposed to assist the Haitian National Service for Endemic Diseases to implement expanded malaria control activities aimed at reducing the level of malaria transmission to a level below public health significance.

C. Education and Human Resources. A.I.D. requests $2,400,000 to support two ongoing programs: the Resource Training Center project (521-0104) which provides in-country training for mid and lower-level technical personnel, and the Private Enterprise Management Center (521-0183) which provides training and advice to small entrepreneurs. Funds will also be used to begin the Incentives to Improve Primary Education project (521-0190) in early FY 1986.

D. Selected Development Activities. $2,380,000 is requested. Major activities include the Crafts Export Center project (521-0179) and the Investment Authority project (521-0186).

E. As in previous years, Program Development and Support funds will be used to provide consultants, and conduct studies, analyses and workshops to facilitate the preparation and development of new project activities.

F. Economic Support Fund. A.I.D. requests $7,000,000 in ESF assistance of which $6,350,000 is for the Non-Governmental Support IV project (521-0185). This project will help NGOs to implement a number of project activities supportive of AID's development strategy, by establishing a viable commercial trade and finance company to expand the export of Haitian manufacturing and agro-industrial products, increasing the productivity and marketing capacity of coastal fishermen, and developing a primary health care model for replication in under-served rural areas. Also, $650,000 is requested from the ESF account to complete A.I.D.'s contribution to the privately-owned Haitian Mortgage Bank (521-0163).

G. P.L. 480. Under P.L. 480 Title II, assistance will continue at slightly higher commodity levels for primary school, maternal and child health, and other A.I.D., PVO and community development projects where Title II food commodities consitute an important input. The Title III program will enter its second year, provided an agreement is signed in FY 1985 and the Haitian Government remains in compliance with the terms and conditions of the program.

MISSION DIRECTOR: Jerome French

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HAITI

CP 86

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROGRAM DEVELOPMENT AND SUPPORT	G	521-0000	73	C	---	---	2,986	2,573	300	671	249	256
INTEGRATED AGRICULTURAL DEVELOPMENT	G	521-0073	76	85	9,300	9,300	8,215	7,156	1,085	1,006	---	1,138
INTEGRATED AGRICULTURAL DEVELOPMENT	L	521-0078	76	85	2,800	2,800	2,800	1,087	---	1,713	---	---
SMALL FARMER MARKETING	G	521-0083	77	84	1,200	1,200	1,200	469	---	731	---	---
AGRICULTURAL DEVELOPMENT SUPPORT II	G	521-0092	78	86	3,800	3,800	1,600	235	862	1,553	950	1,205
STRENGTHENING RURAL CREDIT SERVICES	G	521-0121	81	87	4,600	6,600	2,650	2,283	1,000	1,282	800	828
AGROFORESTRY OUTREACH - PVO	G	521-0122	81	86	8,000	11,500	5,867	4,355	3,000	3,732	2,633	2,728
SECONDARY ROADS DEVELOPMENT	G	521-0149	83	87	12,500	12,500	6,050	1,152	2,400	3,506	2,000	4,067
COMMUNITY WATER SYSTEM DEVELOPMENT	G	521-0155	84	87	6,000	6,000	618	8	1,289	738	2,000	1,418
LOCAL RESOURCE DEVELOPMENT	G	521-0156	85	89	---	12,000	---	---	1,000	300	---	400
INTERIM SWINE REPOPULATION	G	521-0170	83	84	3,000	3,803	3,200	760	603	1,585	---	1,458
COFFEE AND CACAO PRODUCTION	G	521-0173	85	89	---	4,000	---	---	500	450	1,550	1,445
AG DEVELOPMENT FOR SMALL COMMUNITIES	* G	521-0178	86	88	---	1,000	---	---	---	---	800	400
RURAL INFO. SYSTEMS FOR POLICY ANALYSIS	• G	521-0184	86	90	---	2,000	---	---	---	---	750	500
AGRICULTURAL OUTREACH DEVELOPMENT	• G	521-0187	86	90	---	5,000	---	---	---	---	1,000	700
CONSERVATION AND IRRIGATION MANAGEMENT	* G	521-0191	86	91	---	10,000	---	---	---	---	1,500	900
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	521-9999	75	C	---	---	791	690	---	101	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HAITI

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
TOTAL FOR ACCOUNT					51,200	91,503	35,977	20,768	12,039	17,368	14,232	17,443
GRANTS					48,400	88,703	33,177	19,681	12,039	15,655	14,232	17,443
LOANS					2,800	2,800	2,800	1,087	---	1,713	---	---
POPULATION PLANNING												
PROGRAM DEVELOPMENT AND SUPPORT	G	521-0000	73	C	---	---	144	118	40	58	82	49
FAMILY PLANNING OUTREACH	G	521-0124	81	87	9,615	9,615	6,626	4,588	2,464	2,097	498	1,000
POPULATION FOR DEVELOPMENT	G	521-0189	85	89	---	800	---	---	500	450	300	320
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	521-9999	75	C	---	---	---	---	---	---	1,000	500
TOTAL FOR ACCOUNT					9,615	10,415	6,770	4,706	3,004	2,605	1,880	1,869
GRANTS					9,615	10,415	6,770	4,706	3,004	2,605	1,880	1,869
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROGRAM DEVELOPMENT AND SUPPORT	G	521-0000	73	C	---	---	354	288	50	106	45	46
RURAL HEALTH DELIVERY SYSTEM	G	521-0091	79	85	17,500	18,750	16,209	11,533	2,541	3,593	---	2,374
MANAGEMENT OF MALARIA	G	521-0143	82	86	8,000	8,000	4,410	3,110	1,890	2,642	1,700	1,755
TARGETED COMMUNITY HEALTH OUTREACH	* G	521-0172	86	89	---	13,000	---	---	---	---	1,250	750
EXPANDED MALARIA CONTROL	• G	521-0188	86	90	---	10,000	---	---	---	---	400	300
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	521-9999	75	C	---	---	569	166	689	1,000	713	408
TOTAL FOR ACCOUNT					25,500	49,750	21,542	15,097	5,170	7,341	4,108	5,633
GRANTS					25,500	49,750	21,542	15,097	5,170	7,341	4,108	5,633
LOANS					---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND												

*Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HAITI

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	521-9999	75	C	---	---	---	---	3,000	1,500	---	1,500
TOTAL FOR ACCOUNT					---	---	---	---	3,000	1,500	---	1,500
GRANTS					---	---	---	---	3,000	1,500	---	1,500
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	521-0000	73	C	---	---	542	439	165	238	150	153
RESOURCES TRAINING CENTER	G	521-0104	80	87	1,600	2,350	1,600	1,532	---	---	250	250
PRIVATE ENTERPRISE MANAGEMENT CENTER	G	521-0183	85	88	---	2,500	---	---	450	200	---	200
INCENTIVES TO IMPROVE PRIMARY EDUCATION	G	521-0190	86	89	---	10,000	---	---	---	---	1,000	875
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	521-9999	75	C	---	---	1,912	1,912	385	250	---	135
TOTAL FOR ACCOUNT					1,600	14,850	4,054	3,883	1,000	688	1,400	1,613
GRANTS					1,600	14,850	4,054	3,883	1,000	688	1,400	1,613
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	521-0000	73	C	---	---	1,384	898	337	705	300	313
SPECIAL DEVELOPMENT ACTIVITIES	G	521-0062	68	C	---	---	1,613	1,557	200	250	200	200
NONTRADITIONAL EXPORT DEVELOPMENT	G	521-0179	85	88	---	2,500	---	---	200	140	1,000	800
PRIVATE ENTERPRISE MANAGEMENT CENTER	G	521-0183	85	88	---	2,500	---	---	---	---	1,000	465
INVESTMENT AUTHORITY	G	521-0186	85	89	---	2,500	---	---	750	500	880	600

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: HAITI

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
TOTAL FOR ACCOUNT					---	7,500	2,997	2,455	1,487	1,595	3,380	2,378
GRANTS					---	7,500	2,997	2,455	1,487	1,595	3,380	2,378
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
DEVELOPMENT FINANCE CORPORATION	G	521-0154	83	83	5,000	5,000	5,000	1,381	---	2,000	---	1,619
HAITIAN MORTGAGE BANK	G	521-0163	84	86	---	1,750	500	---	600	1,100	650	400
TECHNICAL CONSULTANCIES AND TRAINING	G	521-0167	83	86	1,000	2,000	1,000	546	1,000	994	---	460
NGO SUPPORT I	G	521-0169	83	83	4,000	4,000	4,000	2,483	---	1,517	---	---
NGO SUPPORT II	G	521-0181	84	84	---	4,500	4,500	249	---	3,000	---	1,251
NGO SUPPORT III	G	521-0182	85	85	---	3,400	---	---	3,400	1,900	---	1,500
NGO SUPPORT IV	* G	521-0185	86	86	---	4, 650	---	---	---	---	4,650	3,000
TOTAL FOR ACCOUNT					10,000	30,000	15,000	4,659	5,000	10,511	5,300	8,230
GRANTS					10,000	30,000	15,000	4,659	5,000	10,511	5,300	8,230
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					97,915	204,018	86,340	51,568	30,700	41,608	30,300	38,666
GRANTS					95,115	201,218	83,540	50,481	30,700	39,895	30,300	38,666
LOANS					2,800	2,800	2,800	1,087	---	1,713	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: Haiti

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Agricultural Development for Small Communities (OPG)		800		FY 1986 800		Life of Project Funding 1,000
Number 521-0178 ☒ GRANT ☐ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1986	Estimated Final Obligation FY 1988	Estimated Completion Date of Project FY 1989

Purpose: To organize farmers in key watersheds into "groupement" associations capable of operating and maintaining agricultural infrastructure and procuring appropriate production inputs.

Project Description: An absence of local development organizations frustrates the cooperation required to maintain a successful irrigation perimeter or soil conservation terrace. However, A.I.D. has enjoyed a number of successes in developing local peasant organizations ("groupements") for an agricultural development vocation. The proposed project will extend this groupement approach into higher potential areas and will give it a more precise soil and water management and agricultural input focus. Through an operational program grant to a private voluntary organization (PVO) with experience in mobilizing production groupements in rural Haiti, the proposed project will encourage:

1. an increase in farmer incomes through:

   a) bringing under irrigation 750 hectares in the Cayes Plain Basin and 250 hectares in the Cavaillon River Basin, at a cost of approximately $1,000 per hectare;

   b) adapting and extending improved crop varieties and agricultural technology to these 1,000 hectares and to 3,000 hectares already under irrigation in these watersheds;

   c) developing perennial export crops, fruit orchards and managed pasture-land, as part of the soil conservation techniques adapted to protect these downstream irrigation perimeters; and

   d) organizing water-user associations and soil conservation "groupements" capable of protecting and maintaining this income-generating irrigation and hillside terrace infrastructure.

2. the building of local development institutional capability by:

   a) linking local organizational efforts to a proven and desired technological improvement such as irrigation and soil management;

   b) encouraging these local organizations to follow up on their success by participating in the planning of subsequent development investments; and

   c) organizing new groupements capable of making appropriate investment choices and implementing technological advances.

Relationship of Project to A.I.D. Country Strategy: This project will reinforce two key elements in A.I.D.'s country development strategy for Haiti: 1) strengthening of local institutions, i.e. rural "groupements" and 2) technology transfer for increased productivity. Soil conservation improvements in Haiti are best effected through labor-intensive methods by local community organizations. This project seeks to systematize a proven, yet still disorganized, institutional approach to improving Haiti's steep slope farming systems. The approach is in concert with A.I.D./Haiti's emphasis on decentralized management in the agricultural sector.

Host Country and Other Donors: PVOs, such as Save the Children, CARE and Catholic Relief Services, now working with successful community development groups will implement the project in selected communities. The Canadian Government is sponsoring similar activities in the Chambellan community. This project will draw from that experience and direct cooperation between U.S. and Canada-based PVOs may result.

Beneficiaries: 50,000 farm families in the Cayes and Cavaillon watersheds will benefit from this project.

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Rural Information Systems for Policy Analysis		750		FY 1986 750	Life of Project Funding 2,000
Number 521-0184 ☒ GRANT ☐ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1986	Estimated Final Obligation FY 1990 / Estimated Completion Date of Project FY 1990

Purpose: The purpose of this project is to reinforce the capacity of the national statistics institute to undertake an ongoing program of data collection and analysis in the rural sector, through a well-designed package of technical assistance and field support.

Project Description: A key constraint to developing an effective program of public and private-sector investment to address stagnation in the Haitian agricultural sector is the lack of reliable and up-to-date information on the status of the rural economy. Particularly lacking are the intensive household-level studies which can help to answer questions posed by policymakers about household production, consumption and decision-making patterns.

The proposed project aims at establishing, within the Government of Haiti's (GOH) Ministry of Plan (MOP), the capability to collect, assess and analyze data on the subjects of household production and consumption, employment and manpower, and other related areas. Both national surveys and household-level, intensive surveys will be undertaken.

Under one component of the project, an area sample frame will be established which will be utilized for determining productive patterns and follow-on socio economic studies. This will help to provide data, aggregated on a river-basin, regional or national basis, for use in a variety of planning and programming exercises. These data will subsequently be made available for use by all development ministries and donor agencies in their planning and analysis functions.

The surveys will focus primarily upon the following areas: production and consumption patterns among farm families throughout the country, both cross-sectional and time series; employment and labor trends, the incidence of literacy and other educational variables; and, the prices and production trends of household and other goods.

The grantee agency, the MOP's Haitian Statistical and Information Institute (IHSI), will employ field agents to administer questionnaires to farm families within the predetermined sample frame. A.I.D. will fund the services of experienced statisticians to serve as technical assistants to the IHSI, and of U.S. and Haitian graduate students to work at the field level in administering questionnaires and designing sample surveys.

The resultant data will be entered into IHSI central office computers and subjected to analysis.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s agricultural strategy in Haiti is designed primarily to address the problem of the decline in per capita agricultural productivity and output. The key causes of this decline are believed to include, among other variables, outmoded agricultural techniques, improper cultivation practices on inappropriate land, and inadequate human an physical infrastructure. The intent of the proposed project is to statistically verify or alter these assumptions to design better project interventions to attack problems, and therefore to better pursue A.I.D.'s agricultural strategy for Haiti.

Host Country and Other Donors: The GOH will be a major participant in the project and will be expected to fund 25% of project costs. Information obtained will be shared with other donors. There will most likely be direct cooperation with the United Nation Development Program, which is currently providing assistance to IHSI.

Beneficiaries: The target group for the project is Haiti's rural poor, a group which is estimated to number over 4,000,000. The immediate beneficiaries are the public and private institutions which will use the information to plan and implement rural development interventions. THe principal sectors destined to benefit from these data are those of agriculture and rural development, health, population, and education. THe principal institutional beneficiary will be IHSI.

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Agricultural Outreach Development		1,000		FY 1986 1,000	Life of Project Funding 5,000	
Number 521-0187	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
XX GRANT ☐ LOAN ☐ XX NEW ☐ CONTINUING				FY 1986	FY 1990	FY 1990

Purpose: The purpose of this project is to increase farm income and enhance on-farm consumption through the application of more cost-effective technology. This will be accomplished by strengthening those private and public sector institutions involved in agricultural extension services. Emphasis will be placed on technological packages which impact on the sector's long-term capacity to produce and make available food, fiber and other agro-industrial products for Haiti's largest economic sector.

Project Description: The proposed project will consolidate more than a decade of A.I.D. and other donor-sponsored research and practical experience in the area of increasing small-farmer productivity and income levels through improvements in agriculture. The key to this consolidation effort is the creation and strengthening of private and public institutional structures for agricultural extension to small farmers throughout rural Haiti. In FY 1985, A.I.D./Haiti will develop an overall agricultural extension strategy that takes optimal advantage of the different forms of media and organizational methodologies for reaching the small Haitian farmer. This strategy will constitute the basis of future extension projects. A complete inventory will be made of those technological innovations that are potentially adaptable to the agricultural conditions of Haiti's minifundia. Additionally, all useful agronomic and livestock data generated in Haiti will be classified by categories to match the various peasant farming systems and, thus, specific farm conditions in the country. This agricultural extension strategy study will also consider the various operational aspects of both public and private sector expansion services mechanisms for providing sound extension services to small farmers.

Based on this analysis, the proposed Agricultural Outreach project will implement a series of extension activities. The emphasis will be on an incentive-driven program that starts with improved farm-family incomes as the basis for production expansion and, through appropriate means, provides inputs, market information and appropriate technologies to which the farmers may respond. The project will be predicated on the assurance to farmers that increased levels of production will have a positive market response.

Such issues as the institutional role of private voluntary organizations in extension and technological packages to farm women will be examined during the project design.

Relationship of Project to A.I.D. Country Strategy: The proposed project supports A.I.D.'s objective of increasing agricultural production and income by directly addressing the issue of increasing productivity of small farmers and thereby improving their standard of living. The project logically will support the transfer of technological packages developed under existing A.I.D.-funded research projects, i.e., the research and extension component of the Integrated Agricultural Development project, the Agroforestry Outreach project, and the Agricultural Development Support II project.

Host Country and Other Donors: A project addressed explicitly to institutionalizing agricultural extension services throughout the country would build upon, support, and complement both agricultural research and farmer education programs sponsored by A.I.D., other donors, and the Government of Haiti (GOH). The GOH will be expected to finance up to 20% of project costs.

Beneficiaries: Haiti's 800,000 small farm families compose the broad target group which will profit directly from enhanced productivity based on the improved technical packages made available to them through the project. The various public and private institutions which will participate in program implementation are also intended beneficiaries.

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title Soil Conservation and Irrigation Development		Funding Source	AG, RD & N 1,500	Health	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 1986 1,500		Life of Project Funding 10,000
Number 521-0191	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING				FY 1986	FY 1991	FY 1991

Purpose: To increase farmers' incomes and the local production of food crops through an improvement of Haiti's institutional capacity to undertake soil and water management.

Project Description: The project will bring two institutional innovations to the soil and water management sector in Haiti: (i) the mobilization and training of local "groupements" to upstream protection (through soil conservation) of approximately 15,000 hectares of irrigation infrastructure; (ii) the strengthening and decentralization of the Ministry of Agriculture by reinforcing district level offices to manage Haiti's watershed projects such that the country can produce more food crops. Improved soil conservation upstream and improved irrigation services downstream will be required. These improvements will require certain changes in land use and water users' policies, as well as the implementation of new technical and organizational practices within irrigation perimeters themselves. Thus, the project will identify and implement the appropriate policy, technical, and organizational changes necessary for Haiti to realize the food-producing potential of its 80,000 irrigated hectares and its 200,000 potentially irrigable hectares.

At the local level, the project will encourage decentralization of control and responsibility to the soil and water-users associations, wherever technically and organizationally feasible, through the strengthening of their organizations and the creation of a soil and water-resource investment fund. This fund will invest in smaller-scale irrigation systems and upstream soil conservation projects. Subgrants to selected private and voluntary organizations will be utilized to implement this local strategy.

The project will also develop and implement a research agenda for improved irrigated crop management and better soil conservation practices.

Relationship of Project to A.I.D. Country Strategy: The proposed project reflects the following key features of A.I.D./Haiti's strategy:

(1) a strong commitment to rural development income and employment generation;
(2) an emphasis on the use of the private sector and private voluntary organizations as vehicles for development, where appropriate;
(3) a decision to support the Government of Haiti's (GOH) emerging policy of administrative decentralization; and
(4) within the agriculture sector, priority to:
   (a) increasing the agricultural production of commodities that maximize Haiti's comparative advantage and improve access of the poor to an adequate food supply; and
   (b) reducing and ultimately reversing the process of deforestation and soil erosion.

Relative to the project being proposed, these strategic objectives subsume the following operational objectives:

(1) increase the total hectarage under irrigation for improved food production;
(2) develop a strategy for the effective delivery of agricultural services;
(3) promote the concept of decentralized decision-making for participating development; and
(4) promote efforts to conserve soil and water resources.

Host Country and Other Donors: The project will be implemented through selected district offices of the Ministry of Agriculture, Natural Resources, and Rural Development (MARNDR), with subgrants to certain private voluntary organizations (PVOs) in target watersheds for local organizational work. Institution building at these local levels will set a standard for other donor-funded irrigation and soil conservation schemes in the country. At least 25% of project costs will be funded by PVOs and the GOH, as appropriate.

Beneficiaries: A total of approximately 100,000 farm families in the Cayes, Cavillon and Upper Artibonite watersheds are the expected beneficiaries of this project. Working through soil and water-users' associations, it is expected that Haiti's farm population will improve its capacity to produce irrigated crops effectively and to raise the long-term productivity of hillside land.

PROGRAM: Haiti

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Targeted Community Health Outreach			1,250	FY 86 1,250	Life of Project Funding 13,000
Number 521-0172 [X] GRANT [ ] LOAN	[X] NEW [ ] CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 86 / Estimated Final Obligation FY 89 / Estimated Completion Date of Project FY 91

Project Purpose: To strengthen the capacity of the Ministry of Public Health to plan, implement and evaluate targeted programs to resolve efficiently and cost-effectively priority public health problems.

Project Description: Haitian health statistics reveal continued high prevalence of ill health and disease preventable with available technologies. This project will assist the Haitian Ministry of Health to implement its "new orientation" which is targeted to reduce significantly mortality and morbidity due to diarrhea, immunizable disease, upper respiratory infections, malnutrition, malaria and tuberculosis.

Current and prior A.I.D.-assisted efforts have begun the process of developing a health infrastructure to facilitate access to primary health care. The most crucial project constraints to these efforts have been lack of health management skills and insuffficient government motivation to reallocate existing human and financial resources required within the health sector to effectively promote targeted, cost-effective, preventive primary health care. These problems and their ramifications within the health-care system are acknowledged by present Ministry of Health leadership who have been given a national mandate to make the necessary changes.

Building on this base, the proposed project will focus on the planning, management and effective organization of public, private and community resources to reduce systematically the level and intensity of these health problems. The project will have five functional components, each equally important: (1) management improvement through development of a health management information system, based on administrative service and impact (epidemiological) data; (2) skill development through technical and management training of health personnel to improve service delivery; (3) enhanced use of community and private voluntary resources to utilize more effectively existing and potential voluntarism, local initiative and self-financing mechanisms to complement public resources; (4) operational research designed to identify and help resolve critical impediments to service delivery and epidemiological impact; and (5) targeted health information and education to promote actively positive health practices. These activities are in line with the 1983 evaluation of the Rural Health Delivery System project which recommended targeting and consolidation with an emphasis on improved, realistic planning using epidemiological data, newly designed management control systems, and more effective health information and training. The 1983 evaluation of the Family Planning Outreach project and a health strategy assessment are expected to provide additional insights into the most appropriate design for this project.

Relationship of Project to A.I.D. Country Strategy: This project is fully consistent with A.I.D. health policy and the A.I.D. development strategy in Haiti. The project will complement ongoing projects in malaria control and family planning. In addition, the project will support the private voluntary organization (PVO) Title II maternal and child health feeding program strategy aimed at resolving malnutrition among critical target groups.

Host Country and Other Donors: The project directly responds to needs and priorities identified by the Government of Haiti in its new orientation in reducing preventable morbidity and mortality through targeted health programs. Important other donor assistance from the Inter-American Development Bank, World Bank, United Nations Development Program, Pan American Health Organization and bilateral grants from Japan and Canada provide an appropriate complement to targeted U.S. assistance in health. A myriad of private voluntary agencies provide critical funding and materials for indigenous PVO health agencies.

Beneficiaries: The primary beneficiaries of this project will be children under five years of age who are most vulnerable to the present panoply of health problems. As project implementation proceeds, mothers and other working adults will benefit from increased access to basic health-care services. Some one million people are expected to benefit from this health program.

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Expanded Malaria Control			400	FY 1986 400	Life of Project Funding 10,000

Number 521-0188	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING				FY 1986	FY 1990	FY 1991

Purpose: To assist the Haitian National Service for Endemic Diseases (SNEM) to implement targeted cost-effective malaria control activities aimed at reducing the incidence of malaria transmission to a level below public health significance.

Project Description: Malaria remains a serious public health problem in Haiti. Foreign donor and Haitian efforts to improve rural productivity and health and nutritional status are adversely affected by continuing malaria transmission. This project builds on the experience and lessons learned in earlier A.I.D. assistance projects, particularly the Management of Malaria project (521-0143), which have focused on building SNEM's institutional capacity to plan and implement effective anti-malaria activities. Based on the September 1984 program evaluation, SNEM is restructuring its organizational support and activities to build a decentralized community-based malaria surveillance and treatment network involving volunteer collaborators, community institutions (schools, churches and development groups), and private voluntary organizations (PVO) and Health Ministry health workers. The proposed project will have four interrelated fuctional components:

1) expanded epidemiological surveillance and activity evaluation;
2) strengthened management information system for program decision-making;
3) enhanced utilization of community volunteers for case treatment, public information and education, community and individual self-protection activities; and
4) continued operational research to enhance program performance, monitor parasite and mosquito response to control measures and expand use of appropriate new technologies.

These activities are consistent with the recommendations of the recent evaluation and build on the accomplishments of the earlier projects. The project design will address the financial issue of resource sufficiency and allocation to have maximum cost effectiveness. SNEM's progress in marshalling indigenous resources over the next year will help establish the feasibility of this new project.

Relationship of Project to A.I.D. Country Strategy: This project is fully consistent with A.I.D. health policy and the new Latin America and Caribbean Bureau emphasis on assistance to anti-malaria programs. The project will complement ongoing projects in primary health care and regional and rural development.

Host Country and Other Donors: This project directly responds to the needs and priority for malaria control identified by the Government of Haiti. Important donor assistance from the Inter-American Development Bank, the Government of Japan, the French Government, the Pan American Health Organization and other donors will complement this targeted U.S. assistance.

Beneficiaries: The beneficiaries of this project are the four million persons living in rural Haiti. The project will particularly benefit young non-immune children and pregnant women for whom malaria represents a life threatening disease.

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Non-Governmental Organization (NGO) Support IV	4,650 ESF			FY 1986 4,650	Life of Project Funding 4,650	
Number 521-0185 ☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1986	Estimated Final Obligation FY 1986	Estimated Completion Date of Project FY 1988
☒ GRANT ☐ LOAN ☐ CONTINUING						

Purpose: The purpose of this program is to increase the economic opportunities and basic services made available to the rural poor, through cooperation with non-governmental organizations (NGOs).

Project Description: Under the FY 1983 and FY 1984 NGO programs, participating organizations demonstrated their impact on Haitian rural development. Similar results are anticipated for the FY 1985 program. The FY 1986 NGO Support IV program continues A.I.D.'s emphasis on providing support to NGOs with a demonstrated capacity to provide certain services and programs more effectively than the public sector. The proposed program will directly assist NGOs in the implementation of technically sound and economically viable projects. In FY 1986, priority consideration will be accorded to rural activities such as the establishment of a commercial trade and finance company to expand export of manufactured and agro-industrial products, promoting coastal fisheries development by increasing productivity and improving marketing practices, the development o a replicable health-care model for underserved rural areas, and expansion of successful agricultural extension and cooperative programs. Comprehensive proposals in adherence to A.I.D. guidelines and policies will be developed by NGOs for each subporject. To demonstrate commitment to a subproject, each grantee will be required to fund 25% (either in kind or cash) of the total subproject cost.

Relationship of Project to A.I.D. Country Strategy: This program conforms to A.I.D. development policy and strategy by (1) channeling development assistance through private organizations and promoting private enterprise, (2) developing and improving private institutional resources and capabilities, and (3) promoting the transfer of technology through the NGO mechanism.

Host Country and Other Donors: Participating NGOs will fund at least 25% of the cost of each subproject.

Beneficiaries: This program will directly benefit two major target groups: the rural poor and participating NGOs. Subprojects under this program will be concentrated in rural areas where assistance is most urgently required. Small farmers, day laborers, and other segments of the rural population can be expected to actively participate in and benefit from these NGO activities. By providing assistance to NGOs to implement the subproject, the institutional capability of these organizations to design and implement effective development projects will be enhanced.

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations - Operational Program Grants			713	FY 1986 1,713	Life of Project Funding Continuing

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
521-9999 ☒ GRANT ☐ LOAN	☒ NEW ☒ CONTINUING	1,000			FY 1975	FY Continuing	FY Continuing

Purpose: To mobilize the expertise of U.S. and Haitian private voluntary organizations (PVOs) in the development process through the design and implementation of innovative projects.

Project Description: Through operational program grants (OPGs) and specific support grants, A.I.D. uses the special expertise and field presence of PVOs in Haiti to reach the poor majority, with a minimum of outside management and supervision. A.I.D. seeks to strengthen local institutions and to provide them with the technical and material means to carry forward local development activities. Future OPGs will help strengthen PVOs operating in Haiti and assure their greater involvement in development efforts. The projects will operate in both rural and urban areas, primarily in the fields of health, nutrition, agriculture, housing, and employment generation. Special attention will be given to indigenous organizations.

Relationship of Project to A.I.D. Country Strategy: OPGs support the overall A.I.D. development strategy in Haiti by: (1) conserving and improving Haiti's natural resources, (2) improving health and nutrition conditions, (3) expanding off-farm employment opportunities, (4) strengthening indigenous private institutions, and (5) stimulating the private sector.

Host Country and Other Donors: In every OPG, A.I.D. development assistance funds do not exceed 75% of the resources devoted to the project. In many cases, A.I.D. funds represent less than half of total project costs. The balance is provided by PVOs, private contributions, and the Government of Haiti.

Beneficiaries: Beneficiaries of OPG projects are the rural and urban poor.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (532) JAMAICA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 2,388

PER CAPITA GNP..... (DOLLARS,1982) 1,330

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 0.7%

ANNUAL RATE OF INFLATION (1970-82) 16.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(.) . %

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1984)	TOTAL 72.7	MALE 70.9	FEMALE 74.7
(1970)	TOTAL 67.0	MALE 65.3	FEMALE 68.9

ADULT LITERACY RATE (1970) TOTAL 96% MALE 96% FEMALE 97%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1974 -1983)-0.8%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 8%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 469

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: ROOTS AND TUBERS ,CORN ,PULSES	30%	(1983)
CASH: SUGARCANE ,COFFEE ,SPICES	35%	(1983)

MAJOR AGRICULTURAL EXPORTS:(1983) RAW SUGAR ,COFFEE ,SPICES

MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,CORN ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 37%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)

(1976)	781 (77)	808 (78)	814

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)

(1976)	1,215 (77)	1,354 (78)	1,181

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)

(1976)	-434 (77)	-546 (78)	-367

DEFENSE EXPENDITURES,

AS % OF TOTAL EXPENDITURES.. (1975)	2.1% (76)	2.4% (77)	2.3%
AS % OF GNP..... (1975)	0.8% (76)	1.0% (77)	1.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,

($MILLIONS, U.S.) (1980)	105 (81)	85 (82)	108

EQUIVALENT TO 0.7 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(1982)ALUMINA ,BAUXITE ,SUGAR

EXPORTS TO U.S.

($ MILLIONS, US, FOB) (1981)	386 (1982)	258 (1983)	279
AS % OF TOTAL EXPORTS (1980)	49% (1981)	47% (1982)	37%

MAJOR IMPORTS(1982)FUELS ,MACHINERY ,TRANSP, ELEC. E

IMPORTS FROM U.S.

($ MILLIONS, US, CIF) (1981)	536 (1982)	490 (1983)	497
AS % OF TOTAL IMPORTS (1980)	47% (1981)	49% (1982)	45%

TRADE BALANCE($ MILLIONS, U.S.)(1980) -58(81) -274(82) -400

TRADING PARTNERS: UNITED STATES ,UNITED KINGDOM ,NO A.I.D. CODE

EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 64.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,

($ MILLIONS, U.S.).....	(1982)	243
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....	(1982)	31.7%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.2% (1978) 1.2% (1984) 1.6%

POPULATION IN URBAN AREAS.....(1970) 42% (1984) 46%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1984) 26

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1979) 54.9%

POPULATION (1984) IN AGE GROUP:
(0-14YRS) 37.8% (15-64YRS) 56.0% (65+ YRS) 6.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 29

PEOPLE PER PHYSICIAN..... (1979) 2,832

MAJOR CAUSES OF

DISEASE (1979) TUBERCULOSIS	,FLU & PNEUMONIA	,UNKNOWN AILMENTS
DEATH.. (1977) CANCER	,HEART DISEASE	,STROKE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 119%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 86%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1980)	TOTAL 101	MALE 101	FEMALE 102
SECONDARY..... (1980)	TOTAL 69.0	MALE 68.0	FEMALE 70.1
POST SECONDARY.. (1980)	TOTAL 4.9	MALE 6.7	FEMALE 1.4

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 0.5%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY JAMAICA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–83	REPAYMENTS AND INTEREST 1946–83	TOTAL LESS REPAYMENTS AND INTEREST 1946–83
	1979	1980	1981	1982	1983			
I. ECONOMIC ASSISTANCE – TOTAL								
Loans	18.0	14.6	73.5	138.6	103.5	504.0	34.6	469.4
Grants	12.7	10.0	67.8	128.4	91.0	398.9	34.6	364.3
	5.3	4.6	5.7	10.2	12.5	105.1	-	105.1
a. A.I.D. and Predecessor Agencies								
Loans	5.9	2.7	53.9	119.4	81.6	350.0	21.9	328.1
Grants	2.7	-	50.7	110.9	71.0	303.3	21.9	281.4
(Economic Support Fund)	3.2	2.7	3.2	8.5	10.6	46.7	-	46.7
	-	-	41.0	90.5	59.4	201.8		
b. Food for Peace (PL 480)								
Loans	10.2	10.0	17.1	17.5	20.1	128.2	12.7	115.5
Grants	10.0	10.0	17.1	17.5	20.0	95.6	12.7	82.9
Title I - Total Sales Agreements	0.2	-	-	-	0.1	32.6	-	32.6
Repayable in U.S. Dollars - Loans	10.0	10.0	17.1	17.5	20.0	95.6	12.7	82.9
Payable in Foreign Currency - Planned for Country Use	10.0	10.0	17.1	17.5	20.0	95.6	12.7	82.9
Title II - Total Grants	-	-	-	-	-	-	-	-
Emerg. Relief, Econ. Develop. & World Food Program	0.2	*	*	*	0.1	32.6	-	32.6
Voluntary Relief Agencies	0.1	*	*	*	0.1	14.3	-	14.3
	0.1	-	-	-	-	18.3	-	18.3
c. Other Economic Assistance								
Loans	1.9	1.9	2.5	1.7	1.8	25.8	-	25.8
Grants	-	-	-	-	-	-	-	-
Peace Corps	1.9	1.9	2.5	1.7	1.8	25.8	-	25.8
Narcotics	1.3	1.7	1.6	1.7	1.7	21.7	-	21.7
Other	-	-	-	-	-	1.0	-	1.0
	0.6	0.2	0.8	*	0.1	3.1	-	3.1
II. MILITARY ASSISTANCE – TOTAL								
Credits or Loans	-	-	1.7	2.1	3.5	8.2	0.5	7.7
Grants	-	-	1.6	1.0	-	2.6	0.5	2.1
	-	-	0.1	1.1	3.5	5.6	-	5.6
a. MAP Grants								
b. Credit Financing - FMS	-	-	-	1.0	3.3	5.3	-	5.3
c. Military Assistance Service Funded (MASF) Grants	-	-	1.6	1.0	-	2.6	0.5	2.1
d. Transfers from Excess Stocks	-	-	0.1	0.1	0.2	0.3	-	0.3
e. Other Grants	-	-	-	-	-	*	-	*
	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE								
Loans	18.0	14.6	75.2	140.7	107.0	512.2	35.1	477.1
Grants	12.7	10.0	69.4	129.4	91.0	401.5	35.1	366.4
	5.3	4.6	5.8	11.3	16.0	110.7	-	110.7
Other U.S. Government Loans and Grants								
a. Export-Import Bank Loans	-	-	7.4	1.5	0.1	94.4	91.7	2.7
b. All Other Loans	-	-	6.4	-	-	90.4	89.7	0.7
	-	-	1.0	1.5	0.1	4.0	2.0	2.0

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	233.1	149.4	130.5	1027.6
IBRD	133.1	120.4	44.6	629.4
IFC	11.4	0.0	0.0	16.8
IDA	0.0	0.0	0.0	0.0
IDB	87.2	26.4	85.8	356.7
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	1.4	2.6	0.0	22.9
OTHER-UN	0.0	0.0	0.1	1.8
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

JAMAICA	CY 1982	CY 1983	CY 1978-83
United States	115.0	111.0	358.0
Netherlands	8.4	7.9	107.6
United Kingdom	9.9	6.9	93.8
Canada	11.8	16.5	67.9
Germany, Fed. Rep.	5.0	4.1	35.0
Other	11.7	15.2	49.2
Total	161.8	161.6	711.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

CY 1982	CY 1983	CY 1978-82
-	N.A.	30.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1982	CY 1983	CY 1954-83
USSR	-	10	40
Eastern Europe	-	-	286
China	-	-	11
Total		10	337

JAMAICA

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans	76,393	9,839	-	-	5,554	11,000	50,000	-
Grants	11,246	1,510	1,530	406	1,480	1,320	5,000	-
Total	87,639	11,349	1,530	406	7,034	12,320	55,000	
1985								
Loans	75,118	2,150	-	-	3,968	4,000	65,000	-
Grants	20,382	5,855	1,638	244	3,080	4,565	5,000	-
Total	95,500	8,005	1,638	244	7,048	8,565	70,000	
1986								
Loans	75,200	3,200	1,000	-	-	6,000	65,000	-
Grants	18,800	2,550	2,539	40	6,071	2,600	5,000	-
Total	94,000	5,750	3,539	40	6,071	8,600	70,000	

FY 1986
PROGRAM HIGHLIGHTS

- Continue balance-of-payments assistance of $65 million to enable the import of goods and equipment to support the economic recovery program.
- A $7.5 million Population Policy Support project to assist the Government of Jamaica to implement the National Population Policy.
- A $10 million Hillside Agriculture project to develop, test and disseminate appropriate production and conservation technologies.
- A $12 million Regional Graduate School project to establish a graduate management school to serve the needs of the CARICOM countries.

JAMAICA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	57,098	86,822	99,391
Grants	6,203	15,677	18,082
Total AID	63,301	102,499	117,473
P.L. 480 **			
Title I	20,000	35,000	30,000
(of which Title III is)	(-)	(-)	(-)
Title II	441	-	441
Total P.L. 480	20,441	35,000	30,441
Total AID and P.L. 480	83,742	137,499	147,914

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	54.9	8,700	100	16,000	90	14,000
Rice	16.3	5,000	20	6,000	13	4,000
Feedgrains	31.8	4,700	75	10,500	78	10,000
Vegoil	1.8	1,600	3	2,500	3	2,000
Non-food	-	-	-	-	-	-
Title I Total	104.8	20,000	198	35,000	184	30,000
(of which Title III is)	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	4.0	441	-	-	4	441
Government - to - Government						
Title II Total	4.0	441			4	441
Total P.L. 480	108.8	20,441	198	35,000	188	30,441

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

JAMAICA

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire [a]	27	23	23
PASA [b]	2	2	1
Total	29	25	24

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*
[b] *On board end of year.*

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic [a]	Technical [b]	Academic	Technical	Academic	Technical
S&T /IT Managed [c]	28	122	20	100	15	125
Contract Managed [d]	-	20	1	76	-	30
Total	28	142	21	176	15	155

[a] *Degree seeking participants.*
[b] *Non-degree seeking participants (may be at universities).*
[c] *Participants programmed by Missions and sent to S&T/IT for management.*
[d] *Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.*

JAMAICA

Development Overview

The foreign exchange crisis continues to be the major obstacle to development in Jamaica, and efforts to stabilize the economy and restore growth are the principal concerns of both the Government of Jamaica (GOJ) and the major international donors. Rising prices have eroded the real purchasing power of Jamaicans whose incomes have not kept pace with cost-of-living increases. Government jobs have been cut and services reduced, private sector firms have been squeezed by the foreign exchange shortage, and the costs of staple foods, transportation and utilities have risen as subsidies are phased out.

Since its election four years ago, the government of Prime Minister Edward Seaga has frequently reiterated its commitment to restore economic growth and employment to Jamaica by according a larger economic role to private markets, emphasizing exports and increasing foreign and domestic investment. In the first year of the government's program, results were nearly on target. Slowness in making structural adjustments was largely compensated for by the marked improvement in fiscal management, restored confidence of investors, a significant increase in tourism receipts and large inflows of foreign donor assistance. Owing largely to depressed external demand for bauxite and alumina, however, it became clear during the second year of the program that GOJ financial program projections were overly optimistic. Merchandise exports were substantially below projected levels. The GOJ reacted by tightening enforcement of import restrictions and exchange control regulations which, in turn, discouraged potential investors. The third year saw no significant improvement either in bauxite demand or in government policy.

Based on discussions with A.I.D. and other donors, in November 1983 the GOJ unified the official and parallel markets for foreign exchange and established an auction system to determine the exchange rate within an adjustable band. While these measures did not completely free the foreign exchange market, they did ease the shortage. They were not, however, sufficient to get the GOJ financial program fully back on track. In addition to unification of the foreign exchange markets, the GOJ revised its policies to achieve three macroeconomic objectives: (1) more restrained growth of aggregate demand; (2) redirection of resources in favor of the private sector; and (3) resumption of efforts to reduce the net foreign debt of the Bank of Jamaica. In the summer of 1984, the Paris Club agreed on terms for Jamaica to renegotiate its official debt service payments.

U .S. Interests and Objectives

The United States has a strong interest in the economic health and political stability of Jamaica based on geographic proximity, significant trade and investment relationships, shared regional security concerns, and a common commitment to democracy. Jamaica plays an important role in the Caribbean as

evidenced by its participation in the peacekeeping force in Grenada and its hosting of the 1985 International Youth Conference.

The U. S. policy objective in Jamaica is to support and to reinforce the GOJ's resolve to continue its economic recovery program, which is characterized by reliance on the private sector as the basis for growth, a broad sharing of the benefits of such growth, and increased employment. Policy reforms needed to achieve recovery include further liberalization of the foreign exchange market, removal of remaining exchange controls, additional divestment of government-owned productive enterprises, easing of regulatory restrictions on export marketing of agricultural products, deregulation of commodity prices and increased private sector access to government lands. A continuation of substantial U.S. financial assistance to Jamaica is essential to support the implementation of such reforms. The trade and investment provisions of the Caribbean Basin Initiative (CBI) also support our policy objectives.

A.I.D. Development Strategy

A.I.D.'s strategy is to assist the GOJ to establish the basic economic foundation necessary for sustained growth, to increase employment and to improve the efficiency and effectiveness of social services. A.I.D. supports GOJ efforts to adopt policy and institutional reforms essential to increase production, such as the elimination of exchange controls and continued support for structural adjustments to enhance the functioning of market mechanisms, through Economic Support Fund (ESF) assistance, project assistance, P.L. 480 and Section 416 food aid, and housing guaranty resources.

This strategy recognizes the crucial role of the private sector in leading the economic recovery. Policy reforms encouraged by A.I.D. are largely aimed at increasing the role of, and allowing more freedom of action by, the private sector. Other A.I.D. financed activities include development finance, export promotion, loan guaranties, institutional strengthening, investment promotion, management training, assistance to small businesses, industrial development and education of both private and public sector decision makers in the operation and advantages of an open economy. A.I.D. also utilizes the resources of its Bureau for Private Enterprise (PRE) and is supporting the establishment of private Jamaican foundations to stimulate urban and rural development.

While promoting the reduction of government involvement in the productive aspects of the agricultural sector, A.I.D. supports interventions aimed at increasing food production for both domestic and export markets. Primary tools include P.L. 480 self-help measures and specific project interventions for strengthening private agricultural entities, e.g., agri-businesses, cooperatives, and producer/marketing organizations (PMOs).

Because of the severe economic problems facing the country, many of the public and private sector institutions providing needed social services in Jamaica are deteriorating or are already in poor condition. A.I.D. will help these institutions to restore their service capabilities and improve their

administrative and managerial performance. The strategy will emphasize the private sector, but also assist public institutions in those areas where they are the more appropriate and effective provider of essential services.

The level of technology in Jamaica is low and the research system necessary to adapt such technology to the Jamaican setting is weak, particularly in the agriculture sector. A.I.D.'s technology transfer initiatives are concentrated primarily in the areas of energy and housing, with some research activities being encouraged in agriculture.

While fostering an open economy and the recognition of the private sector as the engine of growth, A.I.D. is actively encouraging a more equitable sharing of the benefits of growth through increased opportunity and employment. In addition, A.I.D. has identified four categories of persons on whom the burden of poverty falls disproportionately: (1) women, (2) children, (3) young workers, and (4) the handicapped, infirmed, and aged. A.I.D.'s overall strategy is to expand the size of the economic pie through real economic growth, and to influence the distribution of increased output to these particular groups.

A.I.D. Program (FY 1984 and FY 1985)

Balance-of-Payments Support and Structural Adjustment. The $50 million Production and Employment IV loan (532-0098) is helping to alleviate Jamaica's difficult balance of payments situation and acute foreign exchange shortage. This ESF assistance also provides A.I.D.'s fundamental negotiating tool for policy reform. In FY 1984, the GOJ agreed to divest itself of 30 publicly-owned productive enterprises and to reduce the role of the state coffee and citrus export marketing organizations, thus increasing the spectrum of marketing opportunities available to growers. A further $65 million is planned for FY 1985 under the Production and Employment V loan (532-0100). Under the terms of this loan, A.I.D. expects the GOJ to eliminate exchange controls and remaining price controls, reduce the scope of the government importing company and substantially deregulate the export marketing of bananas.

The P.L. 480 Title I program, in addition to providing essential basic foods and playing an important role in balance-of-payments support, is a further tool for encouraging policy reform. Under the self-help measures negotiated in the FY 1984 agreement, the GOJ agreed to a timetable for the removal of price controls on 14 imported commodities by March 31, 1985. The FY 1985 agreement will contain provisions aimed at increasing domestic food production and reducing dependency on imports. During FY 1985, the GOJ will use P.L. 480 and Section 416 resources, including local currency generations, to support its school feeding and food stamp programs. Both programs involve short-term, targeted subsidies to assure an adequate supply of basic foods for at-risk segments of the population during the transition from subsidized food imports to increased local production.

Agriculture. Initiated in FY 1984, an innovative P.L. 480 Title II program utilizing surplus butter and cheese will enable the newly-established Jamaican Agricultural Development Foundation (JADF) to become a sound, self-sustaining and effective source of private sector financing for agricultural development. Proceeds from the sale of the commodities will provide the JADF with an endowment from which it will fund projects to increase agricultural production and promote agribusiness. Surplus dairy products will be provided for six years, after which the JADF will operate on resources earned from investments. A complementary activity in FY 1985, the $2.3 million JADF Technical Support and Investment project (532-0105), will assist the JADF in its start-up by financing technical assistance and leveraging new agricultural investment in Jamaica.

The $2 million second phase of the Agro-Industrial Development project (532-0081) is financing pre-investment studies, strategic planning and foreign industry targeting to accelerate the development of small and medium-sized agro-industrial firms. The $13.8 million Agricultural Marketing project (532-0060) finances technical assistance and facilities to improve the efficiency of Jamaica's agricultural marketing system. The project was modified in FY 1984 following a mid-term evaluation to reduce the scope of the project and permit concentrated support to a limited number of activities. This effort is complemented by two operational program grants (OPGs): Small Farmer Production/Marketing (532-0097) and Agricultural Cooperative Development (532-0107). The former will increase the production of non-traditional crops for both export and domestic markets, while the latter will promote the development of viable producer/marketing organizations.

In preparation for development of the FY 1986 Hillside Agriculture project, the $600,000 Hillside Assessment Initiative (532-0113) in FY 1985 will assist the Ministry of Agriculture to carry out an in-depth study of potential project areas, identifying and analyzing constraints, and making concrete recommendations for project development.

Health and Population Planning. Following a March 1984 evaluation, the $9.6 million Health Management Improvement project (532-0064), was redesigned to enhance the Ministry of Health's planning, procurement, evaluation and delivery capabilities. The $5.2 million Population and Family Planning Services project (532-0069) supports the National Family Planning Board in critical areas, including adolescent and family life education, commercial retail sales and population policy implementation. Centrally-funded population projects also support overseas training, renovation of clinical facilities and technical assistance in contraceptive marketing.

Education and Human Resources. A.I.D.'s portfolio contains a number of projects to develop workers' skills. The recently initiated $12.5 million Agricultural Education project (532-0082) will assist in the development of a post-secondary agricultural training institution to address the severe shortage of competent agriculturalists. The $4 million Management Training project (532-0084), planned for in FY 1985, will strengthen four local management training institutes to meet Jamaica's acute need for planning and managerial skills in all sectors. The $13.4 million Basic Skills Training project (532-0083) is assisting the GOJ to develop and administer formal and

non-formal vocational skills training programs designed to increase employability of unskilled workers, particularly women and youth. An additional $3 million is planned in FY 1985 to finance a revolving loan to enable private and public organizations to upgrade and expand their on-the-job training programs.

In the area of social services, the Rural Services Development for Special Children OPG (532-0094) is improving the level of services for handicapped children by providing services to rural communities. The $3 million Voluntary Sector Development project (532-0085) is strengthening the institutional capacities of private voluntary organizations and enabling them to provide such services as skills training, health and nutrition education, and basic education to disadvantaged segments of the Jamaican population. The Special Development Activities Fund (532-0029) provides small grants to support community-based, self-help projects which benefit the poor.

Private Sector Assistance. The recently launched $21.2 million Private Development Bank project (532-0091) will provide medium and long-term credit for equity and debt financing to medium-sized firms which wish to expand and improve their productive facilities. The highly successful National Development Foundation project (532-0108), which provides loans to small entrepreneurs, received a second $500,000 expansion grant following a September 1983 evaluation which confirmed that it had met or exceeded the majority of the goals and outputs outlined in the initial OPG agreement. The OPG to the Small Business Association of Jamaica (532-0076) is improving the institutional capabilities of this organization to act as the spokesman for the small business community and provide services that will foster the development of small businesses throughout Jamaica. The $1.3 million Jamaica Industrial Development Foundation project (532-0118), being initiated in FY 1985 with $750,000, will stimulate growth in the manufacturing sector, thus creating new jobs and increasing foreign exchange earnings and/or savings.

Development of this project is based upon the success of a number of small pilot activities financed under the Technical Consultations and Training project (532-0079) which finances activities in human resource development, agriculture, commerce and industry. It is designed to alleviate constraints to production and job creation, to accelerate project development, to promote investment and to provide training. Over 170 activities have been funded under this project since June 1981, including Agro 21, a comprehensive program to revitalize Jamaica agriculture through private sector investment. The project will be used in FY 1985 for more direct support to private sector entities such as the Private Sector Organization of Jamaica (PSOJ).

The current Jamaican tax structure is a major impediment to investment and economic growth in Jamaica. The $4.5 million Board of Revenue Assistance project (532-0095) finances technical assistance to support GOJ efforts to develop a more equitable tax system by expanding the tax base, and reducing the level of income taxation.

These efforts are producing results. For example, Jamaica's Prime Minister has announced that a total of 138 new private investments worth about $80 million were established in 1984. These projects created 5,400 new jobs and had the potential to generate 10,000 more jobs. These investments bring to 341 the number of projects handled by the Jamaica National Investment Promotion Ltd., since its inception in 1981. In FY 1985, A.I.D. will develop an export development facility to increase commercial credit to Jamaican exporters. The U.S. based facility will provide $2.5 million in guarantee authority for U.S. commercial suppliers to Jamaican export manufacturers.

Energy. A $13.7 million Energy Sector Assistance project (532-0065) seeks to reduce further Jamaica's dependence on imported petroleum by providing credits to commercial firms for energy audits, retrofitting and other energy conservation measures, including utilization of alternative energy sources.

Housing and Urban Development. The $1 million Low Cost Shelter Development project (532-0067) is improving the planning, coordination and delivery capacities of public and private shelter institutions involved in Housing Guaranty (HG) loan management and implementation. In FY 1985, A.I.D. will finance two technical assistance activities to strengthen the planning and management capabilities of Jamaican urban institutions. The first, Urban Sector Technical Assistance (532-0117), will support the Building Department of the College of Arts, Science and Technology and the Town Planning Department of the Ministry of Finance. The $1.3 million Kingston Urban Development Foundation project (532-0119) will provide financing and technical support to private sector groups involved in the rehabilitation of inner Kingston. Also, A.I.D. expects signature of a $15 million Housing Guaranty program.

A.I.D. will use $1.5 million of Program Development and Support funds in FY 1985 to finance a number of studies and design activities necessary for the sound development of proposed FY 1986 projects.

Requested Year Program (FY 1986)

The A.I.D. program of $70 million in ESF and $24 million in DA for FY 1986 will continue to assist the GOJ to stabilize the economy and implement needed structural reforms to increase production, and to support institutions which are effective providers of essential social services. A.I.D. will utilize policy dialogue, as well as the leverage of ESF and P.L. 480 Title I assistance to bring about additional policy changes, elimination of remaining import restrictions and foreign exchange controls, and further divestment of government-owned enterprises. A.I.D. development assistance will support increased private sector production and employment, and institution building in the critical sectors of agriculture, education, family planning and urban development.

Balance of Payments Support and Structural Adjustment. Further ESF-financed assistance of $65 million is requested to provide foreign exchange to enable the GOJ to finance imports essential to increased production. P.L. 480 Title I assistance of $30 million is requested to finance imports of essential food

items such as wheat and wheat flour, corn, rice and edible oils. Both the ESF-financed and P.L. 480 Title I programs will be contingent upon GOJ compliance with negotiated structural adjustments and self-help provisions included in the respective FY 1986 agreements.

Agriculture. The proposed $10 million Hillside Agriculture project (532-0101) will build on the FY 1985 Hillside Assessment, and the lessons learned from the Integrated Rural Development project completed in February 1984. It will promote perennial cropping, agro-processing and marketing systems which are compatible with national land use and conservation objectives. An initial $5.2 million is requested in FY 1986.

Population Planning. A total of $3.5 million in FY 1986 is requested for the new Population Policy Support project (532-0114), which will support both government and private sector efforts to implement Jamaica's population policy. The project will focus on the interrelationships between demographic targets and other national development programs and strategies.

Education and Human Resources. A further $1.2 million will be required for the Basic Skills Training project, while $1 million will be needed to continue the Management Training project. Another $2 million is requested to begin the new Regional School of Management (532-0115) to serve the needs of the Caribbean countries. The proposed $1 million Primary Education Sector Survey (532-0116) will analyze the causes of the current deterioration in Jamaica's basic education system and identify remedial actions. A final increment of $221,000 will be needed for the Voluntary Sector Development project (532-0085). These interventions contribute to the broader objective of improving Jamaica's human resources.

Selected Development Activities. Continued support of community-based self help projects under the Special Development Activities Fund will require $150,000.

Private Sector Assistance. An additional $5 million of ESF for the Technical Consultations and Training project will finance short-term consultancies, studies, training and block grants to private sector organizations. The Private Development Bank project, a major FY 1984 initiative to assist the private sector with debt and equity financing, will require an increment of $3.35 million. An additional $400,000 will be provided to the Jamaica Industrial Development Foundation (JIDF).

Housing and Urban Development. The new Inner Kingston Improvement project (532-0120) will provide $3.2 million of development assistance to the Kingston Urban Development Foundation in support of private sector initiatives to revitalize the Kingston inner city. This project will support drawdown on the Housing Guaranty program signed in FY 1985. The Foundation's principal

objectives are to stimulate a return of economic activity to the older part of the city and improve the quality of life of low-income residents of the area. A second new project, Shelter Sector Institutional Development (532-0121) will continue work begun under the Low Cost Shelter Development project by further improving the delivery capabilities of both public and private housing institutions.

Program Development and Support. Funding of $1.2 million is requested for activities such as program evaluations and new project design.

MISSION DIRECTOR: Lewis P. Reade

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: JAMAICA

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
INTEGRATED RURAL DEVELOPMENT	L	532-0046	77	80	10,690	10,690	10,690	9,987	---	703	---	---
FISH PRODUCTION SYSTEM DEVELOPMENT	G	532-0059	79	82	1,175	1,175	1,175	832	---	343	---	---
FISH PRODUCTION SYSTEM DEVELOPMENT	L	532-0059	79	82	2,240	2,240	2,240	1,496	---	744	---	---
AGRICULTURAL MARKETING	L	532-0060	81	82	13,800	13,800	13,800	2,749	---	3,000	---	2,800
AGRICULTURAL PLANNING	G	532-0061	79	84	2,878	2,878	2,878	2,344	---	118	---	416
AGROINDUSTRIAL DEVELOPMENT	L	532-0081	82	84	10,489	10,489	10,489	616	---	3,200	---	3,800
AGRICULTURAL EDUCATION	G	532-0082	84	85	3,000	3,000	300	---	2,700	266	---	494
AGRICULTURAL EDUCATION	L	532-0082	84	85	9,500	9,500	8,350	---	1,150	740	---	2,593
VOLUNTARY SECTOR DEVELOPMENT	G	532-0085	83	86	575	575	400	---	175	200	---	200
HILLSIDE AGRICULTURAL RESTRUCTURING	* G	532-0101	86	87	---	2,000	---	---	---	---	2,000	200
HILLSIDE AGRICULTURAL RESTRUCTURING	* L	532-0101	86	87	---	8,000	---	---	---	---	3,200	400
JAFD TECHNICAL SUPPORT AND INVESTMENT	G	532-0105	85	85	---	1,300	---	---	1,300	150	---	400
JAFD TECHNICAL SUPPORT AND INVESTMENT	L	532-0105	85	85	---	1,000	---	---	1,000	150	---	600
HILLSIDE ASSESMENT	G	532-0113	85	85	---	600	---	---	600	600	---	---
PROGRAM DEVELOPMENT AND SUPPORT	G	532-9103	56	C	---	---	939	711	500	728	300	300
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	532-9999	77	C	---	---	530	204	580	455	250	353
TOTAL FOR ACCOUNT					54,347	67,247	51,791	18,939	8,005	11,397	5,750	12,556
GRANTS					7,628	11,528	6,222	4,091	5,855	2,860	2,550	2,363
LOANS					46,719	55,719	45,569	14,848	2,150	8,537	3,200	10,193

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: JAMAICA

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
POPULATION PLANNING												
POPULATION AND FAMILY PLANNING SERVICES	G	532-0069	82	85	5,000	5,211	3,898	2,045	1,311	2,000	---	500
POPULATION POLICY SUPPORT	* G	532-0114	86	87	---	5,500	---	---	---	---	2,500	1,200
POPULATION POLICY SUPPORT	* L	532-0114	86	87	---	2,000	---	---	---	---	1,000	800
PROGRAM DEVELOPMENT AND SUPPORT	G	532-9104	56	C	---	---	37	82	127	127	39	39
PRIVATE AND VOL ORGANIZATIONS - OPG'S	• G	532-9999	77	C	---	---	---	---	200	100	---	100
TOTAL FOR ACCOUNT					5,000	12,711	3,985	2,127	1,638	2,227	3,539	2,639
GRANTS					5,000	10,711	3,985	2,127	1,638	2,227	2,539	1,839
LOANS					---	2,000	---	---	---	---	1,000	800
HEALTH												
HEALTH MANAGEMENT IMPROVEMENT	G	532-0064	81	83	1,017	1,017	1,017	93	---	350	---	450
HEALTH MANAGEMENT IMPROVEMENT	L	532-0064	81	83	8,554	8,554	8,554	2,464	---	3,335	---	2,000
VOLUNTARY SECTOR DEVELOPMENT	G	532-0085	83	86	575	574	380	---	194	190	---	190
PROGRAM DEVELOPMENT AND SUPPORT	G	532-9108	56	C	---	---	270	250	50	50	40	40
TOTAL FOR ACCOUNT					10,146	10,145	10,221	2,807	244	3,925	40	2,680
GRANTS					1,592	1,591	1,667	343	244	590	40	680
LOANS					8,554	8,554	8,554	2,464	---	3,335	---	2,000
EDUCATION AND HUMAN RESOURCES												
RURAL EDUCATION SECTOR	L	532-0009	76	78	---	---	10,529	10,502	---	---	---	---
BASIC SKILLS TRAINING	G	532-0083	83	87	4,900	4,900	1,750	1	1,000	1,000	1,200	2,500
BASIC SKILLS TRAINING	L	532-0083	83	87	8,500	11,500	8,150	13	3,350	800	---	3,000
MANAGEMENT TRAINING	G	532-0084	85	88	---	4,000	---	---	600	300	1,000	1,200

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: JAMAICA

CP 86

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
VOLUNTARY SECTOR DEVELOPMENT	G	532-0085	83	86	1,621	1,621	900	72	500	600	221	200
BOARD OF REVENUE ASSISTANCE	L	532-0095	83	84	3,554	4,552	3,904	1,274	618	1,000	---	2,248
REGIONAL GRADUATE SCHOOL OF MANAGEMENT	* G	532-0115	86	89	---	12,000	---	---	---	---	2,000	1,000
EDUCATIONAL DATA ANAL. & POLICY FORM.	• G	532-0116	86	86	---	1,000	---	---	---	---	1,000	800
PROGRAM DEVELOPMENT AND SUPPORT	G	532-9105	56	C	---	---	2,579	2,429	550	450	300	300
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	532-9999	77	C	---	---	1,000	469	430	812	350	330
TOTAL FOR ACCOUNT					18,575	39,573	28,812	14,760	7,048	4,962	6,071	11,578
GRANTS					6,521	23,521	6,229	2,971	3,080	3,162	6,071	6,330
LOANS					12,054	16,052	22,583	11,789	3,968	1,800	---	5,248
SELECTED DEVELOPMENT ACTIVITIES												
SPECIAL DEVELOPMENT ACTIVITIES	G	532-0029	66	C	---	---	1,069	908	150	150	150	150
ENERGY SECTOR ASSISTANCE	G	532-0065	81	85	---	300	---	---	300	100	---	100
ENERGY SECTOR ASSISTANCE	L	532-0065	81	85	13,400	13,400	13,400	1,632	---	3,150	---	4,150
LOW-COST SHELTER DEVELOPMENT	G	532-0067	82	85	750	985	750	435	235	300	---	250
TECHNICAL CONSULTATIONS AND TRAINING	G	532-0079	79	87	1,000	1,000	1,000	686	---	314	---	---
VOLUNTARY SECTOR DEVELOPMENT	G	532-0085	83	86	230	230	120	---	110	60	---	60
PRIVATE DEVELOPMENT BANK	G	532-0091	84	87	---	1,200	---	---	800	225	350	450
PRIVATE DEVELOPMENT BANK	L	532-0091	84	87	---	20,000	10,000	---	4,000	5,000	3,000	12,000
URBAN SECTOR TECHNICAL ASSISTANCE	G	532-0117	85	86	---	750	---	---	500	350	250	400
INNER KINGSTON IMPROVEMENT FOUNDATION	* G	532-0120	86	88	---	2,000	---	---	---	---	200	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: JAMAICA

CP 86

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
INNER KINGSTON IMPROVEMENT FOUNDATION	• L	532-0120	86	88	---	5,000	---	---	---	---	3,000	---
SHELTER SECTOR INSTITUTIONAL DEVELOPMENT	• G	532-0121	86	88	---	5,000	---	---	---	---	250	50
PROGRAM DEVELOPMENT AND SUPPORT	G	532-9106	56	C	---	---	1,434	1,120	500	814	500	500
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	532-9999	77	C	---	---	750	674	1,970	1,125	900	1,410
TOTAL FOR ACCOUNT					15,380	49,865	28,523	5,455	8,565	11,588	8,600	19,520
GRANTS					1,980	11,465	5,123	3,823	4,565	3,438	2,600	3,370
LOANS					13,400	38,400	23,400	1,632	4,000	8,150	6,000	16,150
ECONOMIC SUPPORT FUND												
TECHNICAL CONSULTATIONS AND TRAINING	G	532-0079	79	86	12,960	22,960	12,960	5,418	5,000	3,000	5,000	3,500
PRODUCTION AND EMPLOYMENT V	L	532-0100	85	85	---	65,000	---	---	65,000	65,000	---	---
JAMAICA YOUTH CONFERENCE	G	532-0110	84	84	500	500	500	100	---	400	---	---
PRODUCTION AND EMPLOYMENT VI *	L	532-0111	86	86	---	65,000	---	---	---	---	65,000	65,000
TOTAL FOR ACCOUNT					13,460	153,460	13,460	5,518	70,000	68,400	70,000	68,500
GRANTS					13,460	23,460	13,460	5,518	5,000	3,400	5,000	3,500
LOANS					---	130,000	---	---	65,000	65,000	65,000	65,000
TOTAL FOR COUNTRY					116,908	333,001	136,792	49,606	95,500	102,499	94,000	117,473
GRANTS					36,181	82,276	36,686	18,873	20,382	15,677	18,800	18,082
LOANS					80,727	250,725	100,106	30,733	75,118	86,822	75,200	99,391

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Hillside Agriculture		2,000 (G) 3,200 (L)		FY 1986 1,2,000 (G) 3,200 (L)	Life of Project Funding 2,000 (G) 8,000 (L)
Number 532-0101 ☒ NEW ☒ GRANT ☒ LOAN ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1986	Estimated Final Obligation FY 1987 / Estimated Completion Date of Project FY 1989

Purpose: To increase agricultural production, rural income and employment in selected upland watersheds through the promotion of perennial cropping systems linked to agro-processing and marketing.

Project Description: Approximately 71% of the land of Jamaica is classified as hill lands, the majority of which represent shallow, highly erodable soils. Current cropping systems with emphasis on annuals are resulting in excessive soil losses, increased downstream siltation, decreased dry season stream flow and lower quality of water. If this situation is permitted to continue, the hillsides of Jamaica will be denuded of top soil in a few decades and the threat to economic development and food security will be overwhelming.

Despite recognition of the problem and substantial previous investment in physical conservation efforts, progress in implementing a strategy for the hillsides has been minimal. Lessons learned from the previous Integrated Rural Development project include: (1) publicly sponsored top-down activities fail to adequately address the need for cropping systems that are compatible with rational conservation, and (2) linking production to processing and marketing is necessary to ensure income reflow to producers.

Under the proposed project one or more watersheds critical to realization of downstream benefits on the southern plain will be selected for development. Activities to be carried out under the project will be based on the specific constraints and potentials of the selected areas, but are likely to include: (1) production by small commercial farmers of perennial tree crops that can be linked to agro-processing and marketing for both export and domestic sales; (2) reforestation of steeper slopes with species useful for fuelwood, charcoal, fodder, poles and lumber; (3) establishment of nurseries by private individuals or groups for the production of seedlings; (4) development of, or linkages with, existing processing and marketing organizations through contractual or affiliation arrangements; and (5) appropriate credit to meet the short and medium term needs for the establishment of perennial crops.

The proposed project will work directly with producer groups, processors and marketing entities. Where possible, linkages will be made with Producer Marketing Organizations and Cooperatives organized through the on-going Agricultural Marketing project and with the on-going Agro 21 program which is actively promoting technology transfer and export market development. Participation of Peace Corp Volunteers to work with selected groups will be sought.

Relationships of Project to A.I.D. Country Strategy: The proposed project is consistent with three priority elements of A.I.D.'s strategy: (1) increase in production and productivity, (2) involvement of the private sector (the farmer being the epitome of entrepreneurship), and (3) the transfer of technology. The hillsides are the preserve of poor small farmers, one of A.I.D.'s priority target groups.

Host Country and Other Donors: The Government of Jamaica (GOJ) is seeking the participation of international donors for a series of interelated programs to improve watershed management and water supplies. Although all major donors are concerned about the problem, none has yet designed an affordable, replicable project. These include the Inter-American Development Bank, World Bank, U.N. Food and Agricultural Organization (FAO) and the Government of Norway. The GOJ has assigned high priority to this problem.

Beneficiaries: The immediate beneficiaries will be the agricultural producers and workers in the selected watersheds. Lowland producers and the general public will benefit from more reliable water supplies and less destruction from flooding.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Population Policy Support				FY 1986 2,500 (G) 1,000 (L)	Life of Project Funding 5,000 (G) 2,000 (L)

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
532-0114 ☒ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	2,500 (G) 1,000 (L)			FY 1986	FY 1987	FY 1990

Purpose: To assist both public but more importantly private sector groups in the implementation of the National Population Policy. The overall objective is to attain Jamaica's demographic goals by bringing the population growth rate in line with all national development programs and strategies, thereby providing relief in problem areas such as unemployment.

Project Description: Jamaica has been a leader in family planning programs such as social marketing of contraceptives and family life education. The proposed project will provide assistance to both public and private groups for the delivery of family planning services, and educational activities in support of the National Population Policy.

Jamaica revised its National Population Policy goals in 1982 as follows: (1) to achieve a population in 2000 not to exceed 3 million; (2) to increase average life expectancy at birth to 73 years by 2000; (3) to achieve replacement level fertility by 1990; by voluntary access to family planning services; (4) to reduce the out-migration of skilled manpower and (5) to achieve optimal spatial distribution of the population. These goals are conceived of as an integral part of Jamaica's social and economic development. The proposed project will assist public sector groups, such as the Planning Institute of Jamaica, the Ministry of Health and the National Family Planning Board, as well as private sector organizations, to assess their policies and programs having a direct impact on population growth rates and population distribution, in order to bring those policies and programs in line with the National Population Policy.

The proposed project will build upon the experience gained from population and family planning programs in Jamaica and elsewhere in the Latin America and Caribbean Region. The involvement of the private sector will require innovative strategies and programs. Technical assistance in this area will be needed, and the project will finance observation visits to third countries where private sector programs are in operation.

Relationship of Project to A.I.D. Country Strategy: This project is consistent with A.I.D. assistance in support of national population policies and with the Mission strategy to involve the private sector in national development.

Host Country and Other Donors: The Population Unit within the Planning Institute of Jamaica (PIOJ) has been given the responsibility for implementation of the National Population Policy. The PIOJ has expressed an interest in receiving support from A.I.D. both to design the implementation strategy and to effect the necessary programs which will assist in attaining the national demographic goals. The Ministry of Health, the National Family Planning Board, the Jamaica Family Planning Association, Operation Friendship, credit unions, cooperatives and other groups in both the public and private sectors will assist in the project implementation. The UNFPA will continue to provide family planning services and a large share of supplies in the public health sector. A proposed World Bank project will complement the A.I.D. project with assistance in the areas of information/education/communication in family planning and population awareness.

Beneficiaries: The immediate beneficiaries of the project will be men and women of fertile age who will have access to family planning information and services, as well as members of private sector groups who will receive information on population awareness and family planning as they relate to the National Population Policy. The ultimate beneficiaries will be all Jamaicans in that this project will support Jamaican efforts to achieve their demographic targets.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Regional Graduate School of Management				FY 1986 2,000	Life of Project Funding 12,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
532-0115 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING		2,000		FY 1986	FY 1989	FY 1991

Purpose: To establish a school of management to meet the professional, technical, and managerial skills requirements of the private sector and key public sector development institutions in the Caribbean countries.

Project Description: A major constraint to development efforts in the Caribbean region is a lack of modern professional technical and managerial skills in both the private and public sectors. This lack of managerial capability has a direct negative effect on the private sector's efficiency, productivity, and competitiveness in world markets. It also severely hinders the Caribbean public sector's ability to adequately analyze, plan, finance, and evaluate programs which are essential to national economic recovery programs and the achievement of long term development objectives. To assist Jamaica and other Caribbean countries to alleviate this constraint, the project will establish a school of management to educate and train a sufficient cadre of middle and upper level competent professional managers.

A.I.D./Jamaica, in coordination with the A.I.D. Regional Office for the Caribbean, is developing the terms of reference for a demand analysis for such an institution. The school will be located in Kingston, Jamaica and will offer an accredited degree program in management studies while working in cooperation with a U.S. university or similar institution. Curricula will be based on case studies and research generated by Caribbean experiences and business environment. A formal system of consultation with local private enterprises will be developed to design instructional programs based on Caribbean applied research. Every effort will be made, beginning at the project development stage, to secure the involvement and input of private enterprises in the English-speaking Caribbean region.

The proposed project will build upon the experience gained from prior projects, including the design and initial implementation of A.I.D.'s Basic Skills Training and Management Training projects. Activities will include: (1) analysis of present managerial policies, procedures, and constraints in key private and public sector institutions throughout the Caribbean region; (2) development and adoption of a modern technical and managerial skills transfer program sensitive to Caribbean business mores and modes of operation; (3) research and development of Caribbean management case studies based upon Caribbean business enterprises; (4) research, analysis, and development of public sector policies necessary to identify and secure markets both within the Caribbean Basin and beyond for the products of Caribbean enterprises; (5) provision of technical assistance to assist in the administration and management of the school of management, serve as faculty members and guest lecturers, and provide short term consultation for the development of specific managerial programs; and (6) training for faculty and staff preferably through a contracting and sister relationship with a U.S. institution.

Relationship of Project to A.I.D. Country Strategy: The proposed project is highly consistent with priority elements of A.I.D.'s country strategy, namely: (1) institutional development in the private sector and key public sector institutions, particularly in the area of improved administrative and managerial performance; and (2) the effective transfer of technical and managerial skills which will enhance institutional efficiency and employment generation. In addition, applied research priorities and networking among Caribbean private business enterprises and the public sector will assist the development of more thorough market analyses and policy reform.

Host Country and Other Donors: The Government of Jamaica (GOJ), acting through the Administrative Staff College (ASC), is expected to make land available for the development of a school of management. The World Bank, which currently has a project in administrative reform and training at ASC, has expressed interest in coordinating future projects with A.I.D.'s management program. The EEC has expressed a similar interest. Funding will also be raised through realistic tuition charges, consultation and case study development fees, and private and public sector endowments.

Beneficiaries: The short term direct beneficiaries of the project will be the faculty and students of the regional school of management and businesses. Medium to long term beneficiaries will be the private and public organizations which employ the trained individuals.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Primary Education Sector Survey				FY 1986 1,000		Life of Project Funding 1,000
Number 532-0116	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING		1,000		FY 1986	FY 1986	FY 1987

Purpose: To analyze and review the Jamaican primary level education system, to identify major issues, and to formulate recommendations for an improved program of policy formulation, planning, and development for the primary education system.

Project Description: Professional educators, leaders of the private sector, parents, and the international donor community are genuinely alarmed at the consistently declining and ineffective performance of the Jamaican education system in general and the extremely low performance of the primary education system which leaves almost one out of every two grade 7 entrants below adequate levels of literacy and numeracy. The poor quality of primary education is currently having serious ramifications on the effectiveness of secondary education, vocational education and training, and has a direct negative effect on the school leaver's ability to engage in productive activity to provide for his/her basic needs and to individually contribute to a sustained national recovery plan.

The proposed project will build upon the experience gained from prior projects, namely the Ministry of Education (MOE) Sector Survey (1973) and the UNESCO/World Bank Secondary Education Sector Survey (1983). Significant among the findings of the latter was the need to create a policy and planning office in the MOE capable of undertaking educational planning as a continuous practice, including the systematic collection and analysis of statistical data and other information relevant to plannning and preparation of policy measures.

Activities to be conducted under the project will include: (1) analysis and review of organization and apropriateness of pre-service and in-service teacher training programs, the development of relevant instructional materials and curricula and the setting up of a permanent low cost text book production unit, capital/recurrent expenditures, school renovation and maintenance systems; (2) analysis of the role and effectiveness of the Common Entrance Examination (CEE) which currently stands at the end of grade 6 between an inefficient primary school system and a fragmented and stratified secondary school program; (3) development of an improved and effective system for collection and analysis of accurate educational data for primary and secondary schools; (4) assistance to the MOE Planning and Research Unit to institutionalize a permanent capability for policy formulation and planning; (5) assessment of the financial resources of the MOE budget and recommendations for more effective utilization of these resources in coordination with private sector resources and the donor community.

Relationship of Project to A.I.D. Country Strategy: The proposed project specifically contributes to that A.I.D./Jamaica strategy to overcome key constraints in the principal development sectors by institutionally strengthening the basic educational mechanism of society and the labor force - the primary school system. The project is consistent with A.I.D. general educational policies to assist those countries who request assistance in strengthening their capacity to undertake educational assessment, analysis, research and policy reform. The Government of Jamaica (GOJ) has already embarked on this process, but needs professional technical assistance in area of educational research and policy analysis.

Host Country and Other Donors: In addition to the studies mentioned above, UNESCO, the International Institute for Educational Planning, the International Development Research Center, and the University of the West Indies began a school mapping and microplanning exercise to involve the local community in educational planning in 1983. The World Bank's Third Education Loan is providing funds for capital improvements to primary and secondary schools.

Beneficiaries: The long term, direct beneficiaries of the project will be future primary and secondary school students who will participate in an improved education system more relevant to the economy and labor force. Immediate beneficiaries will be Senior Administrators and Managers in the MOE, members of the Planning and Research Division and administrators and teachers of private and public sector primary schools.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Inner Kingston Improvement Program				FY 1986 200(G); 3,000(L)	Life of Project Funding 2,000(G); 5,000(L)
Number 532-0120 [X] GRANT [X] LOAN [X] NEW [ ] CONTINUING	Population	ED. & HR	Sel. Act. 200(G) 3,000(L)	Initial Obligation FY 1986	Estimated Final Obligation FY 1988 / Estimated Completion Date of Project FY 1989

Purpose: To build the capacity of the Kingston Urban Development Foundation (KUDF) to expand and enhance private sector initiatives to redevelop and revitalize inner Kingston with the objective of reviving economic activity and improving the quality of life of the low income residents of the area.

Project Description: Inner Kingston has lost a substantial part of its commercial base and is not considered a desirable residential location for any economic group. This situation is the result of a lack of effective regulation and planning for urban growth and development and a generally negative market image. Yet, inner Kingston holds the greatest concentration of retail and wholesale businesses in Jamaica; the most active traditional market is there; as are a significant number of small industries, as well as the Bank of Jamaica, the Parliament, the railroad station and various government offices.

Several initiatives are underway to improve inner Kingston. A consortium of private businesses and institutions has formed the Kingston Restoration Corporation. Its principal organizers are respected entrepreneurs who aim to foster development through the application of its broad powers to assemble, develop and exploit real properties, raise more capital, provide technical assistance to private property owners, and leverage investments and improvements by others.

The Urban Development Corporation (UDC), an autonomous government entity with a good record in projecting and executing large developments, initiated redevelopment of the inner area in the 1960's. The redeveloped area has become an oasis in a sea of decay. The UDC is presently planning improvements which cover several downtown blocks.

In FY 1985, A.I.D. will assist in the creation of the KUDF which, as a private, non-profit institution, will be the implementing agency for this project. As such, it will: (1) serve as a conduit for funds devoted to urban development, (both technical and capital support); (2) coordinate both public and private planning and development efforts; (3) conduct research and studies for the private sector; (4) provide training and technical assistance to private institutions and businesses; and (5) conduct promotional and public relations campaigns.

Initially, grant funds will be used to help constitute the KUDF as an institution and to launch it into selected activities. Subsequently, loan funds will be channeled through it for business development and community development and restoration. A $10 million Housing Guaranty loan will be made in tandem to fund the upgrading of low income communities, establishing property lines, awarding property titles, and improving infrastructure, community facilities and housing.

The broad coordination role of the KUDF is important; it will maintain a flow of information among players in inner Kingston development and will orchestrate their efforts.

Relationship of Project to A.I.D. Country Strategy: This project is consistent with the A.I.D./Jamaica urban development strategy, adopted in January, 1983, which called for A.I.D. support to projects in Kingston targeted at removing obstacles to greater private sector investment in the nation's chief financial and business center. That strategy also called for A.I.D. interventions to foster institutional reform and planning which bear on Jamaica's ability to manage and finance urban growth.

Host Country and Other Donors: The Government of Jamaica (GOJ) is involved in the development of inner Kingston through the UDC which is its principal instrument for developments of such scale and complexity. The UDC draws on the resources of other government Ministries or corporations as needed, and the inputs of these bodies help make up the GOJ counterpart contributions.

The World Bank is developing a project to reorder the road network and transportation system in West Kingston. A later Inter-American Development Bank project, also in West Kingston, will build commercial structures and relocation housing.

Beneficiaries: The primary beneficiaries will be the estimated 50,000 people living in the target area plus the thousands to receive employment as a result of developments to be carried out. In addition, an estimated 2,000 families will benefit from the receipt of secure tenure and community improvements.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Shelter Sector Institutional Development				FY 1986 250		Life of Project Funding 5,000
Number 532-0121 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 250	Initial Obligation FY 1986	Estimated Final Obligation FY 1988	Estimated Completion Date of Project FY 1989

Purpose: To improve the capacity of Jamaican private and public shelter institutions to deliver shelter more efficiently.

Project Description: Jamaica has been making an effort to improve shelter sector performance since 1981. This effort has been largely based on A.I.D. assisted policy exercises which led to definition of institutional responsibilities, improved project implementation and financial planning and $40 million in Housing Guaranty (HG) assistance to finance a capital program. This financial and technical assistance provided during 1982-84 has not only begun to encourage new planning and management techniques but has also provided policy makers with the tools to make a more realistic assessment of issues and constraints. However, in spite of the progress to date, Jamaica is producing less than 50% of the shelter units it requires based on population growth, replacement of stock and existing backlog. This situation is not the product of any single cause but reflects a complex array of issues and constraints which overlap and impinge on one another.

General lack of managers, unskilled supervisors, high costs, poor resource mobilization and allocation, inadequate planning, ineffective budget and financial control systems are compounded by institutional rivalries and private sector dependency on government. In addition, there is a general expectation that housing will be provided as a socio-political benefit as opposed to being provided as a socio-economic asset. Without a fresh look at the roles of the public and private sectors in the delivery of housing to all income levels, without the design of mechanisms whereby public sector institutions can leverage increased private investment and without further institutional consolidation and improvement in the management system, there is a danger of further decapitalization of shelter resources and the potential for deterioration in overall sector performance.

In FY85, A.I.D. will complete a financial institution analysis and housing needs assessment which will define a revised institutional structure and resource allocation program to lay the groundwork for movement towards significant changes in public/private roles in shelter.

The project proposed herein will build on A.I.D.'s recent shelter sector, skills training and institutional management audit experiences, to assist public and private shelter institutions implement the recommendations of the financial institution analysis and housing needs assessment. Technical assistance, combined with capital resources available under the HG programs, will be targeted on the primary institutions: building societies, credit unions, National Housing Trust, Caribbean Housing Finance Corporation, and the Ministry of Construction (Housing). Activities will include (1) further institutional merger and/or consolidation, (2) policy revision, (3) instituting modern management and financial planning processes, (4) introduction of and training for appropriate technology, (5) continued training in project design and management, (6) development of revised contract and tendering procedures.

Relationship of Project to A.I.D. Country Strategy: The proposed project is consistent with A.I.D. strategy in that it will assist private sector institutions (credit unions and building societies) to perform more effectively, reduce public sector bottlenecks to private sector investment, transfer financial and management technologies, continue the policy dialogue and improve public sector performance.

Host Country and Other Donors: The only donor directly involved in housing activities of a similar nature is the UNCHS (Habitat) which has undertaken a three year effort to develop a Building Research Institute. The World Bank is working on overall public sector personnel and management reforms which may have some indirect benefit but are not targeted on shelter institutions.

Beneficiaries: The primary beneficiaries are the eight to ten key institutions and an estimated 700 employees who will be the recipients of technical assistance and institutional development. More important will be the thousands of Jamaicans who will ultimately benefit from a more reliable supply of new and improved housing at affordable prices as well as employment in the building sector.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Production and Employment VI	ESF 65,000			FY 1986 65,000	Life of Project Funding 65,000
Number 532-0111 ☐ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1986 / Estimated Final Obligation FY 1986 / Estimated Completion Date of Project FY 1987

Purpose: To provide balance of payments support to the Government of Jamaica (GOJ) required for its economic recovery program. The funds will assist the GOJ to continue the stabilization program begun earlier, to proceed with efforts to remove restrictions on the economy which hinder longer term development, and to promote increased productions and employment. This funding is critical to Jamaica's economic recovery.

Project Description: The Government of Jamaica's economic recovery program was set back by at least two years by the unexpectedly deep and long depression of the world market for bauxite and alumina. This and other set-backs were reflected not only in the deterioration of Jamaica's international reserves position, but in serious lags in the implementation of adjustments in the structures of the economy and in the implementation of policy reforms. The foreign exchange provided will enable Jamaica to continue to import productive inputs that are essential to real economic growth while meeting its debt service obligation in a manner that will help restore its international credit rating. Local currency counterpart funds provided by the GOJ under this loan will be directed to development related government activities agreed upon in consultations between the Government of Jamaica and the U.S. Government. To assure the timely adoption of structural change and policy reforms that are required to create an environment hospitable to private sector investment and production, the GOJ will: (1) eliminate non-market import restrictions, (2) establish an authentic private market in foreign exchange, and (3) eliminate the last vestiges of price controls and Government operation of productive enterprises in competition with, or at the expense of, private sector entities.

Relationship of Project to A.I.D. Country Strategy: Balance of payments support is key to achieving A.I.D. objectives in the areas of economic stabilization and structural reform. The FY 1986 Country Development Strategy Statement describes ESF balance of payments support programs as the major instrument for influencing these economic improvements through policy dialogue. The Action Plan of the FY 1986 Annual Budget Submission reviews A.I.D.'s conditionality and policy dialogue strategy achievements and proposed future agenda.

Host Country and Other Donors: A.I.D., the International Monetary Fund, and the World Bank are the principal donors providing balance of payments support to the GOJ. All major donors are in agreement about the nature of the macro-economic problem and the prescription for its cure. Appropriate conditions to be included in the loan agreement will be based on A.I.D.'s analyses of potential constraints to economic recovery and growth. However, close donor coordination will continue to be a major element of support for the recovery program.

Beneficiaries: This assistance is aimed at alleviating Jamaica's persistent, severe foreign exchange shortage. It is not feasible to identify specific target beneficiaries. Insofar as the program has the desired favorable impact on the macro-economy and the productive sectors thereof, it will benefit the entire population of the island, including the unemployed, consumers and small producers.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations - Operational Program Grants		250		FY 1986 1,500	Life of Project Funding Continuing

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
532-9999 ☒ GRANT ☐ LOAN	☒ NEW ☒ CONTINUING		350	900	FY 1977	FY Continuing	FY Continuing

Purpose: To support and expand the active participation of local and U.S. Private Voluntary Organizations (PVOs) in the Jamaican economic recovery program.

Project Description: During FY 1984, A.I.D. actively promoted increased Private Voluntary Organization involvement in development activities in Jamaica. The successful National Development Foundation (NDF) received a follow-on grant of $500,000 to expand its micro-entrepreneur lending and technical assistance program to secondary cities and rural areas. The Voluntary Sector Development project was revised to include the establishment of a "Jamaican United Way" to assure the availability of resources to support local PVO programs following the completion of the A.I.D. grant. The Jamaica Agricultural Development Foundation (JADF), which will utilize the proceeds from the sale of U.S. surplus butter and cheese to finance private agricultural development projects, was launched in July, 1984. An Operational Program Grant (OPG) was provided to the National Union of Cooperative Societies (NUCS) to strengthen its capacity to develop and support viable agricultural production and marketing cooperatives.

In FY 1985 and FY 1986 A.I.D. plans to expand further its use of PVOs to achieve development objectives. Funding will be provided to the JADF to help defray the foreign exchange costs associated with evaluating and facilitating new investment proposals. Two new foundations, the Kingston Urban Development Foundation (KUDF) and the Jamaica Industrial Development Foundation (JIDF), will be established with A.I.D. support. Like the JADF, both will be private sector, non-profit, tax exempt foundations. The KUDF will serve as a coordinating and planning body for the various private sector initiatives currently under consideration for the revitalization of inner Kingston, as well as a source of financial and human resources for the actual renewal and restoration projects. The JIDF will stimulate growth in the manufacturing sector by providing assistance to new or expanding companies which have a demonstrated potential for: (1) net foreign exchange earnings, or foreign exchange savings through import substitution; (2) new job creation; (3) utilization of indigenous raw materials; and (4) the capacity to benefit from the trade provisions of the Caribbean Basin Initiative (CBI). Further assistance will be provided to the cooperative sector through the Cooperative Development and Training OPG. This project, a joint effort involving the Cooperative League/USA, (CLUSA), the World Conference of Credit Unions, NUCS and the Jamaica Cooperative Credit Union League (JACCUL), will provide technical assistance in principles of management, organization and member education to NUCS and JACCUL. A second OPG to the Small Businesses Association of Jamaica is also planned, as well as support for the Jamaica Family Planning Association, intended to increase private sector participation in the country's family planning program.

Relationship of Project to A.I.D. Country Strategy: Support for PVOs is entirely consistent with A.I.D.'s emphasis on the private sector as the principal engine of recovery and growth in Jamaica, and with A.I.D. policy to integrate PVOs more fully in the development process. Building upon successes and lessons learned, particularly with the NDF and the JADF, the Mission plans to increase substantially the resources committed to PVO activities in FY 1985 and FY 1986.

Host Country and Other Donors: The Government of Jamaica (GOJ) has provided J$14.5 million from local currencies generated by the FY 1982 CBI supplemental balance of payments loan to support A.I.D. financed PVO and cooperative initiatives. At least 25% of total resources for each project is provided by the recipient organizations.

Beneficiaries: The principal beneficiaries of OPG funded projects are the rural and urban poor who are served by the PVOs. Local PVOs themselves, however, also will benefit from the institution building support provided by the various projects. The overall objective of A.I.D.'s assistance to Jamaican voluntary organizations and cooperatives is to enable these groups to become self-supporting, private developmental and training entities.

CARIBBEAN REGIONAL

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Develop-ment	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans	19,500	-	-	-	-	12,000	7,500	-
Grants	83,469	3,218	1,050	940	2,057	5,918	70,286	-
Total	102,969	3,218	1,050	940	2,057	17,918	77,786	
1985								
Loans	5,335	2,300	-	-	-	3,035	-	-
Grants	50,441	5,694	2,015	3,450	6,300	4,950	28,032	-
Total	55,776	7,994	2,015	3,450	6,300	7,985	28,032	
1986								
Loans	8,600	-	-	-	2,500	6,100	-	-
Grants	57,500	6,100	2,600	1,500	6,300	6,000	35,000	-
Total	66,100	6,100	2,600	1,500	8,800	12,100	35,000	

FY 1986
PROGRAM HIGHLIGHTS

- Continuation of programs to improve infrastructure necessary to attract new productive investment, including: rehabilitation of roads, ports, bridges, as well as water, sewerage, and power systems. ($24 million)
- Assistance in farming systems research, extension services, and agricultural structural reform, and a new initiative in maricultural development. ($13 million)
- Support for the Caribbean Basin Initiative, including activities in marketing, investment promotion, export development, small business support, business management training, pre-vocational skills training, credit, and development of industrial estates. ($9.4 million)

CARIBBEAN REGIONAL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	1,673	14,910	17,175
Grants	41,333	69,257	46,037
Total AID	43,006	84,167	63,212
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480			
Total AID and P.L. 480	43,006	84,167	63,212

**AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	-	-	-	-	-	-
Government - to - Government						
Title II Total						
Total P.L. 480						

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

CARIBBEAN REGIONAL

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire [a]	24	33 *	33*
PASA [b]	-	-	-
Total	24	33 *	33 *

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*
[b] *On board end of year.*

*Includes 5 in Grenada

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic [a]	Technical [b]	Academic	Technical	Academic	Technical
S&T/IT Managed [c]	5	20	2	14	4	14
Contract Managed [d]	-	-	15	71	15	75
Total	5	20	17	85	19	89

[a] *Degree seeking participants.*
[b] *Non-degree seeking participants (may be at universities).*
[c] *Participants programmed by Missions and sent to S&T/IT for management.*
[d] *Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.*

CARIBBEAN REGIONAL

Development Overview

The program includes bilateral and regional assistance. Bilateral programs benefit the five democratic, English-speaking, less-developed countries (LDCs) of the Eastern Caribbean 1/. The regional program, which supports the Caribbean regional development institutions, covers the broader English-speaking Caribbean, including the Eastern Caribbean LDCs 2/. Major constraints to development of the economies of the area continue to be government policies that place heavy dependence on the public sector, serious fiscal deficits, inadequate job creation, low worker skills, and a weak infrastructure base. These problems have resulted in insufficient economic growth and the inability to exploit export opportunities.

High unemployment (up to 25% in some countries and up to 50% among youth) characterizes the LDCs. Moderate to high natural population growth and high emigration rates among the more skilled combine to yield a labor force that is young, unskilled, and inexperienced. While governments strive to stimulate private investment, their policies do not attract sufficient new investment to exploit the islands' comparative advantage in trainable surplus labor. In addition to its economic effects, high unemployment is a source of significant social and political instability.

Domestic markets are small, suggesting that economic growth should rely primarily on export promotion rather than import substitution. The islands have traditionally focused on exports of primary agricultural products, typically dominated by a single crop. Declining, unstable world markets for such crops have reduced their value as reliable export earners and have led to a deterioration in extra-regional trade. Meanwhile, increasing trade restrictions within the region have severely hampered intra-regional trade. Also, inadequate physical infrastructure (roads, water, power, etc.) has discouraged investment needed to expand export-oriented production. It follows, then, that policies which stimulate more diversified exports in agriculture, light industry, and tourism and investment in infrastructure are needed in the region. These policies would permit better utilization of the trade and investment benefits of the Caribbean Basin Initiative.

The Eastern Caribbean states need a different mix of economic policies to spur growth. Government spending is high in relation to gross domestic product (GDP), in large measure because of the impressive level of social services

1 Antigua, Dominica, Grenada, St. Lucia, St. Vincent and the Grenadines.

2 Eastern Caribbean beneficiaries include the above LDCs, plus Anguilla, Barbados, Belize, Guyana, and Jamaica. The last four countries also have been recipients of regular bilateral A.I.D. assistance.

provided. Although effective rates of taxation are high, they rarely cover recurrent outlays. Resultant deficits constrain the implementation of assistance programs, including those that seek to upgrade infrastructure. The piecemeal design of revenue systems has left countries with tax structures that do not provide sufficient incentives for domestic production and foreign investment. A.I.D. has encouraged policy reforms which support greater private sector-led growth, and has provided assistance to strengthen agencies that develop and implement these policies.

U.S. Interests and Objectives

The proximity of the Caribbean states to the United States gives rise to security, commercial, and cultural links. Free access to shipping lanes for U.S. commercial and military vessels traveling to and from the Panama Canal and South Atlantic is vital to U.S. security. There is also a strong commitment to democratic institutions, individual freedoms, and human rights shared by the United States and the English-speaking Caribbean. Finally, there is a free flow of U.S. and West Indian citizens, a significant number of U.S. citizens living, working, and vacationing in the Caribbean, and a large number of West Indians living, working, visiting and studying in the United States. The importance of these shared security, commerical and cultural interests became particularly evident in October 1983 when events in Grenada resulted in military intervention by multilateral forces in October.

Key to the preservation of U.S. interests, and to the avoidance of such threats as that recently overcome in Grenada, is economic stability and democratic development. Crucial to such stability is satisfaction of popular aspirations. Increased economic opportunity, growth of productive activity, and expanded employment are fundamental if national frustration is to be avoided. U.S. development objectives for the region are (1) to reinforce and accelerate equitable economic growth that strengthens free institutions and enterprise, (2) to foster economic self-reliance, and (3) to encourage regionwide Caribbean cooperation to facilitate economies of scale and more efficient utilization of human and natural resources.

A.I.D. Development Strategy

A.I.D.'s development strategy for the Eastern Caribbean is to encourage the formulation of complementary regional and national policies and, selectively, to support programs essential to achieving them; to strengthen regional development institutions; to support appropriate common services, particularly for the mini-states of the Eastern Caribbean; and to foster increased cooperation over the longer term among all countries of the Caribbean Basin.

The framework in which A.I.D. conducts its development strategy is the multilateral Caribbean Group for Cooperation in Economic Development, made up of over 30 donor and recipient countries and 16 international and regional institutions. The Caribbean Group, chaired by the World Bank, involves both Caribbean countries and donors in a consultative mechanism that serves as a forum for the analysis of development priorities and assistance requirements

and the efficient coordination of external assistance. Country reviews of the recipient's development policies and performance are an essential part of the multidonor process to increase assistance flows and to assess progress.

A.I.D.'s strategy over the shorter term is to restore economic viability through rehabilitation of essential infrastructure and reduction of levels of unemployment while encouraging the policy changes and structural adjustment measures that will provide a foundation for renewed growth. Over the longer term, support for selected national and regional institutions will be directed largely toward increasing new investment and job creation in the export sector, coupled with support for policy modifications and structural changes needed to adjust to present world economic conditions. Bilateral programs in the Eastern Caribbean continue to be instrumental in promoting substantive policy dialogue with individual countries and permit A.I.D. to target support to those committed to democratic forms of government, human rights, and necessary policy modifications to stimulate equitable social and economic development. Bilateral and regional programs will continue to be designed to complement one another.

The primary focus of the A.I.D. strategy continues to be employment generation and increasing output in the productive sectors. Strengthening the private sector's role in development is central to all program categories. Following are elements of the strategy that have been devised to stimulate directly the role of the private sector in development: (1) investment promotion, with emphasis on development of the export sector and intraregional and interregional markets; (2) strengthening of selected private sector support institutions that provide development services, including financing, technical assistance and training; (3) development of infrastructure in support of the private sector, emphasizing industrial estates, transportation infrastructure, utility services and related facilities; and (4) tailoring management and technical training to the needs of the private sector.

Agriculture employs a greater number of people than any other economic sector in the LDCs. This sector has been a major vehicle for policy dialogue, focusing on an increased role for the private sector and a reduced role for government. Agricultural structural adjustment grants for each Eastern Caribbean LDC are a key element in A.I.D.'s strategy to facilitate reform initiatives that governments are willing to take to stimulate productivity, incomes, and diversification for domestic and external markets.

Development of alternative energy sources and energy conservation continue to hold promise for reducing balance-of-payments deficits and promoting a favorable investment climate and improved living standards. As in the agriculture sector, structural adjustment grants will be employed to support development of alternative energy sources and conservation measures, including reforms in such areas as energy pricing, taxation structures, and policies affecting public utilities.

In education and human resource development the strategy places emphasis on management and skills training needed to encourage higher productivity and expanded investment and job creation. The population planning and health

sectors development strategy is to concentrate on increasing contraceptive prevalence and improved distribution and service systems. Private sector alternatives are being encouraged.

A.I.D. Program (FY 1984 and FY 1985)

In FY 1984, $103 million was obligated, consisting of $25.2 million in Development Assistance (DA) and $77.8 in Economic Support Funds (ESF) of which $47 million was assistance to Grenada. In FY 1985 $56 million is planned, consistisng of $28 million in DA and $28 million in ESF, of which $8 million will be bilateral assistance to Grenada. A foundation is being established for political and economic recovery in Grenada which is now led by a moderate democratic government formed after free elections in December 1984.

1. Private Sector Development. Over 12% of our resources for FY 1984 and FY 1985 are being used for projects in direct support of the private sector. These projects will assist the private sector to increase employmment opportunities, expand exports, and obtain needed inputs, including technical assistance, credit, training, factory shells, and investor search.

In FY 1984 the Project Development Assistance Program (PDAP 538-0042) continued to provide on-site technical assistance, locate investment opportunities in six Eastern Caribbean states and Belize, and conduct investor search in the United States and elsewhere. Twenty-one investments facilitated by PDAP were in place by September 1984, with over 50 more in planning stages. In response to recommendations cited in the evaluation of PDAP, a follow-on FY 1984 project, Investment Promotion and Export Development (538-0119), was developed which emphasizes investor search activities. Evaluation of the industrial estates component of the Employment Investment Promotion II project (538-0013) also indicated that a non-subsidized, private-sector approach to factory shell financing, linked to investor search, would be effective. This recommendation was incorporated into the design of a second new FY 1984 program, Infrastructure for Productive Investment (538-0088). The regional private Caribbean Financial Services Corporation project (538-0084) is processing $2 million in long-term loans to entrepreneurs. The Private Sector Investment Assistance project (538-0043) continued to assist the Caribbean Association of Industry and Commerce to develop a network of Chambers of Commerce in the region, and to provide businesses with technical assistance and training. Private voluntary organizations (PVOs) with A.I.D. financing also continue to play a role in private sector development. The Credit Union National Association, Inc. continued to support the Caribbean Conferation of Credit Unions (CCCU), strengthening CCCU's capacity to provide credit and other financial services to local credit unions. The National Development Foundation of Dominica provided credit and technical assistance to some 250 small businesses and generated over 550 jobs.

A larger-scale regional approach to assist small business through local national development foundations and other indigenous institutions will be initiated in FY 1985 though the Small Enterprise Development project

(538-0133). The project will provide credit and assistance in institutional development, small business extension services, business management, financial training, and of credit.

2. Infrastructure Development. Almost 37% of our resources for FY 1984 and FY 1985 are being used for infrastructure activities for private sector expansion, including roads, water supply, and electricity. By their nature, these are large capital outlays that the LDCs cannot implement without donor support.

Projects to rehabilitate roads are being implemented in St. Lucia and St. Vincent (538-0082), and Dominica (538-0076). The Antigua Water project (538-0049) is improving water production, treatment, and storage. Under the Basic Needs Trust Fund (538-0103), implemented by the Caribbean Development Bank, LDCs are able to satisfy primary social needs through the construction of infrastructure such as schools and health clinics.

3. Agriculture and Rural Development. Some 11% of FY 1984 and FY 1985 resources are being used to increase agricultural production through improved research and extenion services, and to encourage policy reforms conducive to agricultural production.

Under the Caribbean Agricultural Extension II project (538-0068) a consortium of U.S. universities, working with the University of the West Indies, is improving agricultural extension. Evaluation of the project showed that this regional approach has been effective in improving national extension services, and has served to enhance regional cooperation, but that more linkage isneeded between extension and research. The Eastern Caribbean Farmers Systems Research and Development project (538-0099) is being implemented by the regional Caribbean Agricultural Development Institute (CARDI) which is designing technological packages and testing them on the farm. Evaluation indicated that CARDI has successfully established itself as the predominant regional agricultural research center, with effective on-farm research, but that its management and financial systems need strengthening. Additional technical assistance is being provided toward that end. Under the Dominica Banana Industry Rehabilitation project (538-0083), extensive policy dialogue has resulted in reorganization of the banana industry along more commerical lines. The Caribbean Agricultural Trading Company has established a framework for intra-regional trade; is progressing in removing marketing constraints; and is expanding production. The Antigua Livestock Development OPG (538-0112) promotes increased production through training in areas such as artificial insemination and corral construction. ESF-funded bilateral projects in agriculture began in FY 1983. The St. Lucia Agricultural Sector Structural Adjustment project (538-0090) financed a cadastral survey and improvements in marketing. In FY 1984 the ESF program continued with the St. Vincent Agricultural Development Program (538-0101) to promote export marketing, and the St. Kitts/Nevis Resource Management project (538-0108).

In FY 1985 the principal new activity in agriculture is the Small Enterprise Development project (538-0133) to finance development and expansion of small

enterprises which provide support services for agricultural producers, or process their outputs. Also in FY 1985, an operational program grant (OPG) to a U.S. PVO is proposed to support the Organization for Rural Development in St. Vincent for activities in cocoa and livestock production and agricultural marketing.

4. Energy. Almost 10% of resources in FY 1984 and FY 1985 are being used to develop alternative energy resources and encourage conservation to reduce dependency on imported oil. Activities under the Regional Alternative Energy Systems project (538-0032) continued, including assessments of energy needs and trials of various alternative energy sources. New projects will introduce new, non-fossil fuel systems on a larger scale. For example, in FY 1984, the major Cumberland Hydroelectric project (538-0091) began in St. Vincent, and a geothermal project is under consideration for St. Lucia in FY 1985, Energy Sector Structural Adjustment II (538-0109). A.I.D. will also assist in improving energy distribution through the FY 1985 Dominica Electric project (538-0130).

5. Human Resources Development. Approximately 6% of FY 1984 and FY 1985 resources are being used to improve productivity of the labor force through training programs in non-formal technical skills and graduate-level business management. Short and long-term training programs for public and private sector managers and technicians are being funded by A.I.D. through regional institutions under the Regional Development Training I (538-0014) and II (538-0087) projects. Evaluation of the Secondary Education component of the Caribbean Educational Development project (538-0029) indicated that the Caribbean Examinations Council has emerged as an effective educational agency capable of improving secondary education on a regional basis. Under the Regional Non-Formal Skills Training project (538-0073) the Organization of American States continues to provide non-formal skills training to youths, and has placed over 70% of the participants. Success of the project has resulted in its extension to continue activities in St. Lucia and Dominica, and in FY 1985 to expand the project to Grenada, St. Vincent, and Antigua. In FY 1984, the National Organization for Social Responsibility, a U.S. PVO, completed a project (538-0038) under which handicraft and agro-processing centers were established to provide on-the-job training for St. Lucian youths. The High Scope Education Foundation (also a U.S. PVO) will complete a project (538-0070) in 1985 which is strengthening pre-school centers in St. Kitts. In FY 1985 the School of Business and Management project (538-0094) will be initiated to support the founding of an institution which can provide long- and short-term management training tailored to the needs of the region.

6. Public Policy Assistance. Over 15% of our FY 1984 and FY 1985 resouces are being used directly to implement policy reforms necessary for expansion of the productive sector. A.I.D. is providing support to the Inter-Agency Resident Mission (538-0089), which coordinates efforts to provide micro- and macro-economic policy assistance to the Eastern Caribbean. Extension of this project is planned for FY 1985. Also in FY 1985, a larger Public Management and Policy Planning project (538-0096) will be launched to

respond to requests from LDC governments in the Eastern Caribbean for assistance in policy analysis, decision making and policy implementation.

7. Health and Population Planning. Less then 5% of our FY 1984 and FY 1985 resources are being used for health and population planning activities. The standard of health in the region is relatively good; A.I.D. projects are designed to make health services more effective and less costly. Under the Epidemiological Surveillance and Training project (538-0027), the Caribbean Epidemiological Center (CAREC) has continued to assist Eastern Caribbean LDCs by providing training and technical assistance in surveillance and laboratory identification of communicable diseases. Evaluation indicates that CAREC achieved important economies of scale, and contributed vital services on a regional basis which could not have been provided at the national level.

Most of the health and population projects are implemented through PVOs. Under the Population and Development project (538-0039), the International Planned Parenthood Federation (IPPF) provides family planning assistance to the governments and private family planning associations. IPPF also carried out the Caribbean Family Planning OPG (538-0050) which assisted national family planning associations through the regional Caribbean Family Planning Affiliation (CFPA). Evaluation indicated that CFPA's capacity to deliver family planning services was considerably enhanced by the project, but that to encourage wider acceptance of family planning practices more information, education, and communication were needed. As a result, a follow-on OPG, Family Planning Information, Education, Communication and Training (538-0116), was initiated in FY 1984. The International Eye Foundation continued training physicians and intermediate eye care specialists under the Caribbean Eye Care Services OPG (538-0111). In FY 1985, two new projects will be initiated in health. The Health Sector Resource Management project (538-0069) will assist Eastern Caribbean LDCs to utilize more efficiently health resources through technical assistance and training in cost-recovery for health services. The Regional Pharmaceuticals Management project (538-0134) will provide technical assistance to Ministries of Health in pharmaceuticals storage, inventory, and stock prediction, and will establish a revolving fund for regional tendering and procurement of pharmaceuticals to reduce costs through bulk purchase.

8. Program Development and Support (PD&S). PD&S funding, in all accounts (approximately 2% of FY 1984 and FY 1985 resources), was used for data gathering, project design and evaluation, studies and assessments.

9. Grenada. U.S. interests required prompt attention to the most serious problems faced by Grenada. Of the $55 million in ESF provided to the country in FY 1984 and FY 1985, $34.1 million is being used to address the most important needs for infrastructure. Three major infrastructure projects are underway: (1) the $19 million Point Salines Airport project (543-0006); (2) the $9.1 million Relief and Reconstruction project (543-0010) for rehabilitation of a mental hospital, repair of the telephone exchange, and installation of a radio station; and (3) the $6 million Infrastructure Revitalization project (543-0008) for rehabilitation of roads, factory shells, and work on water, electric power, and sewer systems.

The $10 million Economic Recovery project (543-0001) provides balance-of-payments support and is encouraging policy reforms in several areas, including: (1) revision of the investment code, (2) fiscal reforms, (3) divestiture of public enterprises and state-owned farms, (4) usury law reform and removal of certain foreign exchange controls, and (5) elimination of import monopolies. To support implementation of these and other reforms, $1.1 million is programmed for the Policy Analysis and Planning project (543-0015), planned for FY 1985. Approximately $5 million is being used to finance small but essential activities such as skills and management training through the Education and Training project (543-0009), medical services through the Intermediate Health Care OPG (543-0003), and support of democratic unions through the Free Labor Development project (543-0002). Also, about $5 million is funding other activities, such as Program Development and Support (543-0000), Agriculture Sector Revitalization (543-0005), Private Sector Development (543-0013), and Special Development Activities (543-0014). Assistance to Grenada will continue in FY 1986 through the Caribbean Regional program, at funding levels similar to those for the other Eastern Caribbean states.

Requested Year Program (FY 1986)

A program of $66.1 million, consisting of $31.1 million DA and $35 million ESF, is proposed. These figures include $4.3 million in DA and $10.1 million in ESF for Grenada.

1. Private Sector Development. $9.4 million in DA will be used to continue direct support for private sector expansion of exports and employment opportunities. Regional private sector interests will be promoted and businesses will continue to receive training and technical assistance from the Caribbean Association of Industry and Commerce project (538-0043), and investment promotion assistance under the Investment Promotion and Export Development project (538-0134). A follow-on loan to the Caribbean Financial Services Corporation (538-0126) will be used to provide credit for business expansion and seed capital for creation of new productive exterprises.

2. Infrastructure Development. $24 million in ESF will be used to expand and improve productive infrastructure. Funding from Productive Infrastructure Expansion III project (538-0127) will be used for three types of activities: (1) rehabilitation of roads, ports, bridges and drainage systems, (2) technical assistance for management of rehabilitation efforts, administration of equipment procurement, and training of maintenance crews, and (3) procurement of equipment and spare parts. The Grenada Infrastructure project (538-0129) will provide technical assistance, materials, and equipment to continue efforts under the Infrastructure Revitalization project (543-0008), with activities planned in water, electricity, and sewage systems.

3. Agricultural and Rural Development. $6.1 million in DA and $6.9 million in ESF are programmed. Final funding will be provided to the Eastern Caribbean Farming Systems Research and Development project (538-0099) for completion of on-farm research activities. A new initiative, the Mariculture

Development project (538-0125), will initiate pilot projects in several Eastern Caribbean countries to increase production of commercially valuable marine species. A major follow-on project, Caribbean Agriculture Extension III (538-0132) will be initiated. Based on achievements to date in improving research and extension services, this project will emphasize skills training for extension workers, agricultural marketing, and linkage of farming research to extension. The Agricultural Sector Structural Adjustment II project (538-0128) will fund implementation of agricultural sector reforms.

4. Human Resouces Development. $8.8 million in DA will be used to support ongoing projects, including: (1) expanded nonformal skills training in Grenada, St. Vincent, and Antigua under the Regional Non-Formal Skills Training project (538-0073), (2) short- and long-term training in management under the Regional Development Training II project (538-0087) and provision of grant and loan funds for the regional School of Business and Management project (538-0094). A new initiative will take place on a pilot basis in two Eastern Caribbean countries under the Prevocational Skills Development project, (538-0047). It will concentrate on vocational subjects to improve the efficiency and productivity of youth when they join the labor force.

5. Public Policy Assistance. $3.5 million in ESF will be required for continuation of the Public Management and Policy Planning project (538-0096), to assist governments of Eastern Caribbean LDCs in planning, management, and implementation.

6. Health and Population Planning. $1.5 million in Health funds, and $2.6 million for Population Planning will be required for ongoing projects, including: (1) family planning services provided through the Population and Development project (538-0039) and the Family Planning Information, Education, Communications, and Training OPG (538-0116), (2) technical assistance under the Regional Pharmaceuticals Management project (538-0134), and (3) improvement of health financing systems under the Health Resources Management project (538-0069). Funding is also planned for an OPG in health.

7. Support to PVOs. $1.3 million in DA will be required for other OPGs.

8. PD&S. $1.1 million in DA and $300,000 ESF will be needed for data gathering, evaluations, and studies.

9. Special Development Activities Fund. $300,000 from DA and $300,000 ESF will be used for partial financing of small self-help activites at the community level, which will generate employment and income, and provide skills training.

MISSION DIRECTOR: Terry Brown (Acting)

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROGRAM DEVELOPMENT AND SUPPORT	G	538-0000	75	C	---	---	2,272	1,819	400	350	400	370
REGIONAL AGRIBUSINESS DEVELOPMENT	L	538-0010	77	77	---	6,500	6,500	6,018	---	482	---	---
AGRIBUSINESS EXPANSION	L	538-0057	80	80	6,000	6,000	6,000	3,440	---	2,560	---	---
CARIBBEAN AGRICULTURAL EXTENSION II	G	538-0068	82	85	5,400	5,930	4,260	2,500	1,670	1,500	---	930
CARIBBEAN AGRICULTURAL TRADING CO.	G	538-0080	82	82	225	225	225	61	---	53	---	111
CARIBBEAN AGRICULTURAL TRADING CO.	L	538-0080	82	82	4,000	4,000	4,000	115	---	793	---	1,275
E. CARIBBEAN FARM SYSTEMS RESCH AND DEV	G	538-0099	83	87	7,000	7,000	2,236	930	1,314	1,250	1,320	1,250
ANTIGUA LIVESTOCK IMPROVEMENT PROJECT	G	538-0112	84	85	530	530	264	103	266	100	---	175
MARICULTURE DEVELOPMENT	• G	538-0125	86	87	---	4,000	---	---	---	---	2,500	500
CARIBBEAN AGRICULTURAL EXTENSION - III	• G	538-0132	86	90	---	5,000	---	---	---	---	1,500	500
SMALL ENTERPRISE DEVELOPMENT	G	538-0133	85	87	---	1,694	---	---	1,694	500	---	500
SMALL ENTERPRISE DEVELOPMENT	L	538-0133	85	87	---	2,300	---	---	2,300	300	---	500
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	538-9999	78	C	---	---	---	---	350	200	380	250
TOTAL FOR ACCOUNT					23,155	43,179	25,757	14,986	7,994	8,088	6,100	6,361
GRANTS					13,155	24,379	9,257	5,413	5,694	3,953	6,100	4,586
LOANS					10,000	18,800	16,500	9,573	2,300	4,135	---	1,775
POPULATION PLANNING												
PROGRAM DEVELOPMENT AND SUPPORT	G	538-0000	75	C	---	---	266	230	50	45	50	45

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

CP 86

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
POPULATION AND DEVELOPMENT		G	538-0039	82	86	3,500	4,700	1,800	1,303	1,650	500	1,250	600
PRIVATE AND VOL ORGANIZATIONS - OPG'S	•	G	538-9999	78	C	---	---	273	130	315	300	1,300	531
TOTAL FOR ACCOUNT						3,500	4,700	2,339	1,663	2,015	845	2,600	1,176
GRANTS						3,500	4,700	2,339	1,663	2,015	845	2,600	1,176
LOANS						---	---	---	---	---	---	---	---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT		G	533-0000	75	C	---	---	564	369	250	200	50	45
EPIDEMIOLOGICAL SURVEILLANCE AND TRNG		G	538-0027	79	83	2,185	2,185	2,185	1,681	---	504	---	---
HEALTH SECTOR RESOURCE MGMT.		G	538-0069	85	87	---	3,800	---	---	600	200	800	900
REGIONAL PHARMACEUTICALS MANAGEMENT		G	538-0134	85	86	---	2,600	---	---	2,200	600	400	400
PRIVATE AND VOL ORGANIZATIONS - OPG'S	•	G	538-9999	78	C	---	---	1,753	913	400	654	250	381
TOTAL FOR ACCOUNT						2,185	8,585	4,502	2,963	3,450	2,158	1,500	1,726
GRANTS						2,185	8,585	4,502	2,963	3,450	2,158	1,500	1,726
LOANS						---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES													
PROGRAM DEVELOPMENT AND SUPPORT		G	538-0000	75	C	---	---	540	460	300	90	100	100
CARIBBEAN REGIONAL DEV TRAINING		G	533-0014	79	85	4,000	4,000	3,689	3,292	311	400	---	308
CARIBBEAN EDUCATIONAL DEVELOPMENT		G	538-0029	79	83	9,958	9,958	9,958	8,949	---	2,009	---	---
REGIONAL YOUTH SKILLS TRAINING		G	538-0073	82	86	872	4,389	872	456	2,750	1,000	767	916
REGIONAL DEVELOPMENT TRAINING II		G	533-0087	83	86	5,000	6,500	2,405	74	1,462	1,500	2,633	1,330

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
SCHOOL OF BUSINESS AND MANAGEMENT	G	538-0094	85	88	---	5,500	---	---	977	1,400	1,000	1,400
SCHOOL OF BUSINESS AND MANAGEMENT	L	538-0094	35	88	---	2,500	---	---	---	---	2,500	1,000
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	538-9999	78	C	---	---	---	---	500	357	1,800	1,100
TOTAL FOR ACCOUNT					19,830	32,847	17,464	13,231	6,300	6,756	8,800	6,154
GRANTS					19,830	30,347	17,464	13,231	6,300	6,756	6,300	5,154
LOANS					---	2,500	---	---	---	---	2,500	1,000
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	538-0000	75	C	---	---	2,557	2,096	500	285	500	290
SPECIAL DEVELOPMENT ACTIVITIES	G	538-0005	75	C	---	---	1,855	1,664	300	320	300	285
CARIBBEAN INSTITUTIONAL DEVELOPMENT	G	538-0016	78	83	1,840	1,840	1,840	1,275	---	565	---	---
EMPLOYMENT INVESTMENT PROMOTION II	G	538-0018	79	83	1,400	1,400	1,400	964	---	436	---	---
EMPLOYMENT INVESTMENT PROMOTION II	L	538-0018	79	83	8,400	8,400	8,400	5,625	---	2,775	---	---
ALTERNATIVE ENERGY SYSTEMS	G	538-0032	79	84	6,939	6,939	6,939	4,609	---	1,864	---	466
PROJECT DEVELOPMENT ASSISTANCE PROGRAM	G	538-0042	81	84	6,387	6,387	6,387	6,090	---	296	---	---
PRIVATE SECTOR INVESTMENT ASST PROGRAM	G	538-0043	81	87	3,600	3,600	2,000	1,738	500	700	800	500
HOUSING INVESTMENT GUARANTEE ASSISTANCE	G	538-0081	82	83	320	320	320	146	---	174	---	---
CARIBBEAN FINANCIAL SERVICES	G	538-0084	83	83	400	400	400	---	---	200	---	200
CARIBBEAN FINANCIAL SERVICES	L	538-0084	83	83	8,000	8,000	8,000	---	---	1,000	---	3,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
PRIVATE SECTOR INDUST INFRASTRUCTURE	L	538-0088	84	84	12,000	12,000	12,000	---	---	1,000	---	2,500
INTERAGENCY RESIDENT MISSION	G	538-0089	82	85	676	676	676	394	---	282	---	---
INVESTMENT PROM AND EXPORT DEVEL.	G	538-0119	84	86	6,324	6,324	1,324	---	2,500	2,000	2,500	1,500
CARIBBEAN FINANCIAL SERVICES CORP. II	* L	538-0126	86	88	---	15,000	---	---	---	---	6,100	1,000
SMALL ENTERPRISE DEVELOPMENT	G	538-0133	85	87	---	2,400	---	---	610	---	1,400	400
SMALL ENTERPRISE DEVELOPMENT	L	538-0133	85	87	---	5,500	---	---	3,035	1,000	---	1,000
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	538-9999	78	C	---	---	2,056	1,631	540	666	500	750
TOTAL FOR ACCOUNT					56,286	79,186	56,154	26,232	7,985	13,563	12,100	11,891
GRANTS					27,886	30,286	27,754	20,607	4,950	7,788	6,000	4,391
LOANS					28,400	48,900	28,400	5,625	3,035	5,775	6,100	7,500
ECONOMIC SUPPORT FUND												
PROGRAM DEVELOPMENT AND SUPPORT	G	538-0000	75	C	---	---	342	---	250	400	300	450
SPECIAL DEVELOPMENT ACTIVITIES	G	538-0005	75	C	---	---	599	214	450	500	300	400
ACCELERATED PRIVATE SECTOR ASSISTANCE	G	538-0060	82	85	1,500	2,000	1,000	1,000	500	175	---	175
DOMINICA ROAD REHABILITIATION	G	538-0076	82	85	14,900	14,900	9,600	3,200	5,300	3,500	---	3,500
PRODUCTIVE INFRASTRUCTURE REHABILITATION	G	538-0082	82	83	11,650	11,650	11,650	8,956	---	2,694	---	---
BANANA INDUSTRY REHABILITATION	G	538-0083	82	82	1,750	1,750	1,750	516	---	750	---	484
CARIBBEAN FINANCIAL SERVICES	L	538-0084	83	83	4,000	4,000	4,000	---	---	1,000	---	2,000
INTERAGENCY RESIDENT MISSION	G	538-0089	82	85	---	300	---	---	300	150	---	150

*Refers to the planned project summary sheet

[C]Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: CARIBBEAN REGIONAL

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
ST. LUCIA SECTOR STRUCTURAL ADJUSTMENT	G	538-0090	83	83	9,500	9,500	9,500	745	---	2,500	---	2,500
CUMBERLAND HYDRO ELECTRIC	G	538-0091	84	84	500	500	500	---	---	300	---	200
CUMBERLAND HYDRO ELECTRIC	L	538-0091	84	84	7,500	7,500	7,500	---	---	1,500	---	2,500
PUBLIC MANAGEMENT POLICY PLANNING	G	538-0096	85	89	---	15,000	---	---	4,500	850	3,500	1,000
ANTIGUA WATER SUPPLY	G	538-0098	83	84	3,225	3,225	3,225	397	---	1,800	---	1,026
ANTIGUA WATER SUPPLY	L	538-0098	83	83	6,625	6,625	6,625	118	---	2,500	---	2,400
ST. VINCENT AGRICULTURAL DEVEL PROGRAM	G	538-0101	83	83	2,000	2,000	2,000	---	---	800	---	700
BASIC NEEDS TRUST FUND	G	538-0103	84	84	12,700	12,700	12,700	---	---	1,400	---	2,730
PRODUCTION INFRASTRUCTURE EXPANSION	G	538-0107	83	85	4,828	17,328	4,828	---	2,500	---	---	1,000
ST. KITTS/NEVIS RESOURCE MANAGEMENT	G	538-0108	84	85	2,000	2,000	1,000	---	1,000	500	---	800
ENERGY STRUCTURAL ADJUSTMENT II	G	538-0109	85	85	---	500	---	---	500	250	---	250
PROD. INFRASTRUCTURE EXPANSION III	* G	538-0127	86	86	---	14,000	---	---	---	---	14,000	---
AGRI. SECTOR STRUCTURAL ADJUSTMENT II	* G	538-0128	86	86	---	6,900	---	---	---	---	6,900	1,500
GRENADA INFRASTRUCTURE	* G	538-0129	86	86	---	10,000	---	---	---	---	10,000	3,000
DOMINICA ELECTRIC	G	538-0130	85	85	---	4,700	---	---	4,700	1,000	---	1,000
TOTAL FOR ACCOUNT					82,678	147,078	76,819	15,146	20,000	22,569	35,000	27,765
GRANTS					64,553	128,953	58,694	15,028	20,000	17,569	35,000	20,865
LOANS					18,125	18,125	18,125	118	---	5,000	---	6,900
TOTAL FOR COUNTRY					187,634	315,575	183,035	74,221	47,744	53,979	66,100	55,073
GRANTS					131,109	227,250	120,010	58,905	42,409	39,069	57,500	37,898
LOANS					56,525	88,325	63,025	15,316	5,335	14,910	8,600	17,175

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GRENADA

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
ECONOMIC SUPPORT FUND												
PROG DEVELOP AND SUPPORT	G	543-0000	84	85	793	1,700	793	542	907	616	---	542
ECONOMIC RECOVERY	G	543-0001	84	84	10,000	10,000	10,000	7,000	---	3,000	---	---
FREE LABOR DEVELOPMENT (AIFLD)	G	543-0002	84	85	470	870	406	139	464	452	---	279
IMMEDIATE HEALTH CARE	G	543-0003	84	85	1,530	1,729	1,529	459	200	1,100	---	170
PROJECT DEVELOPMENT ASSISTANCE	G	543-0004	84	84	300	300	300	225	---	75	---	---
AGRICULTURE SECTOR REVITALIZATION	G	543-0005	84	84	1,964	1,964	1,964	400	---	1,244	---	320
POINT SALINES AIRPORT	G	543-0006	84	84	19,000	19,000	19,000	5,376	---	10,900	---	2,724
EMERGENCY ROAD REPAIR	G	543-0007	84	84	500	500	500	45	---	455	---	---
INFRASTRUCTURE EXPANSION	G	543-0008	84	84	6,000	6,000	6,000	---	---	4,000	---	2,000
EDUCATION AND TRAINING	G	543-0009	84	85	500	1,500	500	---	1,000	1,300	---	200
RELIEF AND RECONSTRUCTION	G	543-0010	84	85	9,100	9,100	5,150	2,430	3,950	5,136	---	1,534
PRIMARY HEALTH CARE	G	543-0011	85	85	---	300	---	---	300	300	---	---
PRIVATE SECTOR DEVELOPMENT	G	543-0013	84	84	724	724	724	---	---	424	---	256
SPECIAL DEVELOPMENT FUND	G	543-0014	84	85	200	200	100	11	100	159	---	30
POLICY ANALYSIS AND PLANNING	G	543-0015	85	85	---	1,111	---	---	1,111	1,027	---	84
TOTAL FOR ACCOUNT					51,081	54,998	46,966	16,627	8,032	30,188	---	8,139
GRANTS					51,081	54,998	46,966	16,627	8,032	30,188	---	8,139
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					51,081	54,998	46,966	16,627	8,032	30,188	---	8,139
GRANTS					51,081	54,998	46,966	16,627	8,032	30,188	---	8,139
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Mariculture Development		2,500		FY 1986 2,500	Life of Project Funding 4,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
538-0125 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING				FY 1986	FY 1987	FY 1988

Purpose: To increase the income of small-scale fishermen by expanding production and marketing of marine fisheries through improved technology, management and policy changes.

Project Description: This project will focus on the marine resources of the region by expanding mariculture activities. The region has relatively large areas of pollution-free waters which are ideally suited for year-round production of high-value sea food. The project will capitalize on work that has been conducted in the region by the Smithsonian Institute and private enterprises which have been involved with developing viable maricultural activities. The project will initiate a series of subprojects with several countries in the region which will be identified as having optimal environmental and biological conditions to produce, on a commercial basis, valuable marine species such as crabs, lobsters, shrimp, conch, sea welk and others which can be produced profitably with the available technology that is appropriate for the Caribbean region.

In addition to increasing production of high-value sea food, the subprojects developed will incorporate, as part of their implementation activities, improved marketing. There is currently a limited distribution system of wholesalers and retailers to market sea food. Improvements will be considered to assist with storage and processing facilities, landing facilities and other market infrastructure which may be identified. These efforts will concentrate on small-scale operations in the private sector to provide new employment, develop secondary and tertiary opportunities in the fishery sector and increase the incomes of people in the fishery industry.

Relationship of Project to A.I.D. Regional Strategy: A.I.D.'s strategy in the agricultural sector is oriented principally toward raising farm production, incomes and investment, and emphasizing the strengthening of the local private sector. A.I.D. has recognized the need to integrate the production capabilities of the fisheries sector to provide high-quality protein food along with increasing land-based production into a balanced program that will increase overall farm and rural income. A.I.D. regional projects in diversification of cropping systems, agricultural marketing and institution strengthening will be further enhanced by support for artisanal fisheries and expanding mariculture activities in the region. The export potential for high value sea food and the relationship to the tourist industry lend further substance to A.I.D.'s export led growth strategy in concert with increased import substitution.

Host Country and Other Donors: Other donors, particularly the Canadian International Development Agency, are working in the region on a number of related projects. The proposed project will be coordinated with their ongoing and planned activities. In addition, regional institutions, such as the Gulf and Caribbean Fisheries Institute, the Caribbean Development Bank, and the University of the West Indies, will be involved.

Beneficiaries: The intended beneficiaries of increased marine products will be small-scale fishermen, processors and private investors. The fishermen will benefit from improved technology and greater productive capabilities. Processors and private investors will benefit as a result of increased business activities, project development and new marketing opportunities.

PROGRAM: CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Caribbean Agricultural Extension - III		1,500		FY 1986 1,500	Life of Project Funding 5,000	
Number 538-0132 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1986	Estimated Final Obligation FY 1990	Estimated Completion Date of Project FY 1990

Purpose: To improve the effectiveness of the agricultural extension services provided to small farmers in the Eastern Caribbean.

Project Description: One of the cornerstones of agricultural development in most countries is agricultural extension. Since 1980, A.I.D. has addressed major constraints in effective agricultural extension by assisting the University of the West Indies (UWI) and Midwest Consortium for International Activities to: (1) develop and implement national extension plans; (2) establish annual work plans and job descriptions; (3) identify and implement training programs to upgrade extension agent's technical skills; and (4) provide essential extension tools required by each extension service and design plans for their effective use. The program also assisted UWI to upgrade its capacity to provide continued support to local extension services.

Based on the achievements made to date in organizing and equipping extension services to be more effective, the proposed project would emphasize: (1) training for frontline extension officers to upgrade skills in crop production technology, farm management, communication and extension methods; (2) farming systems approach to extension; (3) marketing; and (4) linkages to agricultural research and other supporting institutions. By strengthening linkages with other institutions, the proposed project would complement and reinforce the other major regional agricultural projects supported by A.I.D.: (1) Farming Systems Research and Development with Caribbean Agricultural Research and Development Institute; and (2) Market Development with Caribbean Agricultural Trading Company. The project would be further strengthened by the participation of Peace Corps volunteers as counterparts to field extension officers.

Relationship of Project to A.I.D. Regional Strategy: The current A.I.D. strategy, which supports a complementary relationship between regional and bilateral programs, is to increase rural family incomes by upgrading agricultural productivity among commercial small farmers and to increase food production and agricultural exports. This project would contribute to these objectives by improving the delivery system through which farmers get information needed to make important management decisions.

Host Country and Other Donors: Cooperating countries, including Antigua, Montserrat, St. Kitts/Nevis, Dominica, St. Lucia, St. Vincent and Grenada, will be expected to contribute personnel and materials. The University of the West Indies will contribute personnel to assist with training programs and technical assistance.

Beneficiaries: The primary beneficiaries of effective extension service will be small farmers of the Caribbean who will benefit by diversifying their farming operation, increasing the amount of farm output successfully marketed, and improving the quantity and quality of production through proper use of fertilizers and pesticides and improved cultivation practices. Secondary beneficiaries will be extension agents in each country who will be more effective and productive as a result of the project.

PROGRAM: CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Caribbean Financial Services Corporation II				FY 1986 6,100	Life of Project Funding 15,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
538-0126 ☐ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING			6,100	FY 1986	FY 1988	FY 1989

Purpose: To expand the scope of the Caribbean Financial Services Corporation (CFSC) in offering term financing and non-traditional services to private sector enterprises in the English-speaking Caribbean.

Project Description: Starting in mid-1984 with $14 million in lendable capital, the CFSC by early 1987 will have placed almost all this amount in direct loans and commercial bank discounts for productive projects requiring term (i.e., more than one year) financing. The repayment schedules of these credits, mostly in the five to seven year-range and often with grace periods, will generate a cash flow to the CFSC which will allow the CFSC to continue lending at only half the rate attained during the first year of operations.

The project will include debt funding of $15 million and an equity increase of $3 million to enable the CFSC to continue to finance the creation of productive private sector enterprises and the expansion of existing productive businesses. The CFSC will provide these businesses with direct term loans, will discount or cofinance loans made by commercial banks, and will consider other financial services (lease financing, factoring, guarantees, etc.) not generally available in the region.

Relationship to A.I.D. Regional Strategy: Provision of long term credit to the private sector is essential to optimizing use of the trade and investment benefits of the Caribbean Basin Initiative, and to implementation of our strategy of increasing exports and employment opportunities. Implementation of the strategy includes activities directed at promoting trade and investment and their employment, income, and foreign exchange earnings effects: the Caribbean Association of Industry and Commerce project addresses the overall investment climate; the Project Development Assistance Program identifies business opportunities and seeks investors; the Infrastructure for Productive Investment project offers the industrial space needed by new businesses; and the CFSC offers financing from a local source on terms that new investment in the region can meet. There is no other entity able to provide this last step in the implementation of the A.I.D. private sector strategy in this region.

Host Country and Other Donors: Equity subscribers, composed of private banks, businesses, and businessmen throughout the region, will subscribe $3 million. The International Finance Corporation may also increase its subscription, and other donors will be sought during the project development process. In addition, before or during the drawdown of this loan the CFSC may be able to negotiate medium-term commercial credits on workable terms.

Beneficiaries: The immediate benefits of the project will be felt in terms of increased business activity: the construction of facilities, new employment, increased sales by local suppliers of services and raw materials, and new exports. Subsequent benefits will include the macroeconomic impact of increased foreign exchange earnings and the political and social benefits of increased employment and local buying power.

PROGRAM: CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Productive Infrastructure Expansion III	ESF 14,000			FY 1986 14,000	Life of Project Funding 14,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
538-0127 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING				FY 1986	FY 1986	FY 1989

Purpose: To increase productivity in the less developed countries (LDCs) of the Eastern Caribbean, particularly in the agricultural sector, and to provide dependable infrastructure support to major population centers and ports, including increased capability to preserve and maintain the expanding stock of infrastructure.

Project Description: While the Eastern Caribbean LDCs have basic infrastructure and road networks now in place, their ports, bridges and roads are in a serious state of deterioration. Continually exposed to heavy annual rainfall, they were subjected to severe damage by hurricanes in 1979 and 1980. These are now in such poor condition that they can neither be restored nor maintained with present government capabilities, and without intervention in the near future, will rapidly deteriorate to a point where a very costly program of complete reconstruction will be required to restore them to service.

Some road rehabilitation work has been carried out in St. Lucia and St. Vincent through A.I.D.'s earlier Productive Infrastructure Rehabilitation Project. However, the need persists there and in the other LDCs to reconstruct portions of this critical infrastructure and to make an early impact on restoring economic vitality where unemployment and recession have created a measure of social unrest.

The project will finance a program of activities in selected countries, focusing both on rehabilitating key ports, bridges and roads and on upgrading the capabilities of Ministries of Communication and Works to maintain essential infrastructure. The following three activities will be undertaken: (a) identified roads, ports and bridges will be rehabilitated, including the correction of failed drainage structures; (b) technical assistance will be provided to manage the rehabilitation program, administer procurement of equipment, and provide training to improve the Ministries' maintenance capabilities; and (c) limited amounts of equipment and spare parts necessary to carry out project activities will be purchased.

Relationship of Project to A.I.D. Regional Strategy: Transportation and related infrastructure constraints are inhibiting both the expansion of private investment and productivity within the Eastern Caribbean islands. The proposed project directly contributes to objectives of the Caribbean Basin Initiative (CBI) which expressly included removal of such impediments to growth as inadequate infrastructure. In addition, the A.I.D. strategy includes both short to medium term stabilization measures and longer term structural adjustment and institution building. This proposed Productive Infrastructure Rehabilitation II project will have early impact on the island economies as an integral component of our bilateral and regional development strategy. It will also contribute to institution building as government ministries improve their capacity to maintain infrastructure and plan public investment programs. Policy dialogue will contribute to development of additional economic structural adjustment programs.

Host Country and Other Donors: The British Development Division is financing technical assistance in equipment maintenance and limited equipment procurement. The proposed project will be coordinated with the British effort. The host countries will contribute to the cost of essential infrastructure maintenance.

Beneficiaries: The ports, bridges and roads to be rehabilitated under this project support important agricultural and industrial areas in the LDCs. As such, the project will directly or indirectly benefit the entire populations of the democratically controlled Eastern Caribbean LDCs that participate in the project. Probable country beneficiaries are St. Lucia, St. Kitts/Nevis, and Antigua.

PROGRAM: CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Agriculture Sector Structural Adjustment II	ESF 6,900			FY 1986 6,900	Life of Project Funding 6,900

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
538-0128 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING				FY 1986	FY 1986	FY 1988

Purpose: To initiate appropriate structural reform in the agricultural sector in Dominica and Antigua to accelerate economic development and expand employment and increase of rural farm families by: (1) creating measures to bring idle and under-utilized agriculture and rural land into full productive uses; (2) expand opportunities for farm producers and traders to produce and market high-value crops through increased private-sector incentive; and (3) expand agricultural diversification which will provide a stronger financial base for the agriculture sector with decreasing dependence on bananas as the higher export earner for the country.

Project Description: The proposed project will establish country and sector-specific bilateral grants to Dominica and Antigua. It will support directly the Caribbean Basin Initiative (CBI) by contributing to the development of a positive framework for increasing private sector production and growth, while at the same time providing assistance for agriculture-related structural adjustment. Dominica and Antigua will initiate the project by developing specific agricultural policy reforms and investment plans with appropriate technical assistance. Grant funding will be made available for the implementation of agricultural projects related to the reforms and plans.

Examples of the structural reforms that can be expected under the project, based on sector studies, include the following: (a) land policy and tenure changes such as the efficient transfer of ownership of estates to purchasers and a freehold system of tenure; (b) marketing changes such as increased private systems; (c) credit changes such as upgraded services and expanded availability of agricultural credit; and (d) extension changes such as revised services to accommodate the shift from estate to small-farm agriculture.

Relationship of Project to A.I.D. Regional Strategy: The proposed project is an important component of A.I.D.'s CBI implementation plan. It supports the CBI by promoting expansion of private agricultural investment, production and marketing. Promotion of policy reforms includes reduction of subsidies, diversification of production, private marketing alternatives, and improvements in land tenure and conservation policies.

Host Countries and Other Donors: Other donor agencies, including the Canadian International Development Agency and the British Development Division, are assisting the islands on a number of related projects. The proposed project will be coordinated with their ongoing and planned activities. In addition, regional institutions will be involved, such as the Caribbean Development Bank providing agricultural credit, the University of the West Indies with its extension project, and the Caribbean Agricultural Research and Development Institute which is the primary agricultural research body in the region.

Beneficiaries: Small farmers, private investors involved in the agricultural sector, and governments will all be beneficiaries. The governments will benefit by having policies conducive to economic stimulation and recovery; small farmers will benefit from availability of land, credit, extension services and marketing; and the private investor will benefit as a result of an increase in investment potential and opportunities.

PROGRAM: CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Grenada Infrastructure Revitalization II	ESF 10,000			FY 1986 10,000	Life of Project Funding 10,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
538-0129	☒ NEW				FY 1986	FY 1986	FY 1989
☒ GRANT ☐ LOAN	☐ CONTINUING						

Purpose: To improve Grenada's physical infrastructure to a level sufficient to attract additional productive investment, contribute to recovery and growth of the economy, and expand employment.

Project Description: Many elements of infrastructure essential to the functioning of the productive sectors were neglected during the previous government. The badly deteriorated road system imposes great cost on the economy in time lost, product damage, and excessive vehicle maintenance and repair costs. Although a telephone system was being installed at the time of intervention in October 1983, it is obsolete and will require substantial modification to adequately serve the island's needs. Water catchment, storage, filtration and distribution capacity has fallen far short of requirements for anticipated increases in manufacturing, agriculture and tourism. Intermittant breaks in water service are frequent, and rates neither cover costs nor encourage conservation. Inadequate power generation results in frequent and lengthy power failures, a serious problem for businesses of all sizes. Moreover, the transmission and distribution systems fall far short of present demand. Untreated sewage is discharged into the sea, resulting in the pollution of beaches which is a health hazard for the local population as well as for visitors. Garbage and solid waste is being discarded along river beds and other storm drainage runoff areas.

Based upon assessments carried out under the previous Infrastructure Revitalization project, activities are planned in water supply, electric power transmission and distribution, solid waste disposal, and sewage treatment. Equipment and technical assistance are planned to help complete a water treatment and distribution system to assure a reliable year-round supply of water for St. Georges and the southwest triangle and for installation of additional power generation necessary to sustain productive sector operations and to continue to expand employment. Sewage treatment equipment and plant installation assistance are also proposed. Technical assistance will include advisory services in utility operation and maintenance, and appropriate institution-building to serve the management needs of the organizations responsible for the above services. Policy reforms will also be incorporated, including rationalization of consumer rates, improvements in administration and maintenance policies, and training and upgrading of technical and managerial personnel.

This project will continue bilateral and regional efforts to bring Grenada's infrastructure up to the level of neighboring Caribbean islands and place the country in a competitive position to attract local and foreign investment, which is the key to increased employment.

Relationship of Project to A.I.D. Regional Strategy: The principal objective of A.I.D. in Grenada is to achieve sufficient economic growth to create enough jobs to reduce the unemployment rate from from its current 30% to 15%. Additional local and foreign private investment in the key sectors of tourism, agro-industry, and light manufacturing is essential to create the additional 10,000 jobs required. Adequate physical infrastructure is essential.

Host Country and Other Donors: The Canadians, United Kingdom, the European Economic Community and the Caribbean Development Bank have indicated willingness to provide assistance. A.I.D. will maintain coordination to ensure that priorities are satisfied, and to avoid duplication of efforts.

Beneficiaries: The people of St. Georges and Grenville will be the primary beneficiaries.

PROGRAM: CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private and Voluntary Organizations - Operational Program Grants		380	250	FY 1986 4,230	Life of Project Funding Continuing

Number	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
538-9999 [X] GRANT [ ] LOAN	[ ] CONTINUING	1,300	1,800	500	FY 1978	FY Continuing	FY Continuing

Purpose: To increase the flow of resources to the grass-roots community level and to introduce new development activities by sharing greater responsibility with non-profit, private sector organizations.

Project Description: A.I.D. assistance in the English-speaking Eastern Caribbean is extensive and varied. It includes projects funded through operation program grants (OPGs) to private and voluntary organizations (PVOs) mentioned here and larger projects funded through other funding mechanisms. Current A.I.D. activities with PVOs, which are indicative of the type of projects for future funding requirements, are the following:

1. Credit Union Development: An OPG with the Credit Union National Association, Inc. is developing the regional common service capacity of the Caribbean Confederation of Credit Unions and is strengthening member leagues and outreach. A five-year follow-on OPG, which will expand current activities, is under review.

2. Private Sector: Partners of the Americas will implement a small business assistance project in three countries, while the National Development Foundation of Dominica is promoting the development of small and micro-businesses in that country. A National Development Foundation established in Grenada is providing technical assistance and credit to small businesses there.

3. Education: A project is being implemented by the High Scope Educational Research Foundation for the development of an early childhood education program in St. Kitts where over 50% of the heads of households responsible for the economic support of their families are women.

4. Health: The International Eye Foundation is training eye-care specialists in preventive and curative eye care through one regional OPG and an additonal OPG in Grenada. Project HOPE is providing training for health-care personnel in eight Eastern Caribbean less developed countries in the areas of health inspection, environmental health, dental care and child health care.

5. Population: A second OPG with the International Planned Parenthood Association is supporting expansion of family planning services of both governments and private family planning associations in the region, with an emphasis on information, education, communities, and training.

6. Agriculture: In Antigua, Winrock International is implementing an OPG which entails demonstration of improved technology, including forage and range-management activities; hay and silage production; and herd improvement, including animal health breeding. In St. Vincent, the Pan American Development Foundation is working on an OPG proposal with the Organization for Rural Development, an indigenous PVO, for a project which will include agricultural marketing plans with cocoa and livestock production

7. Local PVOs: Caribbean non-governmental agencies also are receiving assistance through A.I.D. regional or worldwide grants to World Education, Partners of the Americas, Seventh Day Adventist World Service, Salvation Army World Service Office, the International Executive Service Crops, Meals for Millions/Freedom from Hunger, Coordination in Development, Overseas Education Fund of the League of Women Voters, Private Agency Collaborating Together, Heifer Project International, Planning Assistance, Inc., and International Voluntary Services.

Relationship of Project to A.I.D. Regional Strategy: The OPG program provides flexibility to respond directly to the most pressing needs of the poor. OPGs are of particular importance in expanding the number of people receiving assistance from A.I.D. programs and in increasing the effectiveness of A.I.D. at the grass-roots level.

Host Country and Other Donors: The OPG program can play an important role in increasing private sector improvement in the Caribbean Regional Program. Efforts are being made to strengthen the capabilities of indigenous PVOs, thereby encouraging local private development.

Beneficiaries: The primary beneficiaries are the low-income groups in the region.

SOUTH AMERICA

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Develop-ment	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans	153,500	22,200	-	-	-	-	-	131,300
Grants	40,141	11,459	2,593	1,039	2,258	4,064	-	18,728
Total	193,641	33,659	2,593	1,039	2,258	4,064		150,028*
1985								
Loans	19,881	10,200	-	2,500	-	1,000	-	6,181
Grants	54,953	18,762	4,660	8,479	7,975	7,287	-	7,790
Total	74,834	28,962	4,660	10,979	7,975	8,287		13,971*
1986								
Loans	90,910	15,850	-	2,500	-	2,560	70,000	-
Grants	36,500	14,540	2,210	2,970	6,675	10,105	-	-
Total	127,410	30,390	2,210	5,470	6,675	12,665	70,000	-

* International Disaster Assistance funded from prior year deobligations.

FY 1986 PROGRAM HIGHLIGHTS

- For the South American countries, $57.4 million of Development Assistance, $70 million of Economic Support Funds, and $58.6 million in P.L. 480 assistance is requested.
- A.I.D. will continue to support (1) economic stabilization and recovery programs in the South American countries, (2) basic structural reforms to permit a resumption of economic growth, and (3) efforts to overcome key constraints in the principal sectors of agriculture, health, population planning, education, and human resource development.

SOUTH AMERICA

Overview

For the first time in modern history all Andean countries have constitutional, democratic governments. In response, we propose a significant economic assistance program for the Andean countries, which are strongly oriented toward the United States, their largest trading partner and by far their largest source of foreign investment. The United States looks to the Andean countries for petroleum, other industrial raw materials, and agricultural products.

Unfortunately, the Andean countries of Bolivia, Ecuador, and Peru are suffering not only from the adverse international environment affecting the rest of the LAC region but also from the effects of the extraordinary flooding and drought in 1982-1984. These natural disasters resulted in economic losses estimated to have exceeded $2 billion. Furthermore, the democratic governments of Bolivia and Peru have had difficulty in adopting economic adjustment programs and sustaining narcotics control programs in the face of political tensions which include the violence perpetrated by the Sendero Luminoso guerrillas in Peru. Between 1980 and 1983 per capita gross domestic product (GDP) fell by 23% in Bolivia and by 15% in Peru. In Ecuador, which benefited from higher prices for its petroleum exports after 1979, and which has followed relatively sound economic policies in the last few years, the drop in per capita GDP was held to 6%. All three countries experienced further declines in per capita GDP in 1984. Their combined external debt at the end of 1984 was $24 billion. Export diversification is needed in all three countries to provide the foreign exchange required for servicing this debt. The economic policy environment continues to improve in Ecuador, but it is deteriorating in Peru and Bolivia. The annual inflation rate in Peru now exceeds 100%, and in Bolivia it is more than 1,500%. Bolivia's fiscal deficit may well be 20% or more of the GDP. Only Ecuador has been able to complete its scheduled drawings under International Monetary Fund (IMF) agreements.

If economic conditions in the Andean region continue to deteriorate, popular unrest is likely to spread, and the risks of extra-legal changes in government will grow. This is a situation which forces hostile to U.S. interests would seek to exploit. In Peru and Bolivia, the two main sources of the raw coca which ends up as cocaine in the United States, political instability and poverty weigh heavily against the combined efforts of the U.S. and Andean governments to deal with the coca production problem.

Our general goals for the Andean subregion are to:

-- halt the economic decline and achieve stabilization by the end of 1986 by providing Economic Support Fund (ESF) assistance and encouraging countries to reach agreements with the IMF to provide additional balance-of-payments support;

-- bring inflation under control;

-- help the countries of the region achieve an annual economic growth rate of at least 3% by 1986 and 4.5% by 1988;

-- increase agricultural production for food consumption and agroindustrial exports;

-- contribute to coca control by direct assistance to crop substitution and narcotics awareness efforts;

-- expand participation of all sectors of the population in the benefits of economic growth;

-- expand the role and participation of the private sector in economic development; and

-- strengthen democratic institutions.

In support of these goals the Congress already has responded by making available, through deobligation-reobligation authority, significant amounts of disaster assistance to help those affected most adversely by drought and flooding and to restore their ability to produce and market their products. A.I.D. is requesting $70 million of ESF assistance for Bolivia, Ecuador, and Peru in FY 1986 to provide an incentive to these countries to pursue the policy reforms needed to halt the economic decline and create an environment in which a sustained economic recovery can occur.

The DA program, for which $57.4 million is requested, will give high priority to new efforts to improve agricultural production and marketing. New projects to stimulate exports will be undertaken in Bolivia and Peru. Projects to promote small business development and to provide technical skills training will be initiated in Ecuador.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (511) BOLIVIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 6,037

PER CAPITA GNP..... (DOLLARS,1982) 570

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 1.7%

ANNUAL RATE OF INFLATION (1970-82) 25.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 4.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1984)	TOTAL 51.8	MALE 49.8	FEMALE 53.8
(1970)	TOTAL 45.9	MALE 43.8	FEMALE 48.1

ADULT LITERACY RATE (1976) TOTAL 63% MALE 76% FEMALE 51%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1974 -1983)-2.7%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 17%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 19

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: POTATOES ,CORN ,.	12%	(1983)
CASH: RICE ,SUGARCANE ,WHEAT	7%	(1983)

MAJOR AGRICULTURAL EXPORTS:(1983) COFFEE ,SUGAR ,RUBBER

MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,RICE ,SOYBEAN OIL

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1976) 46%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1981) 671 (82) 235 (83) 260

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1981) 919 (82) 398 (83) 878

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1981) -248 (82) -163 (83) -618

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1977) 14.7% (78) 16.1% (79) 16.6%
AS % OF GNP..... (1977) 1.9% (78) 2.1% (79) 2.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1981) 134 (82) 192 (83) 175
EQUIVALENT TO 3.7 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(83)NATURAL GAS ,TIN ,SILVER

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1981) 266 (1982) 235 (1983) 170
AS % OF TOTAL EXPORTS (1981) 34% (1982) 26% (1983) 21%

MAJOR IMPORTS(83)FOODSTUFFS ,CHEMICALS ,CAPITAL GOODS

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1981) 235 (1982) 163 (1983) 150
AS % OF TOTAL IMPORTS (1981) 41% (1982) 30% (1983) 28%

TRADE BALANCE($ MILLIONS, U.S.)(1981) 198(82) 308(83) 227

TRADING PARTNERS: UNITED STATES ,ARGENTINA ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 90.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 329
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 40.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.4% (1978) 2.5% (1984) 2.6%

POPULATION IN URBAN AREAS.....(1970) 41% (1984) 47%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) . (1984) 42

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (.) . %

POPULATION (1984) IN AGE GROUP:
(0-14YRS) 43.1% (15-64YRS) 53.7% (65+ YRS) 3.2%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 122

PEOPLE PER PHYSICIAN..... (1974) 1,849

MAJOR CAUSES OF
DISEASE (1982) PREGNANCY-RELATE,ENTERIC DISEASE ,TUBERCULOSIS
DEATH.. (1982) ENTERIC DISEASE ,HEART DISEASE ,FLU & PNEUMONIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 87%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 38%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.....	(1981)	TOTAL	108	MALE	117	FEMALE	99.3
SECONDARY.....	(1981)	TOTAL	21.2	MALE	23.1	FEMALE	14.4
POST SECONDARY..	(1978)	TOTAL	8.0	MALE	8.6	FEMALE	3.6

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 111%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY BOLIVIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1979	1980	1981	1982	1983	TOTAL LOANS AND GRANTS 1946–83	REPAYMENTS AND INTEREST 1946–83	TOTAL LESS REPAYMENTS AND INTEREST 1946–83
I. ECONOMIC ASSISTANCE – TOTAL								
Loans	51.1	30.1	12.8	19.7	63.0	860.2	133.5	726.7
Grants	32.0	17.3	0.2	10.0	40.4	413.6	133.5	280.1
	19.1	12.8	12.6	9.7	22.6	446.6	-	446.6
a. A.I.D. and Predecessor Agencies								
Loans	28.9	4.5	2.3	2.1	11.4	607.3	74.5	532.8
Grants	20.0	-	-	-	8.0	328.3	74.5	253.8
(Economic Support Fund)	8.9	4.5	2.3	2.1	3.4	279.0	-	279.0
	-	-	-	-	-	164.1		
b. Food for Peace (PL 480)								
Loans	19.0	24.8	9.5	16.4	49.2	193.0	45.2	147.8
Grants	12.0	17.3	-	10.0	32.4	68.5	45.2	23.3
Title I - Total Sales Agreements	7.0	7.5	9.5	6.4	16.8	124.5	-	124.5
Repayable in U.S. Dollars - Loans	12.0	17.3	-	10.0	32.4	68.5	45.2	23.3
Payable in Foreign Currency - Planned for Country Use	12.0	17.3	-	10.0	32.4	40.4	26.9	13.5
Title II - Total Grants	-	-	-	-	-	28.1	18.3	9.8
Emerg. Relief, Econ. Develop. & World Food Program	7.0	7.5	9.5	6.4	16.8	124.5	-	124.5
Voluntary Relief Agencies	1.1	2.1	0.8	0.5	8.2	41.7	-	41.7
	5.9	5.4	8.7	5.9	8.6	82.8	-	82.8
c. Other Economic Assistance								
Loans	3.2	0.8	1.0	1.2	2.4	59.9	13.8	46.1
Grants	-	-	0.2	-	-	16.8	13.8	3.0
Peace Corps	3.2	0.8	0.8	1.2	2.4	43.1	-	43.1
Narcotics	-	-	-	-	-	16.8	-	16.8
Other	3.2	0.2	0.2	0.2	1.7	12.2	-	12.2
	*	0.6	0.6	0.9	0.7	14.1	-	14.1
II. MILITARY ASSISTANCE – TOTAL								
Credits or Loans	6.7	0.3	-	-	-	81.0	18.5	62.5
Grants	6.0	-	-	-	-	23.0	18.5	4.5
	0.7	0.3	-	-	-	58.0	-	58.0
a. MAP Grants								
b. Credit Financing - FMS	0.3	0.2	-	-	-	33.6	-	33.6
c. Military Assistance Service-Funded (MASF) Grants	6.0	-	-	-	-	23.0	18.5	4.5
d. Transfers from Excess Stocks	0.4	0.1	-	-	-	14.3	-	14.3
e. Other Grants	-	-	-	-	-	10.1	-	10.1
	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE								
Loans	57.8	30.4	12.8	19.7	63.0	941.2	152.0	789.2
Grants	38.0	17.3	0.2	10.0	40.4	436.6	152.0	284.6
	19.8	13.1	12.6	9.7	22.6	504.6	-	504.6
Other U.S. Government Loans and Grants								
a. Export-Import Bank Loans	-	-	-	-	-	103.7	110.6	6.9-
b. All Other Loans	-	-	-	-	-	74.2	76.1	1.9-
	-	-	-	-	-	29.5	34.5	5.0-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	99.9	211.3	129.8	1410.0
IBRD	0.0	0.0	0.0	296.0
IFC	0.0	0.0	0.0	9.3
IDA	0.0	0.0	0.0	104.8
IDB	97.0	211.1	126.8	947.4
ADB	0.0	0.0	0.0	0.0
AFDS	0.0	0.0	0.0	0.0
UNDP	2.9	0.2	0.0	40.7
OTHER-UN	0.0	0.0	3.0	11.8
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

BOLIVIA	CY 1982	CY 1983	CY 1978-83
United States	33.0	61.0	264.0
Japan	29.9	35.6	152.4
Germany, Fed. Rep.	10.6	10.7	105.0
Netherlands	1.7	9.0	20.1
Belgium	3.0	2.9	19.7
Other	15.3	18.0	76.7
Total	93.5	137.2	637.9

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1982	CY 1983	CY 1954-83
USSR	2	72	175
Eastern Europe	-	10	87
China	-	-	-
Total	2	82	262

BOLIVIA

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans	39,500	9,200	-	-	-	-	-	30,300
Grants	12,820	1,365	5	612	779	1,059	-	9,000
Total	52,320	10,565	5	612	779	1,059		39,300*
1985								
Loans	4,000	4,000	-	-	-	-	-	-
Grants	6,550	2,850	10	655	1,300	1,735	-	-
Total	10,550	6,850	10	655	1,300	1,735		
1986								
Loans	12,400	2,400	-	-	-	-	10,000	-
Grants	5,450	2,465	10	120	1,050	1,805	-	-
Total	17,850	4,865	10	120	1,050	1,805	10,000	

*International Disaster Assistance, funded from prior year deobligations.

FY 1986
PROGRAM HIGHLIGHTS

To continue to strengthen the democratic process, to help stabilize the economy, to support the elimination of illicit coca production, and to expand the role of the private sector by providing:

- $10 million ESF to assist the Government of Bolivia (GOB) to carry out a divestiture plan of state-run enterprises, and alleviate serious balance-of payments deficits;
- $1.9 million for crop substitution activities and private development of Chapare agricultural products;
- $2.4 million for mobilizing private resources for improved production, processing and marketing;
- $1.5 million for the development of private-sector export programs; and
- $1.1 million for enhancing business skills within the private sector.

BOLIVIA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	29,081	52,197	33,053
Grants	28,740	9,729	8,143
Total AID	57,821	61,926	41,196
P.L. 480 **			
Title I	10,000	20,000	20,000
(of which Title III is)	(10,000)	(10,000)	(10,000)
Title II	11,956	8,654	8,645
Total P.L. 480	21,956	28,654	28,645
Total AID and P.L. 480	79,777	90,580	69,841

**AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	64.50	10,000	128	20,000	128.0	20,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total	64.50	10,000	128	20,000	128.0	20,000
(of which Title III is)	(64.50)	(10,000)	(64)	(10,000)	(128.0)	(20,000)
Title II 1/						
Voluntary Agencies	36.212	11,956	29.941	8,654	28.402	8,196
Government - to - Government					1.513	449
Title II Total	36.212	11,956	29.941	8,654	29.915	8,645
Total P.L. 480	100.712	21,956	157.941	28,654	157.915	28,645

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

BOLIVIA

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire [a]	18	15	15
PASA [b]	1	1	1
Total	19	16	16

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*
[b] *On board end of year.*

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic [a]	Technical [b]	Academic	Technical	Academic	Technical
S&T/IT Managed [c]	4	4	7	10	9	10
Contract Managed [d]	-	-	-	-	-	-
Total *	4	4	7	10	9	10

[a] *Degree seeking participants.*
[b] *Non-degree seeking participants (may be at universities).*
[c] *Participants programmed by Missions and sent to S&T/IT for management.*
[d] *Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.*

*Does not include: 12 third-country participants in FY 1984; 16 third-country participants in FY 1985; and 20 third-country participants in FY 1986.

BOLIVIA

Development Overview

The democratic Government of Bolivia (GOB), now two years old, is struggling to overcome the most severe economic crisis in Bolivia's recent history. At the end of 1983, the country faced an official public deficit exceeding 18.6% of the gross domestic product (GDP), debt servicing obligations equivalent to 130% of export revenues, scarce international reserves, and a decline in GDP of 9.4%. During 1984, inflation exceeded 1,000%, financial problems worsened, and the GDP continued to stagnate.

Contributing to the economic crisis are the lingering effects of the 1983/1984 El Nino flood and drought disasters. In 1983 alone, the natural disasters cost the nation more than $600 million in economic losses and unanticipated foreign exchange expenditures. Although the drought in the highlands ended in 1984, the region's farmers will need recovery assistance for several years. This will require additional expenditures of scarce central government resources.

Bolivia is the least developed country in South America. The nation has a per capita income of $570, with 64% of its population living below the poverty line. Poor health and sanitation conditions are major problems. Only 34% of the population has access to safe water supplies. The average life expectancy is 51 years.

Bolivia's economic crisis stems primarily from unsound economic policies and chronic political instability. Partly out of ideological conviction and partly out of political necessity, the GOB has continued to support a heavily subsidized and centralized economy. In addition, the GOB has entrusted much of its economic growth to an inefficient public sector. The inability of the government's ruling coalition to define a course of action has prevented the adoption of coherent economic policies which could lead to the stabilization and reactivation of the economy.

Despite Bolivia's difficult economic situation and diverse social structure, the country's potential for development is significant. The nation is endowed with abundant mineral resources and rich agricultural land. With a more favorable economic environment, particularly incentives for the private sector, Bolivia could better develop its potential. In an attempt to arrest the nation's economic decline and with the assistance and urging of A.I.D., the GOB has instituted some reform measures. These have included a devaluation of the peso, an increase in interest rates, a reduction of the subsidies on staple commodities (i.e. wheat, flour, rice, sugar, gasoline), and a modification of foreign exchange regulations to stimulate exports. While these are steps in the right direction toward stabilizing the Bolivian economy, the GOB has failed to take the crucial follow-up measures to adjust exchange rates, interest rates, and commodity prices; to reduce its serious budget deficit; or to initiate productive conversations with international banks on its debt repayments. (Since 1983, however, the GOB has remained current on its debt repayment to the U.S. Government.) The result of these half-measures has been an erosion of public support for the Siles Government and a continued deterioration of the Bolivian economy.

In recent months the GOB has intensified its efforts to reduce illegal coca production and narcotics trafficking. In August 1984, with U.S. encouragement and financial support, more than 1,500 Bolivian soldiers and U.S.-trained narcotics police entered the Chapare to re-establish control over this major illegal coca-production area. This action led to the activation of A.I.D.'s Chapare Regional Development project. Project activity has focused on the rapid identification and implementation of a variety of high impact, community projects (schools, health posts, road improvement, bridge repair, and water systems). The complementary coca control and reduction program for the Chapare (supported by the State Department's Bureau for International Narcotics Matters) is establishing institutional arrangements for field activities regarding coca reduction and control.

U.S. Interests and Objectives

The basic U.S goal in Bolivia is the preservation of a cooperative, stable and humane government. Specific U.S. Government objectives are to (1) maintain and strengthen democratic and constitutional government, (2) constrain and diminish the political power of extremists of the left and right, (3) help Bolivians resolve their economic and financial crisis, (4) impede the flow of cocaine into the United States, (5) obtain GOB support in international fora and on foreign policy interests, (6) assist Bolivia in its economic, political and social development in directions compatible with and beneficial to the United States, and (7) facilitate Bolivia's recovery from the El Nino natural disasters.

A.I.D. Development Strategy

A.I.D.'s strategy in Bolivia is to promote self-sustaining economic growth and to improve the well-being of the rural poor through increased small farmer production, expanded employment opportunities and higher real incomes. In the short term, A.I.D. development objectives are to promote economic stabilization through more rational macro-economic policies, to allow the private sector to play a larger and more dynamic role in the economy, to carry out crop diversification activities in the Chapare, and to hasten Bolivia's full recovery from the El Nino natural disasters. The success of Bolivia's economic stabilization and recovery program is dependent upon Bolivia's adoption of coherent macro-economic policies.

The A.I.D. strategy emphasizes the expansion of Bolivia's private sector in agriculture, agribusiness, artisanry and non-traditional exports. Because Bolivia's public institutions lack the financial and human resources to carry out the tasks that the economy and population require, A.I.D. is using its expertise and resources to assist the private sector in performing these functions. With reduced public sector interference and the elimination of macro-economic disincentives to private sector development, the private sector can be expected to broaden its linkages. A.I.D.'s geographic focus has been the La Paz-Cochabamba-Santa Cruz corridor. This area has been selected because it includes the country's strongest growth poles and offers promising investment opportunities for the private sector in agriculture, industry and exports.

In confronting Bolivia's coca production and trafficking problems in the Chapare, the U.S. strategy is predicated on the simultaneous implementation of a GOB coca-control program and A.I.D.-supported development activities. The disaster recovery activities will continue to be an important, though short range, component of the A.I.D. program. A.I.D.'s disaster recovery strategy is to return Bolivia to self-sufficiency in food and livestock and to rehabilitate the nation's flood-damaged transportation system.

A.I.D. Program (FY 1984-FY 1985)

In FY 1985, as in FY 1984, A.I.D. is using its program to encourage needed macro-economic changes and structural adjustments in Bolivia's economy and to hasten economic recovery. The proposed P.L. 480 Title I and Title III projects and the Disaster Recovery project are key to this strategy.

Disaster Recovery Activities. In FY 1984 the Disaster Recovery project (511-0581) funded bridge and road construction in the Santa Cruz region and the installation of potable water and small irrigation systems in the highland drought areas. Fertilizers were imported for sale to the farmers in these regions and medicines are currently being imported for sale during FY 1985.

FY 1985: the Disaster Recovery project will continue sales of agricultural inputs to medium and small farmers in the drought-affected areas to restore depleted land and weakened herds as quickly as possible. Machinery, spare parts, and raw materials are also being imported under the project for sale to affected agroindustries. These enterprises were affected by the scarcity of foreign exchange which was needed for emergency food imports.

Agriculture, Rural Development and Nutrition. During FYs 1984 and 1985, A.I.D. has been giving priority to regional development and crop- substitution efforts in the Chapare and to strengthening the role of the private sector in agriculture.

The Chapare Regional Development project (511-0543) is A.I.D.'s major program for assisting farm families to diversify crop production and reduce dependency on coca production. To provide attractive options to coca growing and offset the possible negative impact of coca-eradication activities, the project is providing direct assistance to cooperating farmers and expanding markets for their other products by aiding agribusinesses. In FY 1985, it will extend rural electrification into the Chapare. At the same time, the redesigned Rural Access Roads II project (511-0466) is improving Chapare farm-to-market roads and repairing important flood-damaged bridges.

The reprogrammed Agriculture Sector II project (511-0465) supports development of a strong commercial seed industry, small farm production of cotton for the domestic milling industry, and improvement of land-use practices. Domestic supplies of certified seed have increased through private-sector interventions from zero to 7,000 metric tons. Small farmer cotton production in the southern Chaco area will surpass 4,400 acres by the 1985-1986 crop year. The strengthening of regionally-based private and semi-private organizations to guide these activities is lessening their dependency on government programs.

The Agribusiness and Artisanry project (511-0472) and the Departmental Development Corporations project (511-0511) are mobilizing private resources and initiative for high-impact production, processing and marketing projects. Agroindustries and expanded marketing systems are providing stimulus to rural producers.

A.I.D. plans to assist producers' associations and organizations to strengthen their marketing and bargaining position and service delivery capacity through local currency resources available under the new P.L. 480 Title III program. Agricultural chambers, producer associations and cooperatives will be eligible to receive financial, technical and managerial assistance under these projects. This will reduce dependence on weak public sector programs and allow greater marketing influence relative to agroindustries and product distributors.

Health and Population Planning. During both FY 1984 and FY 1985, A.I.D. is emphasizing expansion of the role of the private sector in delivering rural health services. The Self-Financing Primary Health Care project (511-0569) provides inexpensive health care to the rural and semi-urban inhabitants in the Santa Cruz region. The Tiwanaku Rural Health project (511-0536), an indigenous PVO activity, provides low-cost health services to the Aymara Indians living in the Bolivian highlands. The centrally-funded Bolivian Savings and Loan System Water and Sanitation project (511-0582) will supply the nation's private Savings and Loan System with the resources to provide rural families and communities with low-cost potable water and improved sanitation.

Education and Human Resources. The Rural Education II project (511-0482) to upgrade the professional skills of rural teachers will terminate in December 1985. FY 1985 will begin a new emphasis to raise the level of management expertise within the Bolivian private sector. The Management Training project (511-0580) will help establish a Management Training Institute in Bolivia which will upgrade the skills of Bolivia's small and medium-sized entrepreneurs and managers of medium and large enterprises. The Training for Development project (511-0584) will offer academic and technical training opportunities in the United States to selected individuals in priority development areas.

Selected Development Actitivities. Projects in this funding category emphasize policy analysis and private sector export development. The ongoing Policy Reform project (511-0571) will continue to support a GOB Policy Reform Unit now undertaking macro-economic studies and formulating policy recommendations for the GOB. This unit has reviewed Bolivia's tax system and has submitted proposals for its modification to the Bolivian Congress. The unit has also completed a study of methods for devaluations which keep pace with inflation. Other macro-economic issues under study include an analysis of Bolivia's pricing and interest rate policies, an examination of the nation's balance-of-payments situation, and a review of the GOB's policies on employment and wages. The FY 1985 Handicraft Export Development project (511-0583) will assist Bolivian artisans to improve their product design and quality and to export and market their goods in the United States and Europe.

P.L. 480 Program. The Title II program supplied Bolivia with $11.96 million in food assistance in FY 1984 and will provide $8.65 million in food commodities in FY 1985. Title II donations are channeled through three U.S. private voluntary organizations (PVOs) - Catholic Relief Services, Seventh Day Adventist World Services, and Food for the Hungry International - and one GOB agency. The Title II program supports development and service programs and provides food supplements to school feeding and maternal and child health activities.

A.I.D. will provide Bolivia $20 million in wheat in FY 1985 under new P.L. 480 Title I and Title III projects. The imported commodites will provide much needed balance-of-payments support, and help relieve shortages of staple wheat food products.

In FY 1985, the $10 million Title III program will continue the successful experience of the previous Title III program. Like its predecessor, it will serve as the centerpiece of A.I.D.'s strategy and as one of its principal policy instruments. The goals of the Title III agreement are to: (1) promote the adoption of appropriate macro-economic policies, (2) support Bolivia's economic recovery by reducing foreign exchange expenditures for wheat imports, (3) foster the development of the agriculture sector, and (4) encourage the growth of the private sector. The agreement in FY 1985 will be used to encourage the GOB to implement appropriate macro-economic measures to stabilize the economy and to strengthen the foundation for recovery and sustained economic growth. The local currency proceeds from the sale of Title III commodities will finance private sector growth, small-scale institutional development, and 15 projects begun, but not completed, under the first Title III program.

Housing Guaranty (HG) Program. In FY 1983, a Housing Loan Guaranty (HG 007) was signed with the GOB and Bolivia's private sector savings and loan (S&L) system. It was designed to expand the private sector's capacity to meet shelter-related needs of Bolivia's low income families. Disbursement of these funds, however, has been pending a decision by the GOB to establish and maintain positive real interest rates on the loans provided under the HG. In the interim, local currency proceeds from the sale of agricultural products under the Disaster Recovery project (511-0581) have been channeled to the S&L system enabling it to overcome its liquidity crisis, maintain an adequate cash flow, and expand its loan portfolio. An FY 1983 grant to the S&L System continues to help the organization develop policies and strategies to mobilize savings and restructure its loan portfolio to ensure its survival.

Requested Year Program (FY 1986)

A.I.D. foresees a need for continued support of Bolivia's economic stabilization and narcotics control efforts. The FY 1986 program, totaling $7.85 million in development assistance and $10 million in Economic Support Funding, will encourage macro-economic policy reform and increase reliance on private-sector organizations rather than public agencies. Institution building and technology transfer will help the private sector participate more fully in Bolivia's economic recovery.

A.I.D. has set aside $700,000 for new project development support, evaluation of ongoing programs, and for small development grants to assist communities beyond the reach of other programs.

Economic Support Fund (ESF) ($10 million) Under the Divestiture of Public Sector Enterprises project (511-0570), ESF will be used to provide balance-of-payments support for Bolivia's economy. Local currency generated by the project will be used to assist the GOB to divest itself of inefficiently run state enterprises.

Agriculture, Rural Development and Nutrition ($4.9 million). The projects in this sector will continue support of A.I.D.'s crop-substitution activities in the Chapare and will promote private agricultural development in Bolivia's central corridor. An incremental loan of $2.4 million will be provided for the Agribusiness and Artisanry project (511-0472). The Private Sector Agricultural Research and Extension project (511-0585) will mobilize the private and public sectors to adopt more suitable technologies and land management practices in targeted areas of the corridor.

Health and Population Planning. The Self-Financing Primary Health Care project (511-0569) will continue to provide low-cost health services to rural dwellers in the Santa Cruz area. The Tiwanaku Rural Health PVO project (511-0536) will continue supplying the Aymara Indians low-cost health care. The centrally-funded Bolivian Savings and Loan System Water and Sanitation project (511-0582) will continue to provide rural families and communities with low cost potable water systems and improved sanitation.

Education and Human Resources ($1.05 million). Resources in this sector will continue to be used to enhance the capabilities of Bolivia's private sector. The Management Training project (511-0580) will improve the skills of Bolivia's small and medium-sized businessmen and the managers of medium and large enterprises. The Training for Development project (511-0584) will offer academic and technical training to promising individuals in the private and public sectors.

Selected Development Activities ($1.8 million). A.I.D. activities in this sector will emphasize private sector export programs and technology transfer. The Handicraft Export Development project (511-0583) will continue to train artisans in improving the design and quality of their products and assist them in identifying new markets for their merchandise in the United States and Europe. A new project, Export Promotion-Technology Transfer (511-0575), will develop a private institution to assist agroindustrial firms and producer organizations in exporting agricultural and non-traditional products. The project will also supply, through computer links to world markets, data on potential markets and the location of product technologies.

P.L. 480 Programs ($28.6 million). Title II commodities ($8.6 million) in FY 1986 will be distributed through Catholic Relief Services, the Seventh Day Adventists World Services, Food for the Hungry International, and a small bilateral program. These food resources will be used for a variety of development and service programs, including self-help infrastructure projects, health and nutrition education and surveillance activities, cooperative formation programs and the creation of cottage industries. In addition, the programs will continue support for nationwide school-feeding and maternal and child health activities.

A $20 million Title III program will support the GOB's recovery efforts, and provide balance-of-payments support by reducing the nation's foreign exchange expenditures for wheat imports.

Mission Director: Henry H. Bassford

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BOLIVIA

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROGRAM DEVELOPMENT AND SUPPORT	G	511-0000	74	C	---	---	10,862	10,721	250	270	261	250
AGRICULTURE SECTOR II	L	511-0059	78	78	11,300	11,300	11,300	8,392	---	2,000	---	908
SMALL FARMER ORGANIZATIONS I	G	511-0452	75	81	4,129	4,129	4,129	4,091	---	38	---	---
SMALL FARMER ORGANIZATIONS I	L	511-0452	75	81	7,500	7,500	7,500	7,268	---	232	---	---
RURAL ACCESS ROADS II	G	511-0466	78	79	300	300	300	27	---	115	---	158
RURAL ACCESS ROADS II	L	511-0466	78	79	9,042	9,042	9,042	82	---	6,200	---	2,700
AGRIBUSINESS AND ARTISANRY	G	511-0472	77	87	1,200	1,200	800	343	400	400	---	400
AGRIBUSINESS AND ARTISANRY	L	511-0472	77	87	16,200	16,200	9,200	6,009	---	2,250	2,400	2,500
SMALL FARM PRODUCTION	G	511-0481	78	84	3,060	3,060	3,060	2,812	---	200	---	48
VILLAGE DEVELOPMENT	G	511-0499	78	79	300	300	300	198	---	102	---	---
VILLAGE DEVELOPMENT	L	511-0499	78	79	3,000	3,000	3,000	2,485	---	515	---	---
DEPARTMENTAL DEVELOPMENT CORPORATIONS	L	511-0511	79	79	7,000	7,000	7,000	---	---	2,500	---	4,498
CHAPARE REGIONAL DEVELOPMENT	G	511-0543	83	86	4,400	4,400	641	48	1,900	1,100	1,859	1,100
CHAPARE REGIONAL DEVELOPMENT	L	511-0543	83	86	12,500	12,500	10,000	111	2,500	3,200	---	3,200
DISASTER RECOVERY	L	511-0581	84	85	6,200	5,700	4,200	---	1,500	2,000	---	2,000
PRIVATE SECTOR AGR. RESEARCH AND EXT.	* G	511-0585	86	88	---	3,500	---	---	---	---	345	100
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G	511-9999	79	C	---	---	---	---	300	100	---	200
TOTAL FOR ACCOUNT					86,131	89,131	81,334	42,587	6,850	21,222	4,865	18,062
GRANTS					13,389	16,889	20,092	18,240	2,850	2,325	2,465	2,256
LOANS					72,742	72,242	61,242	24,347	4,000	18,897	2,400	15,806
POPULATION PLANNING												

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: BOLIVIA

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
PROGRAM DEVELOPMENT AND SUPPORT	G	511-0000	74	C	---	---	19	15	10	8	10	8
TOTAL FOR ACCOUNT					---	---	19	15	10	8	10	8
GRANTS					---	---	19	15	10	8	10	8
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROGRAM DEVELOPMENT AND SUPPORT	G	511-0000	74	C	---	---	408	393	115	125	120	120
RURAL SANITATION	G	511-0458	77	80	310	310	---	---	---	100	---	100
RURAL SANITATION	L	511-0458	77	80	4,000	4,000	4,000	1,031	---	1,500	---	1,450
SELF FINANCING PRIMARY HEALTH CARE	G	511-0569	83	85	1,100	1,100	560	67	540	700	---	333
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G	511-9999	79	C	---	---	300	104	---	148	---	48
TOTAL FOR ACCOUNT					5,410	5,410	5,268	1,595	655	2,573	120	2,051
GRANTS					1,410	1,410	1,268	564	655	1,073	120	601
LOANS					4,000	4,000	4,000	1,031	---	1,500	---	1,450
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	511-0000	74	C	---	---	520	512	50	48	50	50
RURAL DEVELOPMENT PLANNING	G	511-0471	78	84	3,950	3,950	3,950	2,713	---	950	---	287
RURAL EDUCATION II	G	511-0482	77	84	2,129	2,129	2,129	1,709	---	390	---	30
RURAL EDUCATION II	L	511-0482	77	84	10,000	10,000	10,000	3,282	---	4,800	---	1,918
MANAGEMENT TRAINING	G	511-0580	85	87	---	2,000	---	---	800	400	800	400
TRAINING FOR DEVELOPMENT	G	511-0584	85	88	---	1,400	---	---	200	150	200	200
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G	511-9999	79	C	---	---	---	---	250	100	---	100

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: BOLIVIA

CP 86

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
TOTAL FOR ACCOUNT					16,079	19,479	16,599	8,216	1,300	6,838	1,050	2,93[illegible]
GRANTS					6,079	9,479	6,599	4,934	1,300	2,038	1,05[illegible]	1,[illegible]67
LOANS					10,000	10,000	10,000	3,282	---	4,800	---	1,918
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	511-0000	74	C	---	---	381	279	13[illegible]	165	155	130
SPECIAL DEVELOPMENT ACTIVITIES	G	511-0412	64	C	---	---	1,067	975	150	160	150	175
DEPARTMENTAL DEVELOPMENT CORPORATIONS	L	511-0511	79	79	3,000	3,000	3,000	2	---	2,000	---	998
LOW-COST SHELTER THROUGH PRIVATE SECTOR	G	511-0567	83	85	550	550	500	6	50	100	---	100
POLICY REFORM	G	511-0571	83	85	1,200	1,200	800	169	400	500	---	531
EXPORT PROMOTION - TECHNOLOGY TRANSFER	* G	511-0575	86	88	1,500	---	---	---	---	---	500	150
HANDICRAFT EXPORT DEVELOPMENT	G	511-0583	85	87	---	3,000	---	---	1,000	360	1,000	600
TOTAL FOR ACCOUNT					6,250	7,750	5,748	1,431	1,735	3,285	1,805	2,684
GRANTS					3,250	4,750	2,748	1,429	1,735	1,285	1,805	1,686
LOANS					3,000	3,000	3,000	2	---	2,000	---	998
INTERNATIONAL DISASTER ASSISTANCE												
DISASTER RECOVERY	G	511-0581	84	85	9,000	9,000	9,000	3,475	---	3,000	---	2,525
DISASTER RECOVERY	L	511-0581	84	85	37,800	30,300	30,300	419	---	25,000	---	4,881
TOTAL FOR ACCOUNT					46,800	39,300	39,300	3,894	---	28,000	---	7,406
GRANTS					9,000	9,000	9,000	3,475	---	3,000	---	2,525
LOANS					37,800	30,300	30,300	419	---	25,000	---	4,881
ECONOMIC SUPPORT FUND												
DIVESTITURE OF PUBLIC SECTOR ENTERPRISES	• L	511-0570	86	86	---	10,000	---	---	---	---	10,000	8,000

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: BOLIVIA

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
TOTAL FOR ACCOUNT					---	10,000	---	---	---	---	10,000	8,000
GRANTS					---	---	---	---	---	---	---	---
LOANS					---	10,000	---	---	---	---	10,000	8,000
TOTAL FOR COUNTRY					160,670	171,070	148,268	57,738	10,550	61,926	17,850	41,196
GRANTS					33,128	41,528	39,726	28,657	6,550	9,729	5,450	8,143
LOANS					127,542	129,542	108,542	29,081	4,000	52,197	12,400	33,053

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: BOLIVIA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Private Sector Agricultural Research and Extension		345		FY 86 345	Life of Project Funding 3,500	
Number 511-0585 [X] GRANT [ ] LOAN [X] NEW [ ] CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 86	Estimated Final Obligation FY 88	Estimated Completion Date of Project FY 89

Purpose: To mobilize private and public resources to rapidly increase the availability and adoption of suitable technologies and land management practices in target areas of the Bolivian piedmont.

Project Description: The eastern Andean slopes are becoming increasingly settled and exploited because of the greater availability of land and better growing conditions there, relative to the more densely populated and increasingly degraded highland valley areas of the country. The production technologies and land use practices required for the sound development of the ecologically diverse and delicate piedmont areas are, however, sorely lacking. Historically, the focus of practically all government and university research, extension and training has been on the agro-ecological conditions of the populated highland and valley regions. Aside from the research and extension program at the International Tropical Agricultural Center (CIAT) in Santa Cruz, information gathering, adaptive research and technology dissemination in the rest of the piedmont has been fragmentary and inadequate. The piedmont has significant potential for crops, livestock and forest products, and its watershed offers hydroelectric and river navigation possibilities. Without appropriate technologies and management, however, the potential of the eastern slopes may be lost, with heavy damage to the Bolivian economy and the ecology of the upper Amazon basin.

The project will assist producer organizations and other private enterprises to establish local and regional research and extension programs. Selected private and public natural-resource-management and protection organizations will be integrated into the scheme. These programs will be guided by a client-controlled Directorate and funded from client contributions and participating public-entity budgets. The models for organizing, operating and funding these programs will be CIAT in Santa Cruz and the Bolivian Institute of Agricultural Technology-Chapare under the Chapare Regional Development project. To facilitate and support these activities, this project will provide grant funding for technical assistance, training and a limited amount of commodities over a three-year period.

Relationship of Project to A.I.D. Country Strategy: The project will support A.I.D.'s long-term strategy of promoting economic growth to improve the well-being of Bolivia's rural poor through increased small-farmer production and expanded private-sector participation. The project will address A.I.D.'s special areas of concern for research and natural resource management, private enterprise development, and technology transfer.

Host Country and Other Donors: Project resources will be augmented by local currency generated by Research and Extension Systems and Productive Resource Management subprojects of the FY 1985 P.L. 480 Title III program. The Government of Bolivia and private organizations which utilize these research and extension programs will pay 50% of the operating expenses, and supply office space. The executives of these organizations will donate time as directors of the programs.

Beneficiaries: The direct beneficiaries will be the small and medium-sized farmers and agroindustries which increase their productivity and income by selling and exporting cash crops from the Andean piedmont.

PROGRAM: BOLIVIA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Export Promotion-Technology Transfer				FY 86 500		Life of Project Funding 1,500
Number 511-0575 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 500	Initial Obligation FY 86	Estimated Final Obligation FY 88	Estimated Completion Date of Project FY 89

Purpose: To develop a private-sector institutional capability to identify export markets and provide effective marketing services to agroindustrial firms and other producer organizations.

Project Description: The Government of Bolivia (GOB) has expressed its commitment to provide greater incentives to expand private-sector exports. The GOB's commitment carries with it the understanding that a stronger export sector, especially in agricultural and other non-traditional products (not mineral or hydrocarbon), is essential to resolve its dependency on imports and its economic crisis. GOB policy statements recognize that existing structural impediments to exports must be eliminated.

The project will have two essential elements. The first will be to create an institutional mechanism within the private sector to identify regional export opportunities for Bolivian agroindustries and producer associations. Foreign firms will provide access to foreign markets, guidance in product design and quality standards, and, in some instances, production inputs. Bolivian firms will contribute capital, labor, and raw materials. The project will provide technical assistance to find participants on both sides and bring the parties together.

The second element of the project will be to supply exporters with complementary information on (1) product design, (2) technical specifications and packaging requirements, (3) quality standards for specific products, (4) consumer profiles of international markets, (5) international market statistics, and (6) the location of domestic and international firms to market their products. Additional information will be supplied to exporters through computer links to U.S. information systems which can provide information concerning production technologies and equipment needed to effectively process their products. The project will help establish export units within business associations, which will pay for services based upon a percentage of export sales.

Relationship of Project to A.I.D. Country Strategy: The project is consistent with A.I.D.'s private-sector oriented strategy. Its geographic focus will be the La Paz-Cochabamba-Santa Cruz corridor where most export businesses are located. This project will complement other A.I.D. private-sector initiatives in the corridor (Market Town Capital Formation, Chapare Marketing and Agribusiness projects) which increase production of exportable products. In support of A.I.D.'s emphasis on export promotion, the project will address export-related policy issues (exchange rates, export development and investment laws, tariff structure, labor legislation), and promote the establishment of joint ventures.

Host Country and Other Donors: Private Bolivian organizations (chambers, business associations, producers organizations) will contribute financial resources, facilities, studies and personnel to the project. In addition, private exporting firms will invest considerable financial resources in developing and producing export products. These activities will complement programs in the Andean Pact and the United Nations Development Program.

Beneficiaries: The direct beneficiaries of this project will be the owners and employees of businesses which will receive export promotion assistance, enabling them to expand production and increase incomes. The principal indirect beneficiary will be the GOB which will profit from increased exchange earnings from export activity, additional employment opportunities, expanded agricultural production, and the effects these benefits will have on its overall economic recovery.

PROGRAM: BOLIVIA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Divestiture of Public Sector Enterprises	ESF 10,000			FY 86 10,000	Life of Project Funding 10,000

Number 511-0570	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☐ GRANT ☒ LOAN	☐ CONTINUING				FY 86	FY 86	FY 87

Purpose: To provide balance-of-payments support to the Government of Bolivia (GOB) which will facilitate the importation of capital goods, equipment, spare parts and raw materials from the United States. Local currency generated by the project will be used to help the GOB divest itself of inefficient state enterprises.

Project Description: A growing decline in foreign exchange earnings, increased debt service payments, balance-of-payments problems, and a general contraction of the economy between 1979 and 1983, have forced Bolivia to decrease imports by 42%. Productivity in virtually all sectors of the economy declined in these years. In 1983, the agriculture sector, which employs 45% of the nation's workforce and accounts for 10% of the country's exports, experienced a 25% decline in productivity, the sharpest of any sector in the economy. The decline was due in large part to the GOB's foreign exchange shortages and its inability to acquire the inputs which are critical to Bolivia's agroindustrial processing firms. Without an infusion of foreign exchange, productivity in the agricultural sector is expected to continue to fall, handicapping the nation's economic recovery efforts.

In 1983, the GOB's budget deficit grew to more than 188 billion pesos, or 18.6% of gross domestic product (GDP), and the balance-of-payments deficit increased by $101 million (1.5% of GDP) to $540 million or 8.3% of GDP. The GOB's fiscal difficulties stem in part from Bolivia's plethora of state enterprises and large government payrolls. Most of the state corporations are inefficiently run and represent a considerable drain on the nation's budget. In the past, Bolivia was able to subsidize these enterprises because of the nation's high value mineral and hydrocarbon exports. In recent years, however, declining world prices for the country's major exports and a troubled domestic economy have emphasized the costly inefficiencies of the state corporations and exacerbated the nation's foreign exchange and balance-of-payments difficulties.

The proposed program will provide immediate, short-term relief for Bolivia's foreign exchange and balance-of-payments problems. Local currency generated by the project will be used to finance the divestiture of inefficient state corporations. Specifically, these funds will be used to: (1) assist the Bolivian Development Corporation (CBF) to carry out a detailed analysis of the financial situation and administrative structure of the 27 state enterprises it manages, (2) identify industries which are candidates for divestiture, (3) transform CBF, an agency which manages state corporations, into a financial institution which identifies, promotes and assists in the capitalization of divested state corporations, and (4) create a rotating fund which will be used to finance private-sector purchases of state corporations.

Relationship of Project to A.I.D. Country Strategy: Two A.I.D. objectives are to assist the GOB in its economic recovery efforts and to expand the role of the private sector in the Bolivian economy. The project will address both of these objectives in the short run. It will also contribute to longer-term recovery and sustained economic growth, through the divestiture of state enterprises. This will help to decrease the GOB's current accounts deficit and begin to arrest the growth of the national deficit.

Host Country and Other Donors: The GOB's Ministry of Finance and the Bolivian Central Bank will contribute the staff, office space, and operating expenses to implement the import project. The CBF will provide similar resources for the operation of the divestiture program.

Beneficiaries: The immediate beneficiaries will be private firms, which will be able to expand their production. All Bolivians will benefit indirectly due to increased economic activity.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (518) ECUADOR

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 8,648

PER CAPITA GNP..... (DOLLARS,1982) 1,350

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 4.8%

ANNUAL RATE OF INFLATION (1970-82) 14.5%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 1.8%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1984)	TOTAL 64.9	MALE 62.8	FEMALE 67.0
(1970)	TOTAL 57.8	MALE 56.4	FEMALE 59.3

ADULT LITERACY RATE (1974) TOTAL 86% MALE 88% FEMALE 83%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1974 -1983) 1.0%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 12%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 122

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: POTATOES ,PLANTAINS ,CORN	30%	(1983)
CASH: COCOA BEANS ,COFFEE ,BANANAS	47%	(1983)

MAJOR AGRICULTURAL EXPORTS:(1983) COFFEE ,BANANAS ,COCOA BEANS

MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,SOYBEAN OIL ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 48%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1979)	923 (83)	721 (84)	1,194
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1979)	984 (83)	966 (84)	1,279
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1979)	-61 (83)	-245 (84)	-86

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1979) 18.9% (80) 12.5% (81) 11.8%
AS % OF GNP..... (1979) 2.0% (80) 1.9% (81) 2.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1980) 1,030 (81) 650 (83) 788
EQUIVALENT TO 1.5 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1982)PETROLEUM ,BANANAS ,COFFEE

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1981) 984 (1982)1,025 (1983)1,380
AS % OF TOTAL EXPORTS (1980) 42% (1981) 46% (1982) 48%

MAJOR IMPORTS(1982)AG/IND MACHINER,IND RAW MATERIA,BLDG SUPPLIES

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1981) 757 (1982) 741 (1983) 655
AS % OF TOTAL IMPORTS (1980) 50% (1981) 38% (1982) 38%

TRADE BALANCE($ MILLIONS, U.S.)(1980) 232(81) 155(82) 147

TRADING PARTNERS: UNITED STATES ,JAPAN ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 99.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 2,935
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 47.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.1% (1978) 2.5% (1984) 2.7%

POPULATION IN URBAN AREAS.....(1970) 40% (1984) 51%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1984) 36

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1982) 40.0%

POPULATION (1984) IN AGE GROUP:
(0-14YRS) 42.1% (15-64YRS) 54.2% (65+ YRS) 3.7%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 67

PEOPLE PER PHYSICIAN..... (1980) 927

MAJOR CAUSES OF
DISEASE (1980) INFLUENZA ,MALARIA ,TYPHOID FEVER
DEATH.. (1978) ENTERITIS ,ILL-DEFINED CAUS,PNEUMONIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1980) 74%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982) 52%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1981)	TOTAL 69.0	MALE 71.0	FEMALE 67.0
SECONDARY..... (1980)	TOTAL 32.0	MALE 32.0	FEMALE 31.0
POST SECONDARY.. (1980)	TOTAL 30.4	MALE 38.2	FEMALE 22.5

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 263%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY ECUADOR

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1979	1980	1981	1982	1983	TOTAL LOANS AND GRANTS 1946–83	REPAYMENTS AND INTEREST 1946–83	TOTAL LESS REPAYMENTS AND INTEREST 1946–83
I. ECONOMIC ASSISTANCE – TOTAL	6.2	11.8	18.5	22.9	26.6	463.0	125.6	337.4
Loans	-	6.0	9.6	12.1	2.7	185.4	125.6	59.8
Grants	6.2	5.8	8.9	10.8	23.9	277.6	-	277.6
a. A.I.D. and Predecessor Agencies	0.5	8.3	12.5	17.3	21.5	230.1	69.6	160.5
Loans	-	6.0	9.6	12.1	2.7	129.5	69.6	59.9
Grants	0.5	2.3	2.9	5.2	18.8	100.6	-	100.6
(Economic Support Fund)	-	-	-	-	-	21.9		
b. Food for Peace (PL 480)	2.7	0.9	2.3	2.4	1.8	79.9	29.1	50.8
Loans	-	-	-	-	-	27.9	29.1	1.2-
Grants	2.7	0.9	2.3	2.4	1.8	52.0	-	52.0
Title I - Total Sales Agreements	-	-	-	-	-	27.9	29.1	1.2-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	19.5	19.1	0.4
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	8.4	10.0	1.6-
Title II - Total Grants	2.7	0.9	2.3	2.4	1.8	52.0	-	52.0
Emerg. Relief, Econ. Develop. & World Food Program	1.7	0.2	1.0	1.1	0.7	10.0	-	10.0
Voluntary Relief Agencies	1.0	0.7	1.3	1.3	1.1	42.0	-	42.0
c. Other Economic Assistance	3.0	2.6	3.7	3.2	3.3	153.0	26.9	126.1
Loans	-	-	-	-	-	28.0	26.9	1.1
Grants	3.0	2.6	3.7	3.2	3.3	125.0	-	125.0
Peace Corps	2.5	2.2	3.1	2.8	3.2	41.4	-	41.4
Narcotics	0.5	0.4	0.3	0.4	0.1	78.9	-	78.9
Other	-	0.1	0.3	*	0.1	4.7	-	4.7
II. MILITARY ASSISTANCE – TOTAL	0.4	3.3	4.3	5.0	4.6	124.6	40.9	83.7
Credits or Loans	-	3.0	4.0	4.5	4.0	51.1	40.9	10.2
Grants	0.4	0.3	0.3	0.5	0.6	73.5	-	73.5
a. MAP Grants	-	-	-	-	-	32.0	-	32.0
b. Credit Financing - FMS	-	3.0	4.0	4.5	4.0	51.1	40.9	10.2
c. Military Assistance Service-Funded (MASF) Grants	0.4	0.3	0.3	0.5	0.6	14.3	-	14.3
d. Transfers from Excess Stocks	-	-	-	-	-	10.4	-	10.4
e. Other Grants	-	-	-	-	-	16.8	-	16.8
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	6.6	15.1	22.8	27.9	31.2	587.6	166.5	421.1
Loans	-	9.0	13.6	16.6	6.7	236.5	166.5	70.0
Grants	6.6	6.1	9.2	11.3	24.5	351.1	-	351.1
Other U.S. Government Loans and Grants	26.4	1.2	2.7	-	-	108.6	116.5	7.9-
a. Export-Import Bank Loans	26.4	-	-	-	-	97.8	109.5	11.7-
b. All Other Loans	-	1.2	2.7	-	-	10.8	7.0	3.8

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	444.0	209.1	117.8	2004.1
IBRD	228.7	40.6	0.0	702.6
IFC	9.3	0.1	0.1	48.2
IDA	0.0	0.0	0.0	36.5
IDB	202.5	167.3	117.7	1160.7
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	3.5	0.2	0.0	45.7
OTHER-UN	0.0	0.9	0.0	10.4
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

ECUADOR	CY 1982	CY 1983	CY 1978-83
United States	7.0	10.0	38.0
Germany, Fed. Rep.	13.9	9.4	71.1
Japan	4.2	3.1	49.7
United Kingdom	1.2	1.1	13.4
Belgium	1.6	2.0	9.9
Other	9.3	12.5	41.4
Total	37.2	38.1	223.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1982	CY 1983	CY 1954-83
USSR	-	-	35
Eastern Europe	-	-	19
China	-	2	2
Total		2	56

ECUADOR

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans	14,000	4,000	-	-	-	-	-	10,000
Grants	8,468	3,527	839	302	1,089	1,711	-	1,000
Total	22,468	7,527	839	302	1,089	1,711		11,000*
1985								
Loans	7,000	3,500	-	2,500	-	1,000	-	-
Grants	19,067	5,610	550	5,254	4,060	3,593	-	-
Total	26,067	9,110	550	7,754	4,060	4,593		
1986								
Loans	21,500	4,000	-	2,500	-	-	15,000	-
Grants	18,500	6,600	1,550	2,050	3,300	5,000	-	-
Total	40,000	10,600	1,550	4,550	3,300	5,000	15,000	

*International Disaster Assistance funded from prior year obligations.

FY 1986
PROGRAM HIGHLIGHTS

- Two new projects in agriculture for $5 million in FY 1986, Agriculture Market Improvement Support and Cacao Rehabilitation, to stimulate production, access to land, jobs in rural areas and exports.
- $1.5 million for a Small Business Development project and a $1.2 million Technical Skills Development project to improve savings mobilization and investment financing, and technical skills training--key constraints to increased output and employment in small and medium sized enterprises.
- $15 million ESF to assist the Government of Ecuador in implementing its restructuring and economic stabilization program, particularly in the external sector.

ECUADOR

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	6,540	19,750	36,250
Grants	13,089	17,846	16,690
Total AID	19,629	37,596	52,940
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	2,685	629	587
Total P.L. 480	2,685	629	587
Total AID and P.L. 480	22,314	38,225	53,527

**AID levels represent actual and estimated expenditures*
***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	3.119	1,209	1.719	629	1.643	587
Government - to - Government	5.0	1,476	-	-	-	-
Title II Total	8.119	2,685	1.719	629	1.643	587
Total P.L. 480	8.119	2,685	1.719	629	1.643	587

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

ECUADOR

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire [a]	14.7	14	14
PASA [b]	1.7	2	1.1
Total	16.4	16	15.1

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*
[b] *On board end of year.*

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic [a]	Technical [b]	Academic	Technical	Academic	Technical
S&T /IT Managed [c]	6	84	10	90	15	90
Contract Managed [d]	13	5	10	5	5	5
Total	19	89	20	95	20	95

[a] *Degree seeking participants.*
[b] *Non-degree seeking participants (may be at universities).*
[c] *Participants programmed by Missions and sent to S&T/IT for management.*
[d] *Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.*

*Does not include: 4 third-country participants in FY 1984; 20 third-country participants in FY 1985; and 25 third-country participants in FY 1986.

ECUADOR

Development Overview

Ecuador's per capita gross domestic product (GDP), estimated at $1,141, masks a broad disparity in income levels that exists between the modern, urban sector and the traditional, rural sector. Fifty percent of the population lives in rural areas, and more than half of these live at a subsistence level. In rural areas, less than 15% of the population has access to potable water, and even fewer live within a reasonable proximity to medical services. The rural infant mortality rate of 86/1000 is one of the highest among countries with similar national incomes, and 40% of all children under the age of five are malnourished. Adult illiteracy in rural areas approaches 34%, and 70% of all rural children are forced to leave school by the fourth grade. Disease incidence, especially malaria, is on the rise and severely affects the rural population, further sapping the vitality of rural labor.

A series of factors--currency devaluations, oil-inflated national income, and the 1982-1983 natural disasters which drastically affected the domestic food supply--have fueled inflation which peaked at 60% in 1983. Also in 1983, GDP in real terms declined by 3.3% which, when coupled with population growth, caused a 6.1% per capita real decline. These economic problems have also adversely affected government capacity to provide social services. Ecuador's current economic malaise is in sharp contrast to the oil boom of the 1970s which permitted the economy to grow rapidly. Yet the roots of the problem took hold in those years when oil revenues and easy access to foreign bank loans permitted the country's leaders to ignore disturbing trends and to pursue popular consumer-oriented policies along with programs not conducive to long-term growth. Now that the oil boom has ended, the economy is faced with severe balance of payments and fiscal problems. Underlying these financial problems is a series of basic structural problems which must now be addressed:

-- Disincentives to agriculture have resulted in stagnation or, at best, growth rates which lag well behind the rate of population growth. This has created a considerable and growing dependence on imported foodstuffs.

-- Decreases in world prices for Ecuador's traditional exports, the failure to increase productivity in the production of those products, and the failure to take advantage of nontraditional export opportunities have contributed to large current account deficits.

-- Debt-servicing obligations resulting from the extensive foreign indebtedness contracted during the 1970s place excessive demands on foreign exchange earnings and result in shortages of foreign exchange for imported inputs to production.

-- The weak and overly protected industrial base, which is capital intensive and import-substitution oriented, has become a significant drain on the economy.

-- Inadequate incentives for domestic private savings, coupled with policies and bureaucratic procedures which discourage potential foreign investors, have contributed to low levels of saving and investment, economic stagnation and high unemployment and underemployment.

-- Excessive subsidies to producers and consumers, inadequate revenue generation, legislated revenue earmarks, and inefficiency in the public sector have resulted in public sector budget deficits which reached over 5.1% of GDP in 1983.

Despite the political and social tensions arising from this deteriorating economic situation, successive Ecuadorean governments have begun to take necessary corrective measures. For example, during the last two years the Government of Ecuador (GOE) reduced gasoline subsidies, eliminated some wheat subsidies, reduced public spending, devalued the currency, raised the prices of petroleum products, and raised interest rate ceilings. The GOE also imposed restrictions on non-essential imports, renegotiated Ecuador's private external debt, and generally complied with an International Monetary Fund (IMF) austerity program. While not sufficient to cure Ecuador's economic ills, these measures were clearly an impressive start in the essential process of economic adjustment.

The 1984 democratic elections in Ecuador resulted in the inauguration, on August 10, of President Leon Febres-Cordero. The new GOE administration brings with it a strong private sector, free-market orientation. All indications are that the new GOE is committed to implementing economic reforms necessary to revitalize the economy. The new GOE has further realigned the exchange rate regimen and made foreign exchange more available to producers of exports, improved tax administration, encouraged increased private sector involvement in the housing industry and pledged to limit public sector budgetary growth. It has also opened negotiations with the IMF for a second stand-by arrangement. Additional policy changes are needed to stimulate private sector growth which will not be dependent on GOE subsidies, protectionism, or interventionist fiscal and monetary policies. The emerging GOE strategy is to diversify and increase exports, rationalize pricing and investment policies and improve financial markets in such a way as to stimulate domestic and foreign investment.

U.S. Interests and Objectives

The current GOE has a warm relationship with the United States which is based on a shared commitment to democracy, a common view on the role of government, and an historically vigorous U.S./Ecuador trade relationship. The A.I.D. program was reactivated in 1980 to support Ecuador's return to democratic government after eight years of military rule. Since that time, three different presidents have presided over democratically elected governments, and there has been a gradual strengthening of democratic institutions despite the tensions resulting from a worsening economic environment and deteriorating standard of living.

U.S. objectives in Ecuador are very much in line with the priorities of the recently elected Febres Cordero government--namely, to encourage the democratic process and to foster stabilization and renewed economic growth through the promotion of a viable private sector. To accomplish this, the United States seeks to enhance U.S. trade and investment opportunities in Ecuador and to provide increased economic assistance to the GOE and to private institutions to facilitate the success of Ecuador's economic recovery program.

A.I.D. Development Strategy

A.I.D.'s program intends to assist the GOE in stabilizing the external sector and in restructuring the economy along competitive lines. A.I.D. expects to continue working closely with both the GOE and the private sector to support efforts to create a more competitive and vigorous private sector and a more efficient public sector.

U.S. economic assistance during the next few years is particularly important to ensure that imports of key consumer goods (e.g., wheat), capital goods and raw materials can be maintained at reasonable levels while the debt burden is being reduced. For the longer term, economic restructuring is the major goal of the program. The strategy involves three basic groups of activities which will be financed with Development Assistance and with local currency from P.L. 480 and Economic Support Fund (ESF) programs.

First, and foremost, are those activities to increase production in those sectors in which Ecuador has a comparative advantage. A.I.D.'s assistance is targeted principally on agriculture and related agro-industrial sectors. These sectors are central to economic growth because of their potential to yield sizable gains in output and foreign exchange earnings. A.I.D.'s limited funds will be used to address those policy, institutional and technological constraints which adversely affect small- and medium-sized private farms and businesses. These constraints include low levels of domestic savings and investment, fall-off in external investment which is needed for access to technology and markets as well as to capital, declining earnings from both traditional and nontraditional exports, an inadequate supply of technical and managerial skills, and inappropriate economic policies. A.I.D. will support programs to address these constraints, i.e., programs to facilitate human resource development, policy changes, investment and capital markets development, improved management and technology transfer.

Second are activities to assist the public sector to become a leaner and more efficient performer. Particularly necessary, given the deterioration in government savings, will be training and technical assistance to upgrade tax administration.

Third are activities to ensure that basic needs are met within the context of an economy in which direct government intervention is declining. A.I.D.'s strategy focuses on health and housing as critical to the well-being and the long-term increased productivity of Ecuadorean society. Housing construction is of added importance in the short term because of its employment generation

effect and because of the commitment which the current government has publicly made to addressing shelter needs. A.I.D. will seek to introduce resource-saving construction standards and building techniques, focus attention on low-income families, introduce new financial mechanisms, direct resources to up-grading activities and encourage greater participation of the private sector and local governments in the housing sector. Health and population are areas in which A.I.D., backed by the scientific and managerial resources of the United States, is well qualified to accomplish a major impact, especially on low-income families, with a limited investment of resources.

A.I.D. Program (FY 1984 and FY 1985)

During FY 1984, while continuing to support the institution building and technology transfer efforts initiated during the 1980-1983 period, A.I.D. began a dialogue with the new GOE to establish a program of structural adjustment and economic revitalization. A.I.D. initiated new private-sector development and macroeconomic policy projects. In addition, A.I.D. supported the GOE efforts in disaster rehabilitation, providing $11 million to repair infrastructure damaged during the heavy floods of 1983. The macroeconomic outlook has improved recently, and a real gross domestic product (GDP) growth of about 3% is expected for Ecuador in 1985. The following are the major program areas of FY 1984 and FY 1985.

Agriculture and Rural Development. A.I.D. financial inputs to the agricultural sector in FY 1984 totalled $7.5 million. Funding included: $4.5 million for the Promotion of Non-Traditional Agricultural Exports project (518-0019); $900,000 for the final increment of the grant portion of the Integrated Rural Development project (518-0012); $850,000 for the Forestry Development project (518-0023); and $600,000 for the Rural Technology Transfer System (RTTS) project (518-0032). Program Development and Support (PD&S) funds financed studies and research related to project design and assisted the GOE in analyzing agricultural policy issues. The funds were also used to support an eleven-member U.S. Presidential Agricultural Task Force which was sent to Ecuador at the request of President Febres Cordero.

In FY 1985, A.I.D. will continue to assign high priority and commit $9.1 million or 34.9% of A.I.D. development assistance for Ecuador's agricultural sector. A new Agricultural Sector Reorientation Program (518-0051) will assist the public and private sectors in policy analysis, information systems and in other areas identified by the Presidential Agriculture Task Force. A.I.D. plans life-of-project funding at $12 million with an initial tranche of $5.9 million in FY 1985. A.I.D. will provide incremental funding to the Rural Technology Transfer System project (518-0032), Integrated Rural Development project (518-0023), and Forestry Development project (518-0023). New OPGs are planned with U.S. and local PVOs in agricultural development and nutriton.

Urban Development. During FY 1984, A.I.D. and the GOE continued the implementation of the $20 million Solanda Low-Income Housing project (518-HG-005) and amended the $25 million Secondary Cities Housing project

(518-HG-006) to broaden its geographic scope. In late FY 1984, A.I.D. approved a new $20 million National Shelter Delivery System Program (518-HG-007) aimed at testing innovative financial mechanisms and incorporating the participation of the private sector and organized community groups as developers for low-income housing projects. An additional $5 million in Housing Guaranties (HG) is planned for FY 1985. A.I.D.'s substantial Housing Guaranty programs in Ecuador support the GOE's priorities of improving housing for low-income groups and of generating productive employment.

Education and Human Resources. A.I.D. employed a total of $1.1 million for education and human resource development in FY 1984 for the following activities: support of tax administration reform; provision of technical skills training through OPGs; and through PD&S funding, support of project design and evaluation activities. A local PVO is implementing an OPG for Environmental Education (518-0048).

In FY 1985, A.I.D. will initiate a Graduate Management School project (518-0035) (life-of-project funding proposed at $7 million with an initial tranche of $2.5 million in FY 1985) that will address a key bottleneck in private sector development--the shortage of qualified managers. A recently-formed private foundation of leading Guayaquil businessmen and bankers will provide organizational and financial support. A new OPG in environmental conservation will be started, and incremental funding ($760,000) is planned for existing PVO projects.

Health and Population Planning. In FY 1984 A.I.D. provided more than $1.1 for health and population planning activities, including incremental funding for the ongoing Integrated Rural Health Delivery System project (518-0015), and $819,000 for the Population and Family Planning project (518-0026).

In FY 1985 a major increase in A.I.D. funding is planned for health activities. Responding to an estimated 400,000 cases of malaria in 1984, A.I.D. will initiate a $9.5 million Malaria Control project (518-0049) with an initial tranche of $4 million in FY 1985. A new $3 million national immunization component will be added to the Integrated Rural Health Delivery System project (518-0015). An additional $630,000 is planned for ongoing family planning and health projects, and $400,000 for a new PVO project in health.

Selected Development Activities (SDA). A total of $1.7 million was provided for SDA activities in FY 1984, including incremental funding for Special Development Activities (518-0004), the National Housing Program (518-0028), and the Microenterprise Development project (518-0040) which provided credit and technical assistance to very small businesses, and the Alternative Energy project (518-0029).

A.I.D. will initiate a $6.8 million Fiscal Administration Development project (518-0042) with an initial tranche of $2.5 million in FY 1985 which will support the high priority assigned by the new GOE to strengthening tax administration.

P.L. 480 Title II. The FY 1984 P.L. 480 Title II program of $2.68 million was implemented through a Government-to-Government program and through two voluntary agencies, Cooperation for American Relief Everywhere (CARE) and Catholic Relief Services (CRS). CARE supplied soy flour for use in a nationwide maternal child health program. The CRS program was helped to establish a primary health care program incorporating growth monitoring, nutrition, hygiene and oral rehydration. The FY 1985 P.L. 480 Title II program will continue these efforts through voluntary agencies, but at a reduced level of funding ($629,000).

Requested Year Program (FY 1986)

The proposed FY 1986 program will continue to emphasize assistance to stabilize, to revitalize and to restructure the economy. The total development assistance program will total $25 million for FY 1986, including $8.2 million planned for new projects and $16.8 million for incremental funding of ongoing projects. A $15 million Economic Stabilization program (518-0058) is also planned for FY 1986. A.I.D. will concentrate on increasing productivity within sectors where the country has a comparative advantage and on assisting selected GOE entities to perform their functions more efficiently.

Economic Support Fund (ESF)

The present government has taken courageous steps to resolve a difficult balance of payments, fiscal and inflationary economic position by dramatically changing the focus of production and growth to markets and individual initiative. The country successfully accomplished an initial adjustment in cooperation with the IMF (1983-1984) and has negotiated a second program for 1985-1986. Heavy external debt and debt-service obligations have forced renegotiation of scheduled payments in addition to the IMF assistance. It is expected that special measures for management of external payment obligations will be needed for the next several years to sustain essential commodity and financial capital imports. The approach to economic management by the GOE has been very encouraging and has stimulated cooperation from the commercial financing sector and achieved some fiscal stabilization, new economic growth and a reduction in inflation. A.I.D. will provide $15 million for balance-of-payments support in FY 1986 to insure continued improvement and help sustain the economic evolution. Local currency generated by ESF assistance will be used to encourage productive investment by the private sector and support official development investment.

Agriculture and Rural Development. During FY 1986 A.I.D. will utilize $5.6 million to reinforce the agricultural production, policy, institutional development and technology transfer activities initiated in FY 1984 and FY 1985. A $3 million increment will be provided to the Agricultural Sector Reorientation Program (518-0051) started in FY 1985. The balance of $2.6 million will provide increments for the Non-Traditional Agricultural Exports project (518-0019), the RTTS project (518-0032), and will cover new OPG and project design activities. An additional $5 million will be used to start two

new rural development activities: a Cacao Rehabilitation Project, 518-0053 (life-of-project projected at $5 million, with an initial tranche of $2 million in FY 1986), and an Agricultural Market Improvement Support project, 518-0054 (life-of-project projected at $15 million, with an initial tranche of $3 million in FY 1986). In several of these projects A.I.D. plans to utilize P.L. 480 Title I and ESF-generated local currency resources. This project mix, coupled with larger resource transfers from other donors, is expected to have a positive, immediate impact on the growth and income levels of the rural sector.

Health and Population Planning. In the health sector, $5.6 million will be needed for incremental funding of the Malaria Control project (518-0049) and for ongoing projects in health and family planning.

Urban Development. The major thrust in this sector will be the implementation of the existing HG program. Assuming satisfactory progress on those programs, A.I.D. will initiate in FY 1986 a $0.5 million grant aimed at strengthening capacities in municipalities throughout the country to plan and implement urban development projects.

Two new projects are contemplated for FY 1986 which principally affect urban areas. These are a Small Business Development project, 518-0056 (life-of-project projected at $3.2 million with an initial tranche of $1.5 million in FY 1986); and a Technical Skills Development project, 518-0055 (life-of-project projected at $3.5 million, with an initial tranche of $1.2 million in FY 1986). The Small Business Development project will address the problems of savings mobilization and the limited access to credit. The Technical Skills Development project will assist public and private technical training centers to improve course content and teaching methodologies. Emphasis will be given to areas that are critical to the A.I.D. program, i.e., agro- industrial and small enterprise development, and housing. Incremental funding totaling $4.37 million will be required in FY 1986 for the Fiscal Administration Development project (518-0042), Graduate Management Program (518-0035) and Training for Development project (518-0017). Additional funds, totalling $1.55 million, will be used to finance complementary activities in health and family planning, as well as Special Development Activities, new OPGs, and program develoment and support activities.

P.L. 480 Program. The FY 1986 P.L. 480 Title II program of $586,000 will provide assistance to nutritionally vulnerable segments of the Ecuadorean population. Private voluntary agencies will implement the program.

Mission Director: Orlando Llenza

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ECUADOR

CP 86

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROGRAM DEVELOPMENT AND SUPPORT - FN	G	518-0005	79	C	---	---	1,164	534	1,129	830	600	900
INTEGRATED RURAL DEVELOP., AGRICULTURE	G	518-0012	80	84	2,000	2,000	2,000	812	---	600	---	510
INTEGRATED RURAL DEVELOP., AGRICULTURE	L	518-0012	80	84	9,800	9,800	9,800	2,816	---	3,300	---	3,300
NON-TRADITIONAL AGRICULTURAL EXPORTS	G	518-0019	84	87	2,400	2,400	500	---	600	700	600	750
NON-TRADITIONAL AGRICULTURAL EXPORTS	L	518-0019	84	87	4,000	4,000	4,000	---	---	1,100	---	2,000
FORESTRY SECTOR DEVELOPMENT	G	518-0023	82	85	1,600	1,600	1,250	174	350	450	---	450
FORESTRY SECTOR DEVELOPMENT	L	518-0023	82	85	6,500	6,500	6,500	465	---	1,000	---	3,000
RURAL TECHNOLOGY TRANSFER SYSTEM	G	518-0032	82	87	5,300	5,300	3,469	1,737	231	1,200	1,000	1,700
RURAL TECHNOLOGY TRANSFER SYSTEM	L	518-0032	82	87	5,000	5,000	5,000	113	---	1,500	---	2,000
AGRICULTURAL SECTOR REORIENTATION PROG.	G	518-0051	85	87	---	6,000	---	---	2,400	800	2,000	1,100
AGRICULTURAL SECTOR REORIENTATION PROG.	L	518-0051	85	87	---	6,000	---	---	3,500	800	1,000	1,700
CACAO REHABILITATION	* G	518-0053	86	88	---	2,500	---	---	---	---	1,000	300
CACAO REHABILITATION	* L	518-0053	86	88	---	2,500	---	---	---	---	1,000	300
AGRICULTURAL MARKET IMPROVEMENT SUPPORT	* G	518-0054	86	89	---	7,000	---	---	---	---	1,000	200
AGRICULTURAL MARKET IMPROVEMENT SUPPORT	* L	518-0054	86	89	---	8,000	---	---	---	---	2,000	500
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	518-9999	78	C	---	---	1,159	668	900	700	400	600

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ECUADOR

CP 86

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
TOTAL FOR ACCOUNT						36,600	68,600	34,842	7,319	9,110	12,980	10,600	19,310
GRANTS						11,300	26,800	9,542	3,925	5,610	5,280	6,600	6,510
LOANS						25,300	41,800	25,300	3,394	3,500	7,700	4,000	12,800
POPULATION PLANNING													
PROGRAM DEVELOPMENT AND SUPPORT - PN		G	518-0013	79	C	---	---	---	---	50	50	50	50
POPULATION AND FAMILY PLANNING		G	518-0026	81	88	5,600	5,600	3,570	1,513	500	1,625	1,500	1,388
TOTAL FOR ACCOUNT						5,600	5,600	3,570	1,513	550	1,675	1,550	1,438
GRANTS						5,600	5,600	3,570	1,513	550	1,675	1,550	1,438
LOANS						---	---	---	---	---	---	---	---
HEALTH													
PROGRAM DEVELOPMENT AND SUPPORT - HE		G	518-0009	79	C	---	---	454	277	224	190	250	200
INTEGRATED RURAL HEALTH DELIVERY SYSTEM		G	518-0015	81	85	1,130	4,130	1,000	315	3,130	1,250	---	1,300
INTEGRATED RURAL HEALTH DELIVERY SYSTEM		L	518-0015	81	85	7,235	7,235	7,235	2,958	---	1,450	---	1,700
MALARIA CONTROL		G	518-0049	85	87	3,000	3,000	---	---	1,500	500	1,500	700
MALARIA CONTROL		L	518-0049	85	87	6,500	6,500	---	---	2,500	2,000	2,500	2,500
PRIVATE AND VOL ORGANIZATIONS - OPG'S	•	G	518-9999	78	C	---	---	264	245	400	230	300	200
TOTAL FOR ACCOUNT						17,865	20,865	8,953	3,795	7,754	5,620	4,550	6,600
GRANTS						4,130	7,130	1,718	837	5,254	2,170	2,050	2,400
LOANS						13,735	13,735	7,235	2,958	2,500	3,450	2,500	4,200
EDUCATION AND HUMAN RESOURCES													
PROGRAM DEVELOPMENT AND SUPPORT - EH		G	518-0016	79	C	---	---	513	252	470	380	230	250
TRAINING FOR DEVELOPMENT		G	518-0017	80	86	1,300	1,300	930	138	---	650	370	400

*Refers to the planned project summary sheet

[C]Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ECUADOR

CP 86

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
GRADUATE MANAGEMENT TRAINING	G	518-0035	85	89	---	7,000	---	---	2,500	---	1,500	750
REVENUE GENERATION FOR DEVELOPMENT	G	518-0036	83	84	1,000	1,000	1,000	310	---	690	---	---
TECHNICAL SKILLS DEVELOPMENT	* G	518-0055	86	88	---	3,500	---	---	---	---	1,200	350
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	518-9999	78	C	---	---	1,162	179	1,090	799	---	620
TOTAL FOR ACCOUNT					2,300	12,800	3,605	879	4,060	2,519	3,300	2,370
GRANTS					2,300	12,800	3,605	879	4,060	2,519	3,300	2,370
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
SPECIAL DEVELOPMENT ACTIVITIES	G	518-0004	79	C	---	---	457	449	100	100	100	100
PROGRAM DEVELOPMENT AND SUPPORT - SD	G	518-0011	79	C	---	---	1,759	1,005	707	600	500	400
INTEGRATED SHELTER AND URBAN DEV	G	518-0022	82	85	330	330	130	8	200	100	---	100
NATIONAL HOUSING PROGRAM	G	518-0028	83	85	300	300	235	77	65	65	---	100
ALTERNATIVE ENERGY SOURCES	G	518-0029	81	84	800	800	800	227	---	250	---	250
ALTERNATIVE ENERGY SOURCES	L	518-0029	81	84	1,900	1,900	1,900	188	---	700	---	850
FISCAL ADMINISTRATION DEVELOPMENT	G	518-0042	85	87	4,800	4,800	---	---	1,500	1,000	2,000	1,500
FISCAL ADMINISTRATION DEVELOPMENT	L	518-0042	85	87	2,000	2,000	---	---	1,000	400	---	400
MACRO ECONOMIC POLICY ANALYSIS	G	518-0050	84	87	1,300	1,300	538	---	362	400	---	400
SMALL BUSINESS DEVELOPMENT	• G	518-0056	86	87	---	3,200	---	---	---	---	1,500	400
MUNICIPAL DEVELOPMENT PROGRAM - HOUSING	* G	518-0057	86	87	---	1,000	---	---	---	---	500	150

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: ECUADOR

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	518-9999	78	C	---	---	908	291	659	565	400	572
TOTAL FOR ACCOUNT					11,430	15,630	6,727	2,245	4,593	4,180	5,000	5,222
GRANTS					7,530	11,730	4,827	2,057	3,593	3,080	5,000	3,972
LOANS					3,900	3,900	1,900	188	1,000	1,100	---	1,250
INTERNATIONAL DISASTER ASSISTANCE												
DISASTER RELIEF REHAB AND RECONSTR	G	518-0046	83	84	7,000	7,000	7,000	3,878	---	3,122	---	---
DISASTER RELIEF REHAB AND RECONSTR	L	518-0046	83	84	16,000	16,000	16,000	---	---	7,500	---	8,000
TOTAL FOR ACCOUNT					23,000	23,000	23,000	3,878	---	10,622	---	8,000
GRANTS					7,000	7,000	7,000	3,878	---	3,122	---	---
LOANS					16,000	16,000	16,000	---	---	7,500	---	8,000
ECONOMIC SUPPORT FUND												
ECONOMIC STABILIZATION PROGRAM	* L	518-0058	86	86	---	15,000	---	---	---	---	15,000	10,000
TOTAL FOR ACCOUNT					---	15,000	---	---	---	---	15,000	10,000
GRANTS					---	---	---	---	---	---	---	---
LOANS					---	15,000	---	---	---	---	15,000	10,000
TOTAL FOR COUNTRY					96,795	161,495	80,697	19,629	26,067	37,596	40,000	52,940
GRANTS					37,860	71,060	30,262	13,089	19,067	17,846	18,500	16,690
LOANS					58,935	90,435	50,435	6,540	7,000	19,750	21,500	36,250

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Cacao Rehabilitation		(G) 1,000 (L) 1,000		FY 86 (G) 1,000 (L) 1,000	Life of Project Funding (G) 2,500 (L) 2,500

Number 518-0053	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ■ LOAN	☐ CONTINUING				FY 86	FY 88	FY 89

Purpose: To assist Ecuador in its structural adjustment process by revitalizing a key export industry, and to increase incomes for small farmers.

Project Description: Cacao is one of Ecuador's major traditional agricultural export crops. There are over 60,000 cacao producers in Ecuador. The total area planted is over 300,000 hectares and about 80% of producers are small farmers. Processed and raw cacao exports in 1980 totaled over $200 million. Exports have declined in recent years due to bad weather and declining productivity. More than 50% of the cacao trees are over 30 years old which is far beyond their peak yielding period. Average cacao yields are low (about 300 kgs. per hectare) due to the age of the trees and limited use of fertilizers and chemicals for disease control. If this situation continues, Ecuador will suffer a major drop in foreign exchange earnings from a crop produced predominantly by small commercial farmers.

This project will assist in the rehabilitation of the cacao industry by providing capital and technical assistance to support replantings of cacao in high potential areas and by rehabilitating existing plantings through the adoption of improved management practices. The four-year program will cover 27,000 hectares on 4,250 farms. In addition to increasing yields on 27,000 hectares of cacao, the project will strengthen the existing research, extension and replanting infrastructure and thus lay the foundation for a dynamic competitive cacao industry in Ecuador.

Relationship of Project to A.I.D. Country Strategy: By focusing on strengthening export production in a predominantly small-holder crop, the project is fully consistent with A.I.D.'s country strategy of assisting in structural adjustment and economic revitaltization. The project will support both economic growth and equitable income distribution objectives.

Host Country and Other Donors: The GOE will contribute $5 million to the credit fund for rehabilitation assistance to be established as a complement to this program. While several other donors have emphasized the importance and potential of cacao as an exporter earner, no cacao specific programs exist within the donor community.

Beneficiaries: The project will directly benefit more than 4,000 small landholders whose plantings will be replaced or whose management practices will be improved. In addition, it will indirectly benefit the entire industry through infrastructure support in the form of nurseries, research extension and marketing.

PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Agricultural Market Improvement Support		(G) 1,000 (L) 2,000		FY 86 (G) 1,000 (L) 2,000	Life of Project Funding (G) 7,000 (L) 8,000	
Number 518-0054 [X] GRANT [X] LOAN	[X] NEW [ ] CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 86	Estimated Final Obligation FY 89	Estimated Completion Date of Project FY 90

Purpose: To assist the Government of Ecuador (GOE) to reorient its agricultural product and factor marketing policy from one of control to one that actively encourages private sector investment and involvement.

Project Description: Over the past ten years the GOE has pursued an agricultural product and factor market strategy which relied on direct government intervention and control. The new GOE has reviewed the relationship between the public and private sectors and intends to change the role of the government to management and guidance for the sector. The project will incorporate the following activities:

1) Product Marketing. Technical assistance and capital resources will be utilized to develop and implement a coherent long-term marketing strategy centered on the private sector. This activity is expected to lay the groundwork for a major multilateral development bank loan in marketing. Components will include: (a) establishment of medium and long-term credit lines for investments in facilities and equipment; (b) review of government retail marketing organization to develop a phase-out or reduced operation; (c) support for private-sector involvement in planning and construction of new wholesale marketing facilities; and, (d) support for investment by private-sector individuals and cooperatives in storage facilities on farms and in urban areas.

2) Marketing System for Purchased Inputs. Increased input availability to producers will be encouraged by supporting and encouraging private-sector investment and participation in the input delivery system.

3) Land Markets. The GOE's Agrarian Reform and Colonization Programs have provided land to over 100,000 farm families. However, clear title has rarely been provided. In addition, thousands of other small farmers do not have clear title to their land. Without the ability to mortgage their land, small farmers are often unable to obtain credit which limits their productivity. Long-term credit is not available to small farmers for land purchase. The purpose of this sub-activity is to improve utilization of land resources by developing a nation-wide land titling program to provide clear title for small farmers. In addition, this sub-activity will support the creation of a credit facility, using P.L. 480 Title I local currency to assist small and landless farmers to purchase land.

Relationship of Project to A.I.D. Country Strategy: The project is fully consistent with A.I.D.'s strategy of assisting the GOE to carry out a structural adjustment and economic revitalization program that will restore sustainable economic growth and promote the equitable distribution of income. The project will stimulate private sector investment and production as a vehicle for growth.

Host Country and Other Donors: The project will support the private-sector orientation of the GOE. Private and public institutions will mobilize $5 million of local currency. The proposed project will complement and enhance the agricultural credit activities of the Inter-American Development Bank and the World Bank.

Beneficiaries: The project will benefit producers and private businesses through increased input availability and increased investment and income for the private sector. In addition, thousands of small producers will benefit by obtaining land titles and access to credit.

PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Technical Skills Development				FY 86 1,200	Life of Project Funding 3,500

Number 518-0055	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING		1,200		FY 86	FY 88	FY 89

Purpose: This project will address the shortage of qualified workers and mid-level managers in Ecuador's private sector, particularly in those areas in which A.I.D. is working: agri-business, housing and small to mid-sized enterprises. The project will build on the existing capabilities of both public and private training institutions, strengthening their relationships with employers and introducing more effective pedagogic techniques. The project aims not at expanding the budget of training institutions, but rather at making better use of the financial and human resources presently available in those institutions.

Project Description: The project will be based on A.I.D.'s positive experience with several Ecuadorean PVOs which have developed effective skill-training programs. It will capitalize on this experience, introducing similar techniques into a variety of training institutions. The selection of institutions will be based on the needs of the labor market and on the potential and willingness of the training institutions to make the following types of changes:

1) direct or redirect curriculum development toward the areas that offer the greatest potential in the job market,

2) introduce new teaching and curriculum methodologies (such as the competency-based curriculum approach),

3) establish learning-resource development units,

4) establish systematic teacher training programs,

5) develop permanent, institutionalized linkages between training institutions and the private sector to increase the influence of employers on the training curriculum,

6) incorporate and promote the active participation of women in the teaching and learning process, and

7) make optimal utilization of "installed capacities" within participating institutions.

The project will finance U.S. and Ecuadorean technical assistance and training. Equipment will only be considered if it is essential to address a specialized skill need identified through a survey. Some local costs for project management and start-up may also be financed.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s strategy in Ecuador calls for developing and strengthening human resources at all levels. This project reinforces other A.I.D.-assisted human resource development efforts including the Campesino Training project, several training activities in the agricultural sector, and the Graduate Management School project. The project also complements A.I.D. efforts in the areas of private sector investment, non-traditional agricultural exports, small enterprise development, and agricultural commodity development.

Host Country and Other Donors: The project will complement a World Bank project which is strengthening Ecuador's largest public training instituion, by expanding assistance from this institution to private training centers. Host country counterpart funds totaling $1.2 million will be provided from both public and private sources.

Beneficiaries: Beneficiareis will include private sector employees and others seeking employment who receive job training from participating institutions.

PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Small Business Development				FY 86 1,500	Life of Project Funding 3,200

Number 518-0056	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING			1,500	FY 86	FY 87	FY 88

Purpose: To increase the production and efficiency of new and existing small businesses in productive sectors.

Project Description: There are currently more than 3,000 small manufacturing units with five to 20 employees and at least 100,000 artisan workshops with four or fewer workers in Ecuador. In 1980, 94% of the manufacturing units in Ecuador had less than 10 employees. Compared to larger firms, the cost structures of small enterprises are more dominated by the use of labor and local raw materials, the unit cost of creating a job is lower, the plants are less concentrated in the two main urban centers of Quito and Guayaquil, and the enterprises are more oriented to producing goods and services for the domestic mass market. About five times more capital investment is required to create a job in Ecuador's large-industry sector than in the small enterprises.

During FY 1984, A.I.D. initiated a number of analytical and small-project activities focused on the small-enterprise sector, to identify the constraints limiting development of small businesses in Ecuador. These constraints are: credit and venture capital availability; skill deficiencies at management and technical levels; and the limited access of small firms to design, engineering, production and marketing assistance. In addition, Ecuador's capital markets and financial institutions do not mobilize savings for investment in the small-enterprise sector. Policy constraints which contribute to these weaknesses are being studied by the Government of Ecuador (GOE) with A.I.D. assistance under the FY 1984 Macro Economic Policy Analysis project.

The project will provide technical assistance to private-sector organizations to: a) promote policy dialogue and policy changes necessary to remove financial and technical constraints to small-enterprise development; b) develop low-cost, mass-market credit mechanisms and introduce these mechanisms into private financial institutions; c) leverage private sector credit to the small-enterprise sector; d) increase the access of small firms to design, engineering, production and marketing assistance; and e) assist financial institutions to mobilize private capital for productive investment. While achieving substantial new investment and employment, the project will also strengthen the long-term capacity of private institutions to provide the recurrent financial and technical services necessary for sustained sector development.

Relationship of Project to A.I.D. Country Strategy: A more efficient and competitive private productive sector is necessary for the long-term growth and development of Ecuador's economy. A.I.D. assigns high priority to activities which address constraints which limit the performance of private businesses and which distort the play of market forces. Within this framework, A.I.D. assistance is targeted at the needs of small and medium-sized firms in productive sectors. This project is geared to capital markets improvement and to financial system institutional development to bring their capacity and performance in line with the needs of a growing, market-based economy.

Host Country and Other Donors: The World Bank (IBRD) is expected in 1985 to enter into the third phase of a small-enterprise credit program. This project will complement the IBRD effort by covering different market segments (smaller firms) and by addressing the capital markets and financial practice constraints not otherwise being addressed. A host country contribution of $5 million will provide complementary credit to small enterprises.

Beneficiaries: The immediate beneficiaries of this project will be small enterprises in Ecuador. Increased investment in this sector will benefit a large number of relatively low-income workers.

PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Municipal Development Program				FY 86 500	Life of Project Funding 1,000

Number 518-0057	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☐ GRANT ☒ LOAN	☐ CONTINUING			500	FY 86	FY 87	FY 88

Purpose: To strengthen the capacity of Municipal Governments to plan and implement urban development programs throughout Ecuador.

Project Description: This project will help municipal development institutions to expand their activities and improve municipal urban development programs throughout Ecuador.

The technical assistance will focus on providing improved water, sewerage, electric and garbage collection systems; the creation of reception areas and land banking systems; the development of low-cost shelter programs; and employment generation activities. Institutions such as the Ecuadorean Development Bank and the Association of Municipalities will receive assistance to expand and/or develop credit mechanisms to channel funds to participating municipalities. The program will build on prior housing programs which incorporate municipalities into the low-cost shelter delivery process. The project will support the Ecuadorean Development Foundation (FED)/AITEC/OPG (518-0040) to expand credit into priority urban areas.

Technical assistance will focus on municipal tariff structures for basic services, finance operations and urban development standards. Technical assistance will be provided to urban development organizations such as the Association of Municipal Planning Departments with whom A.I.D. is now working. The project will provide short and long-term advisors to municipalities and their support organizations.

Relationship of Project to A.I.D. Country Strategy: The project will endeavor to improve municipal development programs and thereby reduce the municipalities dependence on the central government. It will provide financial resources and technical assistance to support decentralization and private sector involvement in development programs. National and international PVO's such as FED, AITEC, and ICRW will be involved in the design and implementation of the technical assistance. The project will support improved urban development priorities of the Government of Ecuador and build on several A.I.D. initiatives in municipal development and employment, specifically the Municipal Revenue Generation project, the Nationwide Low-Cost Shelter Program, HG-006 and the FED/AITEC Credit Program to microbusinesses and solidarity groups.

Host Country and Other Donors: The GOE will work with municipalities to provide in-kind program resources and local currency. PVOs and the private sector will bring additional resources to the employment generation activities associated with the project.

Beneficiaries: The Beneficiaries of the technical assistance will be low-income families.

PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Economic Stabilization Program	ESF 15,000			FY 86 15,000	Life of Project Funding 15,000

Number 518-0058	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☐ GRANT ☒ LOAN	☐ CONTINUING				FY 86	FY 86	FY 87

Purpose: To promote economic stabilization necessary to revitalize the Ecuadorean economy.

Project Description: Ecuador is in the midst of one of the worst economic recessions since the Great Depression. In 1983, real gross domestic product (GDP) declined by more than 3%; per capita consumption, by 7%; investment, by 28%; and imports, by 24%. Several indicators point to accelerating unemployment. These declines follow on the heels of a 1% per capita decline in GDP in 1982. Although a series of historical and structural factors is responsible for these declines, a shortage of foreign exchange has been the immediate cause. This shortage, in turn, has been in part the consequence of declining terms of trade and an excessive debt burden which has further restricted credit to the country.

The newly-elected government of President Leon Febres-Cordero is committed to turning the current economic situation around within the context of a free-market economy based on private-sector-led economic growth. To accomplish this, the Government of Ecuador (GOE) is addressing, and will continue to address, both the structural problems of the economy and the policy environemnt. Promotion and development of new exports, attraction of investement both domestic and foreign, and sound fiscal management form the basis of the GOE strategy.

To support the GOE strategy for recovery and revitalization of the economy, this program will provide urgently needed balance-of-payments support. This, in turn, will help to facilitate private-sector importation of productive inputs from the United States. Local currency generated by the project will be used by both the public and private sectors. On the public side, local currency will ensure the availability of funds for high-priority development projects. On the private-sector side, counterpart funds will be used for working capital, and to promote investments in productive enterprises in both the agricultural and small-industry sectors.

Relationship to the A.I.D. Country Strategy: The project supports the overall A.I.D. strategy of assisting Ecuador to stabilize the current economic situation, restructure its economy, and renew economic growth while at the same time ensuring the implementation of ongoing social and economic development efforts. The economic policy objectives of this program are consistent with the FY 1984 Macro-economic Policy project (which is providing technical assistance to the GOE in the area of economic restructuring) and the report of the Presidential Agricultural Task Force.

Host Country and Other Donors: The GOE plans to negotiate a standby agreement with the International Monetary Fund, which will provide additional support for the GOE's economic stabilization program.

Beneficiaries: The project will benefit the Ecuadorean economy as a whole. It will assist private productive firms, especially small-scale enterprises by providing urgently-needed local-currency capital for production and investment credit; it will facilitate the availability of foreign exchange for productive private-sector imports; and it will benefit the poor majority by ensuring the continued implementation of social and economic development projects.

PROGRAM: ECUADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations Operational Program Grants (OPGs)		400	300	FY 86 1,100	Life of Project Funding Continuing

Number 518-9999	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☒ CONTINUING		--	400	FY 78	FY Continuing	FY Continuing

Purpose: To strengthen the capacity of indigenous and U.S. private voluntary organizations (PVOs) to undertake innovative and high-impact social and economic development activities in Ecuador.

Project Description: The operational program grant (OPG) mechanism is an effective tool to promote and encourage development-oriented actions by committed local and U.S. organizations. It forms an integral part of A.I.D.'s development strategy and program for Ecuador. In the past, OPGs have addressed development problems in rural health and potable water, integrated community development, and vocational and technical skills training for poor urban and rural youths. A successful approach to the development and implementation of some OPGs has been the utilization of the combined effort and experience of U.S. and local PVOs. A.I.D. will continue to promote and support these types of "joint ventures" in the future.

During FY 1986, A.I.D. will finance social and economic development OPGs that can have a significant impact on the poorest segments of Ecuador's society, particularly urban and rural women. OPGs will be directed at the service delivery, organization, education, employment and income generation needs of rural and urban low-income groups. In preparation for this effort, A.I.D. has established a systematic dialogue with U.S. and local PVOs to discuss its country development strategy and to generate ideas for potential projects. Additionally, A.I.D. will undertake an evaluation to measure the impact of OPG/PVO activities during the 1979-1984 period. The conclusions of this effort will contribute to identifying the most promising development practices, strategies and approaches and thereby assist A.I.D. and PVOs to formulate and strengthen OPGs in the future.

Relationship of Project to A.I.D. Country Strategy: A.I.D. assigns high priority to OPGs that are consistent with its overall country strategy. A.I.D. uses OPGs to assist with institutional strengthening; transfer low-cost appropriate technologies; develop human resources, particularly in technical skills; test methods of assisting microenterprises; increase participation of women in the development process; and strengthen progressive elements of the private sector, e.g., producer associations, banker associations, and chambers of commerce.

Host Country and Other Donors: PVOs are selected on the basis of their potential as well as actual strength of non-A.I.D. support. An important objective of many OPGs is to increase the capacity of PVOs to mobilize continuing budget support from the GOE, private sources, and other external donors. As a rule, A.I.D. requires that PVOs make cash and in-kind contributions equal to at least 25% of the total OPG project cost.

Beneficiaries: In most cases, the PVOs themselves benefit substantially from OPG-financed training, technical assistance, and commodities which increase their capacity to plan, design, execute, and evaluate development projects. The ultimate beneficiaries are the rural and urban poor who receive services which improve their socio-economic status.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (527) PERU

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 19,066

PER CAPITA GNP..... (DOLLARS,1982) 1,310

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 1.0%

ANNUAL RATE OF INFLATION (1970-82) 37.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1972) 1.9%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1984)	TOTAL 59.2	MALE 57.3	FEMALE 61.1
(1970)	TOTAL 53.6	MALE 52.3	FEMALE 54.9

ADULT LITERACY RATE (1972) TOTAL 73% MALE 83% FEMALE 62%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1974 -1983)-2.8%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 9%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 56

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: POTATOES ,CORN ,BANANAS	20%	(1983)
CASH: COTTON ,RICE ,SUGARCANE	13%	(1983)

MAJOR AGRICULTURAL EXPORTS:(1983) COFFEE ,COTTON ,.

MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,SUGAR ,CORN

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1981) 39%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1980) 3,530 (81) 3,602 (82) 3,574

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1980) 4,019 (81) 4,583 (82) 4,355

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1980) -488 (81) -981 (82) -781

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1979) 12.3% (80) 12.5% (81) 13.8%
AS % OF GNP..... (1979) 1.9% (80) 2.4% (81) 2.7%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1980) 2,260 (81) 1,609 (82) 1,749
EQUIVALENT TO 3.8 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(1982) PETROLEUM . COPPER . ZINC

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1981)1,090 (1982)1,046 (1983)1,094
AS % OF TOTAL EXPORTS (1980) 42% (1981) 40% (1982) 36%

MAJOR IMPORTS(1982)FOODSTUFFS ,MACHINERY ,TRANSP. EQ

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1981)1,250 (1982)1,229 (1983) 989
AS % OF TOTAL IMPORTS (1980) 36% (1981) 39% (1982) 36%

TRADE BALANCE($ MILLIONS, U.S.)(1980) 641(81) -471(82) -505

TRADING PARTNERS: UNITED STATES ,JAPAN ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1982) 38.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1982) 1,536
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 47.5%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1978) 2.5% (1984) 2.4%

POPULATION IN URBAN AREAS.....(1970) 57% (1984) 68%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 45 (1984) 35

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978) 34.0%

POPULATION (1984) IN AGE GROUP:
(0-14YRS) 41.6% (15-64YRS) 54.9% (65+ YRS) 3.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 99

PEOPLE PER PHYSICIAN..... (1979) 1,391

MAJOR CAUSES OF
DISEASE (1980) INFLUENZA ,MEASLES ,TUBERCULOSIS
DEATH.. (1978) PNEUMONIA ,ENTERITIS ,ILL-DEFINED CAUS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 97%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1978) 48%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1980)	TOTAL 118	MALE 123	FEMALE 113
SECONDARY..... (1980)	TOTAL 51.6	MALE 56.3	FEMALE 46.9
POST SECONDARY.. (1980)	TOTAL 15.9	MALE 19.4	FEMALE 9.6

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 145%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY PERU

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1979	1980	1981	1982	1983	TOTAL LOANS AND GRANTS 1946–83	REPAYMENTS AND INTEREST 1946–83	TOTAL LESS REPAYMENTS AND INTEREST 1946–83
I. ECONOMIC ASSISTANCE – TOTAL								
Loans	70.7	53.3	80.2	54.6	93.5	889.8	180.4	709.4
Grants	48.8	33.0	47.0	44.2	48.5	497.1	180.4	316.7
	21.9	20.3	33.2	10.4	45.0	392.7	-	392.7
a. A.I.D. and Predecessor Agencies								
Loans	34.1	18.7	34.5	35.8	35.5	433.6	83.2	350.4
Grants	28.8	14.0	28.0	28.0	19.5	295.5	83.2	212.3
(Economic Support Fund)	5.3	4.7	6.5	7.8	16.0	138.1	-	138.1
	-	-	-	-	-	1.7		
b. Food for Peace (PL 480)								
Loans	35.3	33.0	42.5	16.2	55.9	362.5	39.7	322.8
Grants	20.0	19.0	19.0	16.2	29.0	150.9	39.7	111.2
Title I - Total Sales Agreements	15.3	14.0	23.5	-	26.9	211.6	-	211.6
Repayable in U.S. Dollars - Loans	20.0	19.0	19.0	16.2	29.0	151.1	39.7	111.4
Payable in Foreign Currency - Planned for Country Use	20.0	19.0	19.0	16.2	29.0	123.5	12.2	111.3
Title II - Total Grants	-	-	-	-	-	27.6	27.5	0.1
Emerg. Relief, Econ. Develop. & World Food Program	15.3	14.0	23.5	-	26.9	211.4	-	211.4
Voluntary Relief Agencies	5.2	3.3	6.8	-	10.6	99.3	-	99.3
	10.1	10.7	16.7	-	16.3	112.1	-	112.1
c. Other Economic Assistance								
Loans	1.3	1.6	3.2	2.6	2.1	93.7	57.5	36.2
Grants	-	-	-	-	-	50.7	57.5	6.8-
Peace Corps	1.3	1.6	3.2	2.6	2.1	43.0	-	43.0
Narcotics	-	-	-	-	-	25.3	-	25.3
Other	1.3	1.6	3.0	2.3	1.8	11.6	-	11.6
	*	0.1	0.2	0.3	0.2	6.1	-	6.1
II. MILITARY ASSISTANCE – TOTAL								
Credits or Loans	5.5	3.3	4.3	5.0	4.6	256.9	104.8	152.1
Grants	5.0	3.0	4.0	4.5	4.0	113.5	104.8	8.7
	0.5	0.3	0.3	0.5	0.6	143.4	-	143.4
a. MAP Grants	-	-	-	-	-	75.0	-	75.0
b. Credit Financing - FMS	5.0	3.0	4.0	4.5	4.0	113.5	104.8	8.7
c. Military Assistance Service-Funded (MASF) Grants	0.5	0.3	0.3	0.5	0.6	21.2	-	21.2
d. Transfers from Excess Stocks	-	-	-	-	-	20.3	-	20.3
e. Other Grants	-	-	-	-	-	26.9	-	26.9
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE								
Loans	76.2	56.6	84.5	59.6	98.1	1146.7	285.2	861.5
Grants	53.8	36.0	51.0	48.7	52.5	610.6	285.2	325.4
	22.4	20.6	33.5	10.9	45.6	536.1	-	536.1
Other U.S. Government Loans and Grants								
a. Export-Import Bank Loans	62.8	46.3	16.0	-	26.3	948.4	1010.1	61.7-
b. All Other Loans	*	6.2	13.1	-	26.3	486.6	477.7	8.9
	62.8	40.1	2.9	-	-	461.8	532.4	70.6-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	443.3	454.1	316.5	3077.6
IBRD	286.7	302.2	122.5	1646.4
IFC	18.2	8.0	9.2	73.3
IDA	0.0	0.0	0.0	0.0
IDB	130.0	142.3	184.8	1291.1
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	5.4	1.6	0.0	52.2
OTHER-UN	3.0	0.0	0.0	14.6
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

PERU	CY 1982	CY 1983	CY 1978-83
United States	53.0	90.0	363.0
Germany, Fed. Rep.	34.9	43.3	291.1
Japan	19.2	49.8	167.1
Netherlands	19.1	21.1	136.9
France	14.6	7.2	47.2
Other	19.6	29.7	116.2
Total	160.4	241.1	1,121.5

2. O.P.E.C. COUNTRIES (Gross Disbursements)

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1982	CY 1983	CY 1954-83
USSR	-	1	276
Eastern Europe	-	-	253
China	-	-	42
Total		1	571

PERU

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Develop-ment	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans	100,000	9,000	-	-	-	-	-	91,000
Grants	18,673	6,387	1,749	125	390	1,294	-	8,728
Total	118,673	15,387	1,749	125	390	1,294		99,728*
1985								
Loans	8,881	2,700	-	-	-	-	-	6,181
Grants	29,336	10,302	4,100	2,570	2,615	1,959	-	7,790
Total	38,217	13,002	4,100	2,570	2,615	1,959		13,971*
1986								
Loans	57,010	9,450	-	-	-	2,560	45,000	-
Grants	12,550	5,475	650	800	2,325	3,300	-	-
Total	69,560	14,925	650	800	2,325	5,860	45,000	

*International Disaster Assistance funded from prior year deobligations.

FY 1986 PROGRAM HIGHLIGHTS

- Continued encouragement of macroeconomic policy reform through $45 million ESF balance of payments assistance; with local currencies allocated to strengthened coca crop substitution programs and other activities.
- The initiation of a major multi-year program that promotes recapitalization of Peruvian agriculture, building on continued policy dialogues.
- The introduction of a $20 million project to promote private sector exports and investment while continuing work to improve development investment decision making.
- Continued emphasis on expanded primary health services and upgrade health sector management.
- A $20 million P.L. 480 Title I program which will support agriculture and rural development policy reform.

PERU

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	61,871	91,250	86,906
Grants	13,000	34,399	21,004
Total AID	74,871	125,649	107,910
P.L. 480 **			
Title I	20,000	20,000	20,000
(of which Title III is)	(-)	(-)	(-)
Title II	21,239	9,778	9,409
Total P.L. 480	41,239	29,778	29,409
Total AID and P.L. 480	116,110	155,427	137,319

**AID levels represent actual and estimated expenditures*
***P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	66.9	10,000	81	13,000	83.0	13,000
Rice	26.6	10,000	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	10	7,000	11.0	7,000
Non-food	-	-	-	-	-	-
Title I Total	93.5	20,000	91	20,000	94.0	20,000
(of which Title III is)	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	69.317	21,239	32.898	9,778	32.898	9,409
Government - to - Government	-	-	-	-	-	-
Title II Total	69.317	21,239	32.898	9,778	32.898	9,409
Total P.L. 480	169.817	41,239	123.898	29,779	126.898	29,409

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

PERU

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire [a]	22	25	26
PASA [b]	4	4	4
Total	26	29	30

[a] *Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One workyear = 2080 hours (40 hours per week).*
[b] *On board end of year.*

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic [a]	Technical [b]	Academic	Technical	Academic	Technical
S&T /IT Managed [c]	24	47	30	47	68	54
Contract Managed [d]	1	88	3	46	-	29
Total	25	135	33	93	68	83

[a] *Degree seeking participants.*
[b] *Non-degree seeking participants (may be at universities).*
[c] *Participants programmed by Missions and sent to S&T/IT for management.*
[d] *Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.*

*Does not include: 77 third-country participants in FY 1984; 113 third-country participants in FY 1985; and 120 third-country participants in FY 1986.

PERU

Development Overview

In 1983 and 1984, Peru's democratically elected government faced a devastating series of economic and financial blows. It had to deal with these problems while conducting an anti-terrorist fight against the Sendero Luminoso guerillas. The most significant reversals included weak export markets, the worst natural disasters in a century, and a shortage of external credits to service Peru's heavy foreign debt burden. The droughts, floods and landslides of 1983 caused $1 billion in economic losses and disrupted the lives of more than 1.3 million Peruvians. Domestic production plunged 12% in 1983, export earnings decreased by $400 million, inflation exceeded 125%, and domestic credit dropped by 13%. The Government of Peru's (GOP) tax revenues decreased more than 20% and the public sector budget deficit reached nearly 12% of gross domestic product (GDP). As a result, Peru had to reschedule and refinance its official and commercial foreign debt in both 1983 and 1984 with the assistance of the International Monetary Fund. Infrastructure lost to the northern floods is being rebuilt and agriculture is recovering there, but production of major agricultural commodities in the drought-affected southern highlands is still less than half the pre-drought levels.

The continuation of 1983's crises into 1984 exacerbated problems which have long plagued Peru and complicated Peru's transition toward a more market-oriented economy. Peru continues to experience widespread poverty, rapid population growth, poor health and nutrition, and severely limited agricultural resources. Per capita GDP in Peru (estimated in 1984 at $850) is lower than it was 20 years ago in real terms, and 50% of the Peruvian population lives in poverty. The highland Indians and the residents of urban shanty towns comprise a high percentage of the poor population . Only 3% of Peru's land is considered suitable for intensive agriculture without irrigation. Pressure on this small base increases as erosion, deforestation, and salinization take their toll.

Current economic policies are geared to revitalizing the economy in the short term. The new GOP administration which will take office in July 1985 in Peru's first constitutional, democratic change in government in 40 years, will have to re-establish the bases for long-term, equitable growth while trying to handle severe short-term problems.

U.S. Interests and Objectives

U.S. interests in Peru include helping to maintain a constitutional, democratic government while the GOP continues its anti-terrorist fight against the violence perpetrated by the Sendero Luminoso guerrillas; supporting disaster recovery, long-term economic growth and expanded international trade and investment; encouraging a continued positive Peruvian role in maintaining regional peace and stability; gaining Peru's support for U.S. policies; and enhancing bilateral cooperation in such areas as the control of illicit coca cultivation. The United States is Peru's largest trading partner and source of foreign investment.

A.I.D. Development Strategy

A.I.D.'s development goals are to assist Peru's economic recovery and disaster reconstruction to support equitable, market-oriented growth geared to increasing the employment and incomes of the poor, stimulating greater domestic resource creation, improving resource allocation, and increasing the coverage and efficiency of social service delivery programs. This is being accomplished through the following strategy:

-- In agriculture, A.I.D. is assisting the GOP in designing and implementing more rational agricultural policies in pricing, subsidies, marketing, credit, and export promotion.

-- In health and population planning, A.I.D. is supporting GOP policies that increase the efficiency and cost-effectiveness of primary health services, including family planning.

-- In education and human resources development, A.I.D. is assisting the GOP to develop vocational education, management training, and small enterprise promotion which increase employment and incomes.

-- In urban development, A.I.D. is encouraging the GOP to adopt urban and shelter policies that extend the impact of such programs to the greatest number of poor.

-- In narcotics control, A.I.D. is working closely with other U.S. Government agencies and is giving high priority to promoting coca crop substitution and expanding narcotics education programs.

However, Peru's present condition also requires short-term assistance to help stabilize the economy, stimulate exports and investment, and encourage growth. A.I.D. will provide quick-disbursing Economic Support Funds (ESF) to reinforce the balance of payments in 1986 and to support a newly elected government in implementing sound economic policies. The local currencies generated will be programmed to support achievement of the above development goals.

A cornerstone of the A.I.D. program is to strengthen local public and private institutions to carry on development efforts after A.I.D. assistance ceases. In agriculture, A.I.D. is assisting in revitalizing an agricultural research and extension system that had virtually disappeared during the military regime, upgrading the professional training and management capabilities of key agricultural sector institutions, and strengthening Peru's capacity to manage its natural resources efficiently. A.I.D. is also helping the GOP to expand and institutionalize its ability to formulate major sector policies. In health, A.I.D. is assisting the Ministry of Health to provide cost-effective primary health and family planning services and to construct low-cost potable water systems and latrines in small rural communities. A.I.D. also is assisting private voluntary organizations (PVOs) in improving social service delivery programs in health and family planning. In the housing sector, A.I.D. efforts have played a considerable role in establishing Peru's Housing Bank. Current programs are strengthening the savings and loan system and a materials bank geared to the needs of the low-income majority.

Technology transfer is an important instrument of A.I.D. assistance that is linked closely with institution-building objectives. Reflecting Peru's priorities and U.S. comparative advantages, agriculture has been the principal target of our technology transfer efforts. U.S. universities are active in these programs. A.I.D. technology transfer activities are aimed at increasing yields of key crops and high-value export products through adaptive research and extension. Other technology transfer efforts include cropping and management systems for tropical and sub-tropical lands, increasing small ruminant productivity in Peru's highlands, and developing new tropical soils management technologies. In addition, A.I.D. is providing low-cost models for social service delivery and is working closely with the U.S. and Peruvian private sectors to disseminate production technologies and organizational forms needed in the world marketplace (such as private joint ventures and trading companies).

A.I.D. Program (FY 1984 and FY 1985)

A. Disaster Relief and Reconstruction. Peru is continuing its rebuilding and recovery from the droughts, floods and landslides of 1983. A.I.D. has provided $115 million for disaster relief and reconstruction activities to replace lost infrastructure; distribute emergency equipment and P.L. 480 Title I and Title II commodities; reconstruct homes and businesses damaged by the disasters; reactivate agriculture marketing and production; and finance numerous other relief, rehabilitation and reconstruction activities. A.I.D. technical assistance played a key role in helping build Peru's institutional capacity to implement disaster rehabilitation and reconstruction programs. In mobilizing Peruvian and U.S. PVOs in the disaster areas, A.I.D. grants of over $3 million expanded their management and outreach capabilities so they could distribute over 49,000 tons of disaster relief food.

In addition, A.I.D. made $60 million available in FY 1984 to counteract the macroeconomic effects of the disaster. The urgent need for such assistance was highlighted in several special studies of the disasters and their implications for Peruvian growth and development. A.I.D. will continue to provide the support required for macroeconomic growth through the P.L. 480 Title I program and other mechanisms. Major emphasis is being placed on implementing the current program and conducting several important evaluations.

B. Agriculture, Rural Development and Nutrition. The Agriculture Policy and Institutional Development project (527-0238) is building the capacity in the GOP to formulate coherent agricultural policies and to manage their implementation effectively. The Technoserve project (527-0293) is improving the management of agricultural production cooperatives.

Four successful food-for-work projects in rural and urban areas will continue in FY 1985. A.I.D.-assisted studies and surveys will address nutrition policy issues. A related grant will support selected nutrition interventions by the Ministry of Health and PVOs. Together, these activities will provide the analytical and institutional framework for a national nutrition program.

C. Health and Population Planning. In FY 1984, two current projects, Extension of Primary Health (527-0219) and Integrated Family Planning and Health (527-0230), are expanding health coverage and assisting Peru's family planning program. These projects support GOP efforts to integrate family planning services into basic health care. A PVO contraceptive marketing program is increasing the supply of reasonably priced contraceptives. Through the Health and Environmental Sanitation project (527-0221), A.I.D. is also supporting the provision of low-cost potable water systems and latrines to 400,000 people who live in 800 rural communities in the highlands and high jungle.

In FY 1985, the Private Sector Health project (527-0294) will improve the effectiveness of a network of Peruvian voluntary organizations which provide health and family planning services. A.I.D. will develop policy and program strategies for future primary health care programs in a sector-wide assessment, and provide training for technical and policy personnel.

D. Education and Human Resources. In FY 1984 and FY 1985, A.I.D. is expanding the programs of selected private educational institutions through several small projects. In line with Peru's need to expand employment opportunities and incomes, A.I.D. is assisting three PVOs in providing vocational and technical education to the poor. The FY 1985 Private Sector Management Improvement project (527-0272) will strengthen the capacity of private organizations to carry out management training and applied research in priority development areas.

E. Selected Development Activities. A.I.D. assists local PVO efforts to provide credit and technical assistance to small-scale, informal sector entrepreneurs in Lima's poorest areas (complementing A.I.D.'s ongoing successful project with the Industrial Bank of Peru). An FY 1985 grant to the Instituto Libertad y Democracia funds basic research on the informal sector and advice to the GOP on how to improve the legal and policy frameworks for private sector growth.

F. P.L. 480 Program. P.L. 480 Title I and Title II resources play a significant role in A.I.D.'s disaster relief and reconstruction efforts and support longer-term economic development goals. Local currencies generated under Title I and Title II are used for development programs, including the activities of U.S. and Peruvian PVOs working with Title II resources.

The FY 1985 Title II program provides food supplements to the poorest urban and rural groups. Title II resources are used in food-for-work projects to promote reforestation, road construction, rural public works, primary health care, and preschool education, and to provide basic infrastructure such as schools and health posts. Title II reforestation programs covering 24,000 acres per year are providing employment for 25,000 people while supporting the conservation of Peru's natural resources. Approximately 550,000 disaster victims are receiving Title II assistance.

In FY 1985, P.L. 480 Title I resources ($20 million) will continue to play an important role in providing counterpart funding for A.I.D. projects and the work of PVOs.

Requested Year Program (FY 1986)

Building on policy and program discussions with the new GOP, A.I.D. resources in FY 1986 will provide major support to the recovery of Peru's economy and will promote agricultural recapitalization and private sector exports and investment. Planning will be completed for a new health and nutrition sector initiative. A total of $69.56 million is being requested, including $24.56 million for development assistance and $45 million in Economic Support Funds. The program will continue to support policy reforms, institution building, technology transfer, and increased involvement of the private sector in development.

A. Agriculture, Rural Development and Nutrition. A.I.D. will use the Agriculture Planning and Institutional Development project (527-0238) and other major sector analytical efforts to underpin agricultural policy dialogue with the new government. A new project, Agricultural Sector Recapitalization (527-0282), will help a new GOP implement major policy changes in agriculture, particularly in marketing, irrigation management and agricultural credit. The Agricultural Research, Extension and Education project (527-0192) will be an important element in improving agricultural technology transfer and productivity. In addition, A.I.D. will continue supporting PVOs working in community infrastructure, reforestation programs and cooperative management.

B. Health and Population Planning. The focus of A.I.D. efforts in health and family planning will be to expand private sector participation in primary care using self-financing mechanisms under the Private Sector Health (527-0294) and other ongoing projects. At the same time, the Integrated Family Planning and Health project (527-0230) will upgrade public sector managerial and technical capacity to extend preventive health care to Peru's poor. A.I.D. will support the formulation of health policies that best contribute to the objective of improved health system efficiency and effectiveness.

C. Education and Human Resource Development. A.I.D.'s human resources strategy will continue to emphasize vocational education, management training, and small enterprise promotion which increase employment and incomes. In addition, based on studies funded in FY 1984 and 1985, A.I.D. will support private sector narcotics education programs.

D. Selected Development Activities. In FY 1986, A.I.D. will initiate a private sector export and investment promotion effort (project 527-0286), while continuing work to improve decentralized development investment decision making (Decentralized Planning and Investment project, 527-0284) started under previous development and disaster recovery programs. In addition, the shelter program (Housing Sector Support project, 527-0259) will implement major changes in sector policies.

E. P.L. 480 Program. A $20 million Title I program is planned in FY 1986, the first year of a multi-year arrangement designed to strengthen policy dialogue with the GOP on agriculture and rural development. The P.L. 480 assistance will also help with the balance-of-payments problem and generate local currency for selected A.I.D. projects. The $9.4 million of Title II resources will improve the nutritional status of the most vulnerable portions of Peru's population.

F. Economic Support Fund. The FY 1986 resources of $45 million from the Economic Support Fund will encourage macroeconomic policy reform while bolstering the balance of payments. Local currency generated thereunder will expand private sector credit, help support Peru's counterpart contribution to A.I.D. and other donor development programs and strengthen coca crop substitution and related activities.

MISSION DIRECTOR: John A. Sanbrailo

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PERU

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
SIERRA WATER AND LAND USE	L	527-0156	76	76	11,000	11,000	11,000	8,338	---	2,360	---	302
PROGRAM DEVELOPMENT AND SUPPORT	G	527-0166	74	C	---	---	4,100	3,371	1,377	1,700	575	907
INTEGRATED REGIONAL DEVELOPMENT	G	527-0178	79	83	1,600	1,600	1,600	1,421	---	170	---	8
INTEGRATED REGIONAL DEVELOPMENT	L	527-0178	79	83	15,000	15,000	15,000	8,790	---	6,000	---	210
AG RESEARCH, EXTENSION AND EDUCATION	G	527-0192	80	86	4,300	4,050	2,100	1,846	1,950	1,000	---	1,100
AG RESEARCH, EXTENSION AND EDUCATION	L	527-0192	80	86	9,000	12,900	9,000	4,304	2,200	4,000	1,700	3,500
LAND USE INVENTORY AND ENV PLANNING/ONER	G	527-0202	80	85	1,500	1,600	1,150	969	450	167	---	373
EXTENSION OF INTEGRATED PRIMARY HEALTH	G	527-0219	79	85	1,100	1,100	---	---	1,100	600	---	500
SOIL CONSERVATION	G	527-0220	80	85	1,400	1,400	1,000	844	400	456	---	100
SMALL HYDRO DEVELOPMENT	G	527-0226	81	85	1,000	1,000	750	230	250	328	---	343
SMALL HYDRO DEVELOPMENT	L	527-0226	81	85	9,000	9,000	9,000	659	---	4,588	---	3,500
AGRICULTURAL PLANNING AND INST. DEV.	G	527-0238	83	85	6,000	4,480	2,300	250	2,180	1,000	---	1,000
AGRICULTURAL PLANNING AND INST. DEV.	L	527-0238	83	85	11,000	11,000	10,500	800	500	3,000	---	3,000
CENTRAL SELVA RESOURCE MANAGEMENT	G	527-0240	82	87	4,000	4,000	2,850	547	---	1,500	850	1,250
CENTRAL SELVA RESOURCE MANAGEMENT	L	527-0240	82	87	18,000	18,000	18,000	1,071	---	4,040	---	3,000
UPPER HUALLAGA AREA DEVELOPMENT	G	527-0244	81	85	3,000	3,000	2,000	904	1,000	1,200	---	695

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PERU

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
UPPER HUALLAGA AREA DEVELOPMENT	L	527-0244	81	85	15,000	15,000	15,000	7,033	---	4,800	---	3,167
PRIVATE SECTOR AG INVESTMENT PROMOTION	L	527-0265	83	83	10,000	10,000	10,000	1,299	---	4,000	---	4,701
DISASTER RELIEF AND REHABILITATION	G	527-0277	83	83	2,000	2,000	2,000	1,287	---	713	---	---
AGRICULTURAL SECTOR RECAPITALIZATION	* G	527-0282	86	90	---	15,000	---	---	---	---	2,000	500
AGRICULTURAL SECTOR RECAPITALIZATION	* L	527-0282	86	90	---	40,000	---	---	---	---	5,750	1,500
PRIVATE SECTOR EXPORTS/INVESTMENT	* G	527-0286	86	88	---	2,500	---	---	---	---	1,000	500
PRIVATE SECTOR EXPORTS/INVESTMENT	* L	527-0286	86	88	---	5,000	---	---	---	---	2,000	500
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	527-9999	78	C	---	---	1,625	866	1,595	1,320	1,050	1,529
TOTAL FOR ACCOUNT					123,900	188,630	118,975	44,829	13,002	42,942	14,925	32,185
GRANTS					25,900	41,730	21,475	12,535	10,302	10,154	5,475	8,805
LOANS					98,000	146,900	97,500	32,294	2,700	32,788	9,450	23,380
POPULATION PLANNING												
PROGRAM DEVELOPMENT AND SUPPORT	G	527-0208	74	C	---	---	200	183	50	55	50	55
INT. HEALTH & FAMILY PLANNING (NUTRITION	G	527-0230	81	86	10,900	10,818	6,168	2,115	4,050	3,000	600	1,700
TOTAL FOR ACCOUNT					10,900	10,818	6,368	2,298	4,100	3,055	650	1,755
GRANTS					10,900	10,818	6,368	2,298	4,100	3,055	650	1,755
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROGRAM DEVELOPMENT AND SUPPORT	G	527-0167	74	C	---	---	770	511	1,470	1,300	500	550

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PERU — CP 86

PROJECT TITLE	*	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
EXTENSION OF INTEGRATED PRIMARY HEALTH		G	527-0219	79	85	800	1,300	800	437	500	450	---	212
EXTENSION OF INTEGRATED PRIMARY HEALTH		L	527-0219	79	85	5,800	5,800	5,800	2,274	---	3,000	---	526
RURAL WATER SYSTEMS AND ENV. SANITATION		G	527-0221	81	85	1,000	1,000	800	241	200	200	---	300
RURAL WATER SYSTEMS AND ENV. SANITATION		L	527-0221	81	85	10,000	10,000	10,000	2,492	---	2,500	---	3,000
SUR MEDIO HEALTH AND FAMILY PLANNING		G	527-0224	80	80	800	800	800	637	---	163	---	---
INT. HEALTH & FAMILY PLANNING (NUTRITION		L	527-0230	81	86	4,000	4,000	4,000	1,284	---	1,716	---	1,000
PRIVATE AND VOL ORGANIZATIONS - OPG'S	•	G	527-9999	78	C	---	---	---	---	400	250	300	350
TOTAL FOR ACCOUNT						22,400	22,900	22,970	7,876	2,570	9,579	800	5,938
GRANTS						2,600	3,100	3,170	1,826	2,570	2,363	800	1,412
LOANS						19,800	19,800	19,800	6,050	---	7,216	---	4,526
EDUCATION AND HUMAN RESOURCES													
PRE-SCHOOL ED AS A CATALYST FOR COMM DEV		G	527-0161	79	84	1,800	1,800	1,800	1,278	---	522	---	---
PROGRAM DEVELOPMENT AND SUPPORT		G	527-0168	74	C	---	---	599	442	510	621	100	135
PRIVATE SECTOR MANAGEMENT IMPROVEMENT		G	527-0272	85	88	---	5,500	---	---	1,500	300	1,500	1,000
PRIVATE AND VOL ORGANIZATIONS - OPG'S	*	G	527-9999	78	C	---	---	630	460	605	427	725	823
TOTAL FOR ACCOUNT						1,800	7,300	3,029	2,180	2,615	1,870	2,325	1,958
GRANTS						1,800	7,300	3,029	2,180	2,615	1,870	2,325	1,958
LOANS						---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES													

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PERU

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
SPECIAL DEVELOPMENT ACTIVITIES	G	527-0061	63	C	---	---	1,502	1,456	100	110	100	130
PROGRAM DEVELOPMENT AND SUPPORT	G	527-0169	74	C	---	---	1,600	985	845	1,127	450	579
URBAN SMALL ENT. DEV.	L	527-0241	82	83	10,000	10,000	10,000	2,482	---	3,000	---	4,000
HOUSING SECTOR SUPPORT	• G	527-0259	86	88	---	2,000	---	---	---	---	300	250
DISASTER RELIEF AND REHABILITATION	L	527-0277	83	83	3,000	3,000	3,000	1,615	---	1,385	---	---
DECENTRALIZED PLANNING AND INVESTMENT	* G	527-0284	86	88	---	5,000	---	---	---	---	1,000	300
PRIVATE SECTOR EXPORTS/INVESTMENT	• G	527-0286	86	88	---	2,500	---	---	---	---	1,000	500
PRIVATE SECTOR EXPORTS/INVESTMENT	* L	527-0286	86	88	---	10,000	---	---	---	---	2,560	500
PRIVATE AND VOL ORGANIZATIONS - OPG'S	* G	527-9999	78	C	---	---	200	---	1,014	725	450	815
TOTAL FOR ACCOUNT					13,000	32,500	16,302	6,538	1,959	6,347	5,860	7,074
GRANTS					---	9,500	3,302	2,441	1,959	1,962	3,300	2,574
LOANS					13,000	23,000	13,000	4,097	---	4,385	2,560	4,500
INTERNATIONAL DISASTER ASSISTANCE												
DISASTER RELIEF AND REHABILITATION	G	527-0277	84	83	16,518	16,518	8,728	1,289	7,790	11,922	---	3,000
DISASTER RELIEF AND REHABILITATION	L	527-0277	84	83	37,181	37,181	31,000	10,820	6,181	16,861	---	9,500
DISASTER ASSISTANCE PROGRAM	L	527-0278	84	84	60,000	60,000	60,000	30,000	---	30,000	---	---
TOTAL FOR ACCOUNT					113,699	113,699	99,728	42,109	13,971	58,783	---	12,500
GRANTS					16,518	16,518	8,728	1,289	7,790	11,922	---	3,000
LOANS					97,181	97,181	91,000	40,820	6,181	46,861	---	9,500
SAHEL DEVELOPMENT PROGRAM												

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PERU

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
DISASTER RELIEF AND REHABILITATION	G	527-0277	83	83	6,301	6,301	6,301	1,777	---	3,024	---	1,500
TOTAL FOR ACCOUNT					6,301	6,301	6,301	1,777	---	3,024	---	1,500
GRANTS					6,301	6,301	6,301	1,777	---	3,024	---	1,500
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
POLICY IMPROVEMENT PROGRAM ASSISTANCE	* L	527-0283	86	86	---	45,000	---	---	---	---	45,000	45,000
TOTAL FOR ACCOUNT					---	45,000	---	---	---	---	45,000	45,000
GRANTS					---	---	---	---	---	---	---	---
LOANS					---	45,000	---	---	---	---	45,000	45,000
TOTAL FOR COUNTRY					292,000	427,148	273,673	107,607	38,217	125,600	69,560	107,910
GRANTS					64,019	95,267	52,373	24,346	29,336	34,350	12,550	21,004
LOANS					227,981	331,881	221,300	83,261	8,881	91,250	57,010	86,906

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Agricultural Sector Recapitalization		(L) 5,750 (G) 2,000		FY 86 (L) 5,750 (G) 2,000	Life of Project Funding (L) 40,000 (G) 15,000
Number 527-0282 [X] GRANT [X] LOAN	[X] NEW [ ] CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 86 / Estimated Final Obligation FY 90 / Estimated Completion Date of Project FY 91

Purpose: To support and accelerate the implementation of policies that: 1) stimulate the financial and human recapitalization of agriculture and the expansion of agricultural production, processing and marketing systems by the private sector; and 2) continue to rebuild and expand the complementary technical and managerial capabilities of public-sector agricultural service institutions.

Project Description: One of Peru's fundamental problems is how to increase agricultural production and productivity and improve the living standards of its large rural population. The U.S. Presidential Agricultural Mission Report and other evaluations and studies point to the need to link strategic agricultural policy changes to specific agricultural assistance within an overall sector program context. Building on and consolidating progress made in ongoing A.I.D. activities, the project will commit resources in a multi-year project for:

1. Improved Policy Implementation. A.I.D.'s ongoing Agricultural Planning project (527-0238) is having an impact on the quality and extent of agricultural policy analysis and decision making. However, there is little capacity to translate policy decisions into operational realities. Areas of focus will include agricultural credit delivery systems, land tenure, irrigation operation and management systems, market organization and private-sector investment promotion.

2. Land and Water Resources. The intensification of agriculture on existing cultivated land is the most cost-effective way to expand agricultural production in Peru. There is a need to greatly improve water distribution, management and use. This component will further disseminate the technologies developed under ongoing A.I.D. projects to improve land and water resource productivity. Illustrative activities are: a) improving on-farm water and irrigation management; b) expanding soil conservation and management practices; and c) improving range and livestock management and marketing.

3. Agricultural Research, Education and Extension (REE). Peru's REE systems were virtually destroyed by the previous military government. With A.I.D., Inter-American Development Bank and World Bank support, Peru has made an impressive start on rebuilding and improving its agricultural REE systems. However, this long-term institution-building and technology development and transfer program needs to be continued and deepened to fill major gaps. Priority objectives include: a) increasing resource allocations to REE systems; b) improving participation by Peruvian universities and the private sector in REE systems; c) expanding REE to include soil conservation, crop management, on-farm water management, integrated pest management, post-harvest crop management, and livestock/forage research and extension; and d) incorporating farm management and production economics components into public and private REE activities.

4. Agribusiness, Agroindustry and Other Private Sector Involvement. Input and output marketing and agroindustry systems in Peru are inadequate. Illustrative private sector activities are: (a) seed supply and distribution systems; (b) regional input and output wholesale franchise marketing and storage enterprises; (c) joint ventures, including provision of private risk capital for vertically integrated activities; and (d) more private bank agricultural financing.

Relationship of Project to A.I.D. Country Strategy: This project is a major channel for implementing the A.I.D. country strategy of (a) supporting policies and programs that achieve efficient resource use, and (b) increasing the incomes of rural and urban low-income families. The project is based on A.I.D.'s special comparative advantage in agriculture and will utilize U.S. university capabilities.

Host Country and Other Donors: Other donors focus assistance in agriculture on physical infrastructure with only limited linkage to specific policy improvements and external technical assistance. Other donors and the GOP also provide major investment support to public-sector credit programs.

Target Group: The project will improve farm incomes of small farmers (283,000 families) and cooperatives (266,000 families) and expand employment opportunities for rural subsistence/laborer and campesino community families (547,000 and 353,000 families, respectively). Low-income urban families will benefit through more stable supplies and prices of foodstuffs and through derivative employment.

PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Sector Exports/Investment		(L) 2,000 (G) 1,000		FY 86 (L) 4,600 (G) 2,000	Life of Project Funding (L) 15,000 (G) 5,000
Number 527-0286 [X] GRANT [X] LOAN	[X] NEW [ ] CONTINUING	Population	ED. & HR	Sel. Act. (L) 2,600 (G) 1,000	Initial Obligation FY 86 / Estimated Final Obligation FY 88 / Estimated Completion Date of Project FY 90

Purpose: To strengthen the role of the private sector in Peru and to increase foreign exchange earnings through the improvement of the policy climate for the private sector, the establishment of an effective investment promotion system, and the expansion of nontraditional exports to world markets.

Project Description: Peru has moved away from its import substitution strategy and toward a more open, free- market economy emphasizing exports and private enterprise. However, serious constraints remain to the expansion of investment and exports. These include: policies, laws, and practices which adversely affect business; dominance of the public sector in several areas of the economy; the small size of the domestic market; and the lack of an effective institutional framework to promote private investments and exports. The project will support the development of an effective Peruvian investment/export promotion system. Strengthened institutions will facilitate increased domestic and foreign investment and the expansion of nontraditional agricultural, agroindustrial and manufactured exports to world markets. Assistance will be provided to private organizations and the Government of Peru (GOP) to better analyze, formulate and publish regulations, laws and information on investment and international trade. The project will fund training and technical assistance to strengthen private institutions to influence public policy in order to improve the overall investment and export climate and to analyze industry and firm-level activities. In support of increased domestic investment and institutional change, the project will provide credit to enterprises to execute economically and financially viable activities such as joint ventures, co-financing, and free-trade zones. Export trade promotion will include activities such as the establishment of export trading companies (ETCs), strengthening exporter associations, training of businessmen and formation of stronger linkages to U.S. firms for markets, management skills and credit. Through ETCs, firms with limited knowledge and resources will be provided needed expertise in foreign marketing, exporting procedures, and insurance so as to be more competitive in world markets. A credit facility will provide needed finance to improve the flow of credit to export-oriented companies. USAID will consider direct loans to private export companies and exporter associations and for trade and investment capital requirements. These may or may not be guaranteed by the GOP.

Relationship of Project to A.I.D. Country Strategy: The project is fully consistent with the A.I.D. country strategy of supporting increased private sector involvement and collaboration in achieving development objectives. If Peru cannot better promote its exports and attract larger amounts of private investment, it will be unable to achieve a rapid rate of economic growth and development. The project directly responds to recommendations made in a number of detailed studies carried out over the past years. It will complement other A.I.D. private sector activities which support small urban businesses, informal sector enterprises, agribusinesses, farmers and larger export-oriented enterprises.

Host Country and Other Donors: The GOP is concerned with the cost effectiveness of its development efforts. This project will strengthen the Peruvian private sector, especially its institutional network and human resources, to assume a greater role in development. Both the GOP and other donors have financed private-sector projects, but they have generally provided credit through traditional public-sector channels. The project will augment and enhance the utility of credit inputs by supporting the long-term viability and self sufficiency of the private sector.

Beneficiaries: The export and investment focus of this sector program will: (1) contribute to an improvement in Peru's balance-of-payments situation; (2) benefit formal and informal private-sector, manufacturing, agricultural and service-sector firms; (3) benefit the population at large through an improved economic climate and the provision of additional productive employment.

PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Housing Sector Support				FY 86 300	Life of Project Funding 2,000

Number 527-0259	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING			300	FY 86	FY 88	FY 90

Purpose: To assist the Government of Peru (GOP) to improve housing-sector policies, to support the strengthening and expansion of private-sector participation in housing finance and construction, and to implement shelter and service sub-programs which increase the effectiveness of sector investments and provide maximum benefit to lower-income families.

Project Description: A.I.D.'s objective in the housing sector is to improve GOP policy making and planning so that sector investments are more efficient and rational. The GOP is responsible for developing the resources, the financial mechanisms, and the institutional structure required to resolve housing-sector problems, as well as for encouraging the mobilization and participation of private- sector resources in the shelter development process.

Specifically, A.I.D.'s policy objectives are to encourage the GOP to (a) maintain the value of resources being committed to the sector, (b) ensure that resources available are rationally and equitably distributed to the full range of income levels in accord with the beneficiary's ability to make repayments, and (c) expand the capacity to produce and deliver appropriate shelter solutions by strengthening major GOP institutions and increasing the participation of private-sector organizations and local authorities. Special emphasis will also be placed on implementing a long-term strategy for strengthening the savings and loans associations. The project will provide technical assistance in policy analysis, program implementation and training of personnel needed to establish more effective shelter-sector operations in Peru. Since change is often evolutionary, A.I.D. will maintain its presence in the sector over several years, pressing continuously for positive policy changes and providing technical support to help design and implement these changes.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s shelter-sector strategy, which is based on the findings of a number of evaluations, is to support the implementation of improved policies and resource allocations and to reinforce the sector's institutions so as to assure the sustained delivery of basic urban services and adequate shelter to poor urban families. The housing sector will be a high priority for the new GOP entering office in July 1985. There will be important opportunities in 1985-1986 for A.I.D. to make significant policy breakthroughs, in keeping with its position as the leading donor in the sector. In addition, this program will support A.I.D.'s private-sector strategy by encouraging an increased role for the private sector in the housing finance and delivery systems.

Host Country and Other Donors: A.I.D. and the World Bank have coordinated their policy agendas in the housing sector and will continue the policy dialogue with the new GOP administration. The local financial resources now available to the sector permit considerable expansion of sector solutions, and it is important that they be used efficiently. The A.I.D. program will assure the allocation of an increased proportion of GOP funds to lower-cost shelter solutions and to lower-income families.

Beneficiaries: The multi-year sector program will focus on three levels: policy dialogue, institutions, and individual families. Over 100,000 below-median-income urban families throughout Peru will directly benefit from investment in the housing sector. Institutionally, the program will improve the operation of the Housing Ministry, the Housing Bank and other shelter-sector delivery institutions.

PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Decentralized Planning and Investment				FY 86 (G) 1,000	Life of Project Funding (G) 5,000	
Number 527-0284 [X] NEW [X] GRANT [X] LOAN [ ] CONTINUING	Population	ED. & HR	Sel. Act. (G) 1,000	Initial Obligation FY 86	Estimated Final Obligation FY 88	Estimated Completion Date of Project FY 90

Purpose: To support improved decentralization policies by strengthening the planning and management capacities of the Departmental Development Corporations (CORDEs) and municipalities, by expanding funding for appropriate low-cost departmental and municipal-level infrastructure and investment projects in both the public and private sectors, and by developing greater local revenue-generating capacity.

Project Description: The project will support a set of components designed to improve decentralization policy formulation and implementation. It builds on A.I.D. experience with, and evaluations of, the Integrated Regional Development project (527-0178) and the Disaster Relief, Rehabilitation and Reconstruction project (527-0277), particularly the decentralization policy planning, technical assistance and training program launched to develop and strengthen CORDE and municipality programs. These projects have begun to build a decentralization framework that needs to be further strengthened if the results of earlier efforts are to be consolidated. Financing will be provided for:

1. Institution Building: Technical assistance, training and other support will upgrade CORDE and municipal capacities in regional planning, public administration, and financial/fiscal management, including revenue generation and collection. Given the central government's serious budgetary problems, the project will promote local revenue generation and finance subprojects that use local resources.

2. Urban-rural Linkage Subprojects: Using urban-rural linkages, this component will support subprojects which concentrate investments to improve production and transport infrastructure in key producing zones and create an environment that facilitates the growth of private processing capacities in market towns.

3. Improved Coordination among Decentralized Entities: This component will finance subprojects that increase development coordination among municipalities, CORDEs, regional governments, and regional offices of central government ministries, agencies and the autonomous Special Project Offices in charge of area development projects.

4. Private Sector and Revenue Generating Subprojects: The project will help regional governments, CORDEs and municipalities to develop private sector productive activities and generate their own revenues to lessen dependence on the central government.

5. Improved Local Maintenance Capability: The project will improve maintenance of equipment, roads, irrigation systems and other infrastructure, which is a major problem both at the CORDE and municipal levels.

Relationship of Project to A.I.D. Country Strategy: The country strategy places high priority on improving decentralization policies and strengthening decentralized development entities. Given Peru's very localized and diverse geographic, economic and socio-cultural conditions, there is a growing consensus that Peru requires more effective decentralization policies and programs so that investments reflect departmental and local priorities.

Host Country and Other Donors: A.I.D. has unique experience among donors for helping Peru deal with the policy, institutional and human resource problems associated with decentralization issues. A.I.D. is the only major donor building the institutional and technical capacity of the CORDEs through both development and disaster assistance programs. We also have a special interest in the deepening of democratic government through the CORDEs and the municipalities. The project will support a new GOP in implementing decentralization policies, strengthen decentralized agencies and mobilize greater support for these policies and programs.

Beneficiaries: Beneficiaries will be: (a) 3,000 employees of regional governments, CORDEs and municipal governments receiving technical assistance and training; (b) some three million residents of communities participating in and benefiting from subprojects; and (c) private-sector investors benefiting from investment-promotion activities and maintenance projects.

PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Policy Improvement Program Assistance	ESF 45,000			FY 86 (L) 45,000	Life of Project Funding (L) 45,000	
Number 527-0283 ☐ GRANT ☒ LOAN ☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 86	Estimated Final Obligation FY 86	Estimated Completion Date of Project FY 87

Purpose: To support the formulation and application of sound economic and development policies during the critical 1985-1987 period through balance-of-payments and the development budget support. This will help cushion the disruptions and tensions caused by terrorism, severe economic/financial problems, and natural disasters, and will strengthen the Peruvian private sector.

Project Description: Peru returned to democratic government in 1980 after more than a decade of military rule. The Belaunde Administration reversed many policies of the military government, promoting freer trade through import liberalization, raising interest rates to generate savings, reducing subsidies and price controls in agriculture, energy and other economic sectors, and strengthening private-sector approaches to development.

The Peruvian economy, however, suffered a severe setback in the past two years, due to the impact of the El Nino natural disasters, low export commodity prices, and a high debt-service burden. Despite austerity tax measures and expenditure controls in 1984, the fiscal deficit was almost 10% of GDP. The tight fiscal situation has made implementation of a rational and orderly investment program extremely difficult. In particular, the shortage of counterpart funds has slowed the implementation of many critical investment projects. If the country's deep seated problems are not addressed, political and social tensions will increase, and Peru's persistent terrorist movement will exploit these tensions. There are also signs of terrorist activities in coca-production areas.

The government that assumes office in 1985 must provide adequate responses to natural disasters and terrorism to relieve pressures for radical policy changes. Economic Support Funds (ESF) can facilitate the formulation and implementation of adequate economic policies and: (a) provide balance-of-payments and budgetary support to the Government of Peru (GOP) for urgent development programs; (b) increase private access to loan capital to strengthen that sector's ability to lead economic recovery and play a more dynamic role in the second half of the 1980s; (c) support high-priority investments in major coca-growing areas of Peru; (d) expand development activities in the south central sierra area affected by terrorist activities.

Relationship of Project to A.I.D. Country Strategy: The new GOP taking office in mid-1985 will be faced with major economic problems at both the macro and sectoral levels. A.I.D.'s strategy is to provide assistance to key development sectors in Peru, and complementary assistance to improve economic policies which constrain solutions of sectoral problems. This program will continue the policy improvements initiated under A.I.D.'s FY 1984 disaster assistance program.

Host Country and Other Donors: The GOP has reformulated its 1985 budget, cutting expenditures and raising taxes to leave its economic house in order for the new administration. It is seeking International Monetary Fund and External Creditor Bank approval and support for its program. The World Bank and the Inter-American Development Bank have been working on complementary assistance.

Beneficiaries: Consumers of imported raw materials and intermediate goods will benefit directly from the foreign exchange available under this program. Private-sector borrowers and beneficiaries of GOP development projects will also be helped by the project.

PROGRAM: PERU

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations --Operational Program Grants		1,050	300	FY 86	Life of Project Funding

Number 527-9999	NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[X] CONTINUING		725	450	FY 78	FY Continuing	FY Continuing

Purpose: To strengthen the capacity of local and U.S. private voluntary organizations (PVOs) to undertake community action and innovative development programs.

Project Description: A.I.D.'s operational program grant (OPG) is an effective instrument in encouraging development work by committed local and U.S. PVOs. OPGs have been effective in permitting expansion of the P.L. 480 Title II Food for Work program. Vocational training efforts for residents of urban shanty towns, private-sector involvement in health and nutrition, management assistance to agricultural cooperatives and an innovative program of public education on narcotics-related issues are being carried out through OPGs with U.S. and local PVOs.

In FY 1985, A.I.D. will provide an OPG to the Peruvian branch of Technoserve, which provides technical assistance in management and production to agricultural cooperatives. The Peruvian chapter of the Daughters of Charity will expand primary health-care services to women and children through a collaborative network of local PVOs. The OPGs to the PVOs implementing the P.L. 480 Title II programs will enable them to improve the nutritional components of their programs.

A.I.D.'s emphasis on private-sector job creation will be supported through an OPG to a Peruvian PVO, Promotion Association for Advanced Technological Institute (TECSUP), which is providing specialized training in areas of particular interest to modern industry, mining, and service companies. The Overseas Educational Fund (OEF) will work with selected PVOs to improve the quality of their vocational education and placement programs. Linkages between the informal and formal sectors will be improved under an OPG to the Peruvian Institute for Liberty and Democracy.

In FY 1986, A.I.D. will provide second-phase OPGs to four PVOs which are implementing the P.L. 480 Title II program. Caritas, the Peruvian counterpart agency of Catholic Relief Services, will provide nutritional assistance to poor residents of remote communities throughout Peru while significant rural infrastructure is constructed. The Peruvian Evangelical Service for Social Action (SEPAS), the local counterpart of Seventh Day Adventist World Service (SAWS), will improve the nutritional level of poor sierra families while continuing critical reforestation programs. Under its OPG, Cooperation for American Relief Everywhere (CARE) will continue to support a variety of activities, including urban infrastructure programs, primary health care, and job-creating activities such as vocational training and small-animal production programs. An OPG to the Adventist Social Assistance and Philanthropic Work (OFASA), the Peruvian affiliate of the Adventist Development Relief Agency (ADRA), will continue its integrated community improvement programs in urban slums and rural communities. A new FY 1986 OPG will support a local PVO's program in narcotics education.

Relationship of Project to A.I.D. Country Strategy: The OPG program plays an important role in A.I.D.'s strategy by providing nutritional assistance, testing low-cost models for providing social services and by integrating P.L. 480 resources into A.I.D.'s development program. Infrastructure projects and vocational training support A.I.D's strategy of increasing incomes and employment. The close association of many U.S. and Peruvian PVOs with the private sector also makes them useful partner in tapping all resources available to the development process.

Host Country and Other Donors: The Government of Peru (GOP) actively supports the A.I.D. OPG program. PVOs working with Title II food aid receive extensive support from the government which handles much of the in-country distribution logistics. They also are supported financially by the GOP through Title I-generated local currency and other government funds. A.I.D. carefully coordinates its PVOs activities with other donors.

Beneficiaries: OPG programs reach the poorest sectors in Peruvian society. Participants receive not only badly needed nutritional assistance but, through OPG-supported projects, carry out development activities which will help them in the future. Vocational training and social programs in urban areas are targeted to its poorest residents. Women participate actively in all aspects of the program.

Latin America &
Caribbean Regional

Previous Page Blank

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans		-	-	-	-	-	-	-
Grants	22,963	2,830	300	186	12,686	4,961	2,000	-
Total	22,963	2,830	300	186	12,686	4,961	2,000	
1985								
Loans		-	-	-	-	-	-	-
Grants	28,351	2,776	1,450	950	13,640	7,535	2,000	-
Total	28,351	2,776	1,450	950	13,640	7,535	2,000	
1986								
Loans		-	-	-	-	-	-	-
Grants	27,000	2,000	2,050	1,600	13,820	5,330	2,200	-
Total	27,000	2,000	2,050	1,600	13,820	5,330	2,200	

FY 1986
PROGRAM HIGHLIGHTS

- $5 million for long and short term training in response to Regional economic and political concerns.
- $10 million for strengthening free trade union institutions in the Region.
- $3.65 million for Regional health and population activities.
- $2.53 million for human rights, environmental management and private sector projects.

LAC REGIONAL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	-	-	-
Grants	18,775	40,234	31,426
Total AID	18,775	40,234	31,426
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480			
Total AID and P.L. 480	18,775	40,234	31,426

** AID levels represent actual and estimated expenditures*
*** P.L. 480 levels represent actual and estimated value of shipments*

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	-	-	-	-
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total *(of which Title III is)*	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	-	-	-	-	-	-
Government - to - Government						
Title II Total	-	-	-	-	-	-
Total P.L. 480	-	-	-	-	-	-

1/ See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

LAC REGIONAL

Development Overview

The LAC Regional program supports activities in Latin America and the Caribbean (LAC) which are implemented in more than one country or serve concerns of special interest which cannot be addressed as effectively through bilateral programs. The Regional program also permits A.I.D. to provide special services to the bilateral Mission programs.

The Regional program supports organizations which carry out activities in all three of the area's sub-regions. Examples of these organizations are SOLIDARIOS, the coordinating agency for the several national development foundations (NDF) throughout the region; the American Institute for Free Labor Development (AIFLD), the U.S. labor agency with program activities in nearly every LAC nation; and the Partners of the Americas (NAPA), which promotes private citizen involvement in Latin American development and partnerships between states within the United States and Latin American nations and cities. These three organizations have been very effective in working with and strengthening local institutions throughout the region. SOLIDARIOS, headquartered in the Dominican Republic, helps to fund NDF programs and provides technical assistance to these foundations in their efforts to provide credit and assistance to small enterprises in most Latin American countries. AIFLD is strengthening free trade union institutions in Latin America and the Caribbean. Its activities presently are carried out through 16 national programs and a regional Agrarian Union Development program. It also includes a regional Union-to-Union program. The principal objectives of the partnerships supported by NAPA are to increase private sector participation in the development process, to develop self-help efforts, to strengthen local community organizations, and to establish lasting friendship among the peoples of the United States and Latin America. The program at the present time includes 54 partnerships in 43 U.S. states working with their counterparts in 27 LAC countries.

The Regional program finances projects to test new experimental technologies on a pilot basis which, if proven successful in one or more countries, ultimately can be shifted to bilateral programs. One example of such a pilot program is the Rural Communications Services project (598-0581) in Peru which employs satellite communications to serve the education and information needs of isolated rural communities in agriculture, nutrition and health. Another example is the Highscope Preschool Education (598-0615) project. A 1984 evaluation of the Highscope project, which has as its purpose the expansion and improvement of preschool and day care opportunities at selected sites in Latin America, indicates that the project is having impact in the training institutions, the child-care centers and communities participating in the program.

Institution-building on a regional basis is a key feature of the Regional program. Ongoing projects in this area are Science and Technology Information Transfer (598-0572) and Education Research Networks (598-0589), each of which

has had considerable success. For example, under the Science and Technology Transfer project, A.I.D. is assisting the Department of Commerce's National Technical Information Service (NTIS) to develop a network of distributors of NTIS technological information. A recent evaluation suggests that "the exceptionally high utilization rate [of NTIS data] is not only a very important source of information for the transfer of technology in the region, but that the uses to which the information is put and the frequency with which it is applied demonstrate its significant actual and potential contributon towards technological capacity building." The project supplies requested information to some 20,000 users each year.

A major focus of the LAC Regional program is training. Most of the regional activities include funds for that purpose. The LAC Regional program has contained a specific training activity since 1979 (Training for Development, 598-0588, 1979-1983). More recent projects, developed specifically in response to the region's developmental and political concerns are the LAC Training Initiatives I (598-0622) and II (598-0640) projects (1982-1987) and the 1983 Caribbean Basin Scholarship Fund (598-0626). Under the Training Initiatives and Caribbean Basin Scholarship activities, over 1,200 participants have been trained in both long-term and short-term programs in the United States. A.I.D. had established an LAC region training goal of 1,476 participants for FY 1984, and with the successful implementation of the two Regional projects, has exceeded the goal by 34%.

The Regional program also enables A.I.D. to support programs in the advanced developing countries (ADC) in which A.I.D. does not have bilateral programs, such as Colombia, Mexico and Paraguay. Examples of projects assisting ADCs are Training Initiatives, Development of Environmental Management Systems (598-0605), Energy Resources Development (598-0606), and Intercountry Technology Transfer (598-0616).

Program Summary

The LAC Regional program has averaged about 25 projects and $22 million in Development Assistance (DA) grant funding per year over the last five years. In addition, in FY 1983 under the Caribbean Basin Initiative, the program received $13 million in Economic Support Fund (ESF) grants for programs with AIFLD, SOLIDARIOS, a Caribbean Basin scholarship program, and three private and voluntary organization (PVO) activities in agriculture and health. In FY 1985, the LAC Regional program totals $26.336 million of DA funding and $2.0 million of ESF. The FY 1986 request is for $24.8 million of DA and $2.2 million of ESF. ESF funding is provided in both years for AIFLD's activities and the FY 1986 budget includes $200,000 for Human Rights Initiatives.

A.I.D. Program (FY 1984 - FY 1985)

The program's major ongoing activities are in the fields of energy and environmental conservation, training, technology transfer, the private sector and institution building.

The Development of Environmental Management Systems project (598-0605), begun in FY 1979, funds experts to work with A.I.D. missions to overcome their environmental problems. In Jamaica, funds have been provided to support the development of a country environmental profile. In another instance, funds have been provided to the Smithsonian Institution to produce giant crabs in the Caribbean using new scientific methods developed by the Smithsonian's marine systems laboratory.

The Energy Resources Development project (598-0606), which began in FY 1979, has provided over $1,500,000 to assist LAC countries to undertake energy sector assessments, surveys, and feasibility studies leading to the adoption of national energy plans, improved exploitation of conventional and nonconventional energy resources, energy conservation, and low-cost approaches to alternative energy which benefit the urban and rural poor.

The LAC Training Initiatives I (598-0622) and II (598-0640) projects finance short and long-term training in the United States for participants from the public and private sectors of the LAC region. This regional initiative will be continued along with a companion Central American Regional project which will specifically target Central America. Together the projects will direct U.S. scholarship opportunities to nearly 8,000 individuals and will have an impact on a far greater number of beneficiaries through training of trainer multiplier effects. Particular emphasis is being placed on selecting candidates who are socially and economically disadvantaged and who are likely to become political and entrepreneurial leaders. The projects include in-country English language, remedial training and orientation programs permitting the disadvantaged to participate without a loss in program quality. The project also includes mechanisms to encourage support from other organizations. For example, training in the U.S. private sector involves U.S. companies underwriting part of the training costs, thus reducing the costs per person/year to A.I.D.

The Private Sector Initiatives project (598-0619) is stimulating private sector involvement and taps private sector resources for solutions to social and economic problems facing the region. Project funds are being utilized to undertake surveys and assessments of constraints to and opportunities for increased private investment. Other activities include examining the impact of various governmental policies on the private sector and preparing feasibility studies for new investment opportunities such as trading companies and industrial development banks. Specific projects include an activity with the Chicago Association of Commerce and Industry which has helped to stimulate almost $20 million in nontraditional export trade from Costa Rica and the Dominican Republic. Another important activity is being carried out through Caribbean/Central America Action. Twenty U.S. Chambers of Commerce have been mobilized to provide technical and administrative assistance to chambers of the region. These efforts have increased membership, improved chamber services, and have resulted in more effective participation in national, private-sector policy development.

Three new projects begin in FY 1985. The Technology Development and Transfer in Health project (598-0632), will adapt and extend existing technologies which address major diseases and significant organizational and financial problems in delivering health services in LAC countries.

The Private Voluntary Organization Sector Policy and Program Design project (598-0634) responds to A.I.D. efforts to increase and strengthen the role of PVOs in economic and social development in the region. It will assist the A.I.D. missions in LAC in the initiation, improvement and expansion of working relationships with the PVOs operating in their countries.

The Population Resource Development project (598-0631) supports the increased utilization of the private sector in reducing rapid population growth. The project will improve the financial and human resource development capacity of private sector family planning groups to make their organizations more productive and self-financing.

As in previous years, the Program Development and Support project (598-0000) continues to fund agricultural studies, population analyses, health seminars, education conferences and project documentation and evaluations.

Requested Year Program (FY 1986)

A total of $24.8 million of DA and $2.2 million of ESF is requested for the LAC Regional program in FY 1986. Of this amount, $26.775 million will finance ongoing projects. In addition, $225,000 will fund two new project starts.

The LAC Women In Development project (598-06392 will provide the technical support needed to incorporate women-in-development concerns into A.I.D. policies, strategy, programs and evaluations in the LAC region. It will also translate those concerns into operational terms through the identification, design, and implementation of projects which enhance productivity and promote access to economically productive resources in all development sectors.

The Tenure Security and Land Market Research project (598-0638) will support applied research on tenure issues and agrarian reform problems, particularly title security, agricultural land markets and post-reform adjustment problems. The regional approach to land tenure issues in this project will provide the important advantages of comparative research. Project activities will include comparative studies of land titling systems in Honduras, Ecuador, St. Lucia, Bolivia and Guatemala, and a review of organizational and productivity issues on group farms established in the 1960s and 1970s.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LAC REGIONAL

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROGRAM DEVELOPMENT AND SUPPORT	G	598-0000	69	C	---	---	4,150	3,636	697	1,000	950	1,000
LATIN AMERICA CROP INSURANCE SYSTEM	G	598-0579	78	84	5,305	5,189	5,189	4,910	---	279	---	---
APPROPRIATE TECHNOLOGY FOR RURAL WOMEN	G	598-0600	79	85	687	687	587	460	100	171	---	50
DEV OF ENVIRONMENTAL MANAGEMENT SYS	G	598-0605	79	C	---	---	1,318	891	1,009	1,200	400	550
INTERCOUNTRY TECHNOLOGY TRANSFER	G	598-0616	84	C	---	---	---	---	260	200	100	150
LAC TRAINING INITIATIVES I	G	598-0622	82	85	5,500	4,866	4,866	1,844	---	2,000	---	2,000
SMALL PROJECT ASSISTANCE PROGRAM	G	598-0625	83	C	---	---	760	455	400	500	400	500
TENURE SECURITY AND LAND MARKET RESEARCH	* G	598-0638	86	89	---	800	---	---	---	---	150	50
LAC TRAINING INITIATIVES II	G	598-0640	85	87	310	310	---	---	310	100	---	200
TOTAL FOR ACCOUNT					11,802	11,852	16,870	12,196	2,776	5,450	2,000	4,500
GRANTS					11,802	11,852	16,870	12,196	2,776	5,450	2,000	4,500
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
PROGRAM DEVELOPMENT AND SUPPORT	G	598-0000	69	C	---	---	604	301	150	300	150	200
INTERCOUNTRY TECHNOLOGY TRANSFER	G	598-0616	84	C	---	---	---	---	300	100	750	400
POPULATION RESOURCE DEVELOPMENT	G	598-0631	85	89	---	5,000	---	---	500	300	650	500
LAC POPULATION INITIATIVES	G	598-0641	85	89	---	5,000	---	---	500	300	500	500

*Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LAC REGIONAL

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
TOTAL FOR ACCOUNT					---	10,000	604	301	1,450	1,000	2,050	1,600
GRANTS					---	10,000	604	301	1,450	1,000	2,050	1,600
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROGRAM DEVELOPMENT AND SUPPORT	G	598-0000	69	C	---	---	367	170	100	175	100	150
INTERCOUNTRY TECHNOLOGY TRANSFER	G	598-0616	34	C	---	---	---	---	---	---	500	200
TECHNOLOGY DEV AND TRANSFER IN HEALTH	G	598-0632	85	88	---	8,000	---	---	850	450	1,000	1,200
TOTAL FOR ACCOUNT					---	8,000	367	170	950	625	1,600	1,550
GRANTS					---	8,000	367	170	950	625	1,600	1,550
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	598-0000	69	C	---	---	250	189	120	140	120	150
FREE LABOR DEVELOPMENT AIFLD (PVO)	G	598-0101	62	C	---	---	76,820	70,171	8,000	12,500	8,000	9,500
RURAL COMMUNICATIONS SERVICES	G	598-0581	79	83	2,039	2,039	2,039	1,789	---	250	---	---
TRAINING FOR DEVELOPMENT	G	598-0588	79	83	5,075	4,707	4,707	4,018	---	689	---	---
EDUCATION RESEARCH NETWORKS	G	598-0589	80	84	---	---	840	835	---	---	---	---
INTERCOUNTRY TECHNOLOGY TRANSFER	G	598-0616	84	C	---	---	---	---	500	150	500	500
LAC TRAINING INITIATIVES I	G	598-0622	82	85	10,544	10,544	10,294	4,517	250	1,510	---	2,500
LAC EDUCATION INFORMATION NETWORK	G	598-0635	84	87	983	983	---	---	200	200	200	200
LAC TRAINING INITIATIVES II	G	598-0640	85	87	14,690	14,690	---	---	4,240	1,000	5,000	3,000

*Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LAC REGIONAL

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIG ATIONS	-THROUGH FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	-ESTIMATED FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	-PROPOSED FY86- EXPENDI TURES
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G	598-9999	78	C	---	---	879	703	330	300	---	206
TOTAL FOR ACCOUNT					33,331	32,963	95,829	82,222	13,640	16,739	13,820	16,056
GRANTS					33,331	32,963	95,829	82,222	13,640	16,739	13,820	16,056
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	598-0000	69	C	---	---	686	591	304	200	300	300
CONSULTANTS AND SEMINARS	G	598-0044	68	C	---	---	2,972	2,902	---	70	---	---
PARTNERS OF THE AMERICAS (NAPA) (PVO)	G	598-0436	65	C	---	---	6,877	5,726	915	950	900	900
SCIENCE AND TECHNOLOGY INFO TRANSFER	G	598-0572	77	87	5,473	5,473	2,773	2,268	600	500	600	550
SOLIDARIDOS (PVO)	G	598-0587	78	85	4,000	4,000	3,600	3,596	400	404	---	---
HUMAN RIGHTS INITIATIVES	G	598-0591	78	C	---	---	4,959	3,500	750	1,700	500	950
DEV OF ENVIRONMENTAL MANAGEMENT SYS	G	598-0605	79	C	---	---	2,810	2,124	300	800	500	500
ENERGY RESOURCES DEVELOPMENT	G	598-0606	79	C	---	---	1,691	1,531	150	200	150	150
INTERCOUNTRY TECHNOLOGY TRANSFER	G	598-0616	84	C	---	---	---	---	1,340	600	800	700
PRIVATE SECTOR INITIATIVES	G	598-0619	82	C	---	---	2,502	1,767	1,900	2,450	930	1,000
PVO SECTOR POLICY AND PROGRAM DESIGN	G	598-0634	85	87	---	450	---	---	150	75	75	50
LAC STATISTICS TRAINING CTR.	G	598-0636	85	87	---	1,500	---	---	446	400	500	400
LAC WOMEN IN DEVELOPMENT PROGRAM	• G	598-0639	86	C	---	---	---	---	---	---	75	50
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G	598-9999	78	C	---	---	401	317	80	60	---	20

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: LAC REGIONAL

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
TOTAL FOR ACCOUNT					9,473	11,423	29,271	24,322	7,535	8,409	5,330	5,570
GRANTS					9,473	11,423	29,271	24,322	7,535	8,409	5,330	5,570
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
FREE LABOR DEVELOPMENT AIFLD (PVO)	G	598-0101	62	C	---	---	4,000	2,000	2,000	2,000	2,000	2,000
HUMAN RIGHTS INITIATIVES	G	598-0591	78	C	---	---	---	---	---	---	200	150
CARIBBEAN BASIN SCHOLARSHIP FUND	G	598-0626	83	83	7,500	7,500	7,500	2,645	---	4,855	---	---
PRIVATE AND VOL ORGANIZATIONS - OPG'S	G	598-9999	78	C	---	---	2,300	1,144	---	1,156	---	---
TOTAL FOR ACCOUNT					7,500	7,500	13,800	5,789	2,000	8,011	2,200	2,150
GRANTS					7,500	7,500	13,800	5,789	2,000	8,011	2,200	2,150
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					62,106	81,738	156,741	125,000	28,351	40,234	27,000	31,426
GRANTS					62,106	81,738	156,741	125,000	28,351	40,234	27,000	31,426
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: LAC REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	ARDN	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Tenure Security and Land Market Research		150,000		FY 86 150,000	Life of Project Funding 800,000	
Number 598-0638 [X] GRANT [ ] LOAN	[X] NEW [ ] CONTINUING	Population	ED. & HR	Sel. Act.	Initial Obligation FY 86	Estimated Final Obligation FY89	Estimated Completion Date of Project FY 89

Purpose: To support applied research on tenure-related issues and agrarian transformation problems, particularly title security, agricultural land markets and post-reform adjustment problems in the Latin American region. This research is aimed at providing agricultural development officers and LDC officials with programmatic information for key project design and implementation decisions.

Project Description: The LAC Regional Strategy Statement identifies inequitable access to resources as one of five major constraints to agricultural development. Past experience has demonstrated that insecure tenure and lack of access to agricultural land are directly related to low productivity, rural poverty, deforestation and improper soil management practices. New and innovative programs to confront these issues are either being considered or are underway in several countries of the LAC Region. In addition, new types of commercial land market programs are being comtemplated in a number of countries. In a recent workshop on land tenure problems sponsored by LAC, agricultural development officers advised that research is needed in three specific areas. These include; a) the type of organizational measures which complement improved access to resources: b) the changes in land use practices which result from improved access programs; and c) the need for legislative changes which permit improved access.

A regional-level approach to land tenure issues will be utilized in this project to gain the important advantages of comparative research. For instance, insecure land tenure and agricultural land markets are immediate concerns to most LAC Missions and it has become clear that a regional effort is required to address these common problems and to complement individual Missions' programs in order to share project experiences and research results. Assessing the developmental impacts of providing enhanced tenure security through land titles and improving land transfer systems to facilitate commercial land market operations are important examples of how applied research can help provide policy and project design guidance. Project activities will include: (1) comparative studies of land titling systems in Honduras, Ecuador, St. Lucia, Bolivia and Guatemala; (2) land market profiles of various countries including the Dominican Republic, Honduras, Guatemala, El Salvador, Ecuador, and Peru; (3) a possible evaluation of titling and land transfer systems in non-A.I.D nations such as Colombia, Argentina, and Mexico; and (4) a review of organizational and productivity issues on group farms established in the 1960s and 1970s and the tendency of these farms to sub-divide into family units.

Relationship to AID Regional Strategy: These activities contribute directly to AID's strategy to search for alternative solutions to problems associated with lack of access to land and tenure security. This type of information will improve AID's ability to translate tenure-related problems into policy decisions and project design.

Host Country and Other Donors: Counterpart personnel, research assistants and research facilities will be contributed by host-country governments, local universities and PVOs.

Beneficiaries: Beneficiaries include three broad groups: research and administrative institutions, both public and private, can improve their response capabilities to deal more effectively with land transfer procedures; the regional rural development offices obtain advantage of collaborative efforts and comparative research; and small- and medium-sized farmers are able to make use of improved titling and transfer mechanisms.

PROGRAM: LAC Regional

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
LAC Regional Women-In-Development Program	-	-	-	FY 1986 75	Life of Project Funding Continuing

Number 598-0639	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING	-	-	75	FY 1986	FY Continuing	FY Continuing

Purpose: To provide the LAC Bureau and LAC missions with a mechanism for expeditiously obtaining technical and financial resources needed to (1) incorporate women-in-development (WID) concerns into Bureau and mission policy, strategy, and evaluation and (2) translate those concerns into operational terms through the identification, design, and implementation of projects which enhance productivity, raise income, and promote access to economically productive resources in all development sectors for LAC women.

Project Description: Nearly a decade has passed since Congress first introduced the subject of women in development into A.I.D.'s program. The 1973 "Percy Amendment" of the Foreign Assistance Act required that the U.S. bilateral assistance programs "be administered so as to give particular attention to those programs, projects and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort."

This legislative mandate addresses both equity and economic efficiency issues. This project will permit the LAC Bureau to more effectively carry out the following activities:

a. introduce gender distinctions into project documents in order to define more precisely the social context and impact of projects and programs;

b. disaggregate, by sex, data collected for country and regional strategy formulation, project identification, project design and implementation;

c. rely on sex-disaggregated social soundness analysis to inform and shape the project development process;

d. include in Bureau, regional and country strategy, project identification, and project planning documents explicit descriptions of positive and/or negative impacts on women and benchmarks by which women's participation can be measured;

e. introduce women-in-development issues into work scopes for consultants;

f. increase the number of women participating in LAC training programs; and

g. evaluate and assess the impact of LAC programs and projects according to gender differentials, both in relative and absolute terms, with regard to improvements in access to and control over resources and predicted benefits and returns.

An underlying assumption of the project is that women-in-development issues are not adequately addressed in the current LAC project portfolio because of lack of several factors, among them: (1) awareness of the importance of the issue for achieving comprehensive and sustained development; (2) technical expertise in the Bureau and LAC missions to address WID concerns; (3) knowledge of appropriate consultants with the required skills to address the concerns; (4) facilitating contractual mechanisms for carrying out the kinds of studies and activities required; and in some cases, (5) adequate funding. The proposed project will provide funding and a direct mechanism to access the expertise needed to address women-in-development concerns.

Relationship to A.I.D. Regional Strategy: The Percy Amendment requires A.I.D. to address women in development issues and the Agency has issued a policy paper on women in development. The LAC Bureau has placed high priority on improving its performance in the WID area. This project is consistent with Agency and Bureau objectives.

Host Country and Other Donors: The governments of the LAC region are concerned about WID issues and, in most cases, have good records. Other donors in the region also address WID concerns in their programs. A.I.D., with the implementation of this project, will assume a leadership role in the WID area.

Beneficiaries: The primary beneficiaries will be the women of LAC countries. However, because women and girls represent over 50% of the population and are underutilized resources for development, increasing their participation in the development process will result in more balanced and stable social and economic growth for all citizens of these benefitting countries.

Previous Page Blank

Previous Page Blank

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: GUYANA

CP 86

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
RICE MODERNIZATION II	G	504-0072	78	82	1,250	1,250	1,250	646	---	404	---	---
WEANING FOODS DEVELOPMENT	G	504-0075	78	82	1,175	1,175	1,175	528	---	647	---	---
AGRICULTURE SECTOR PLANNING	L	504-0077	80	82	1,000	1,000	1,000	596	---	404	---	---
TOTAL FOR ACCOUNT					3,675	3,425	3,425	1,970	---	1,455	---	---
GRANTS					2,675	2,425	2,425	1,374	---	1,051	---	---
LOANS					1,000	1,000	1,000	596	---	404	---	---
HEALTH												
RURAL HEALTH SYSTEMS	G	504-0066	79	79	1,800	1,800	1,800	1,322	---	1,322	---	---
RURAL HEALTH SYSTEMS	L	504-0066	79	79	2,900	2,900	2,900	1,605	---	1,605	---	---
TOTAL FOR ACCOUNT					4,700	4,700	4,700	2,927	---	2,927	---	---
GRANTS					1,800	1,800	1,800	1,322	---	1,322	---	---
LOANS					2,900	2,900	2,900	1,605	---	1,605	---	---
TOTAL FOR COUNTRY					8,375	8,125	8,125	4,897	---	4,382	---	---
GRANTS					4,475	4,225	4,225	2,696	---	2,373	---	---
LOANS					3,900	3,900	3,900	2,201	---	2,009	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: PARAGUAY

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROGRAM DEV. AND SUPPORT	G 526-0000	79	C	---	---	160	---	---	120	---	60
SMALL FARM TECHNOLOGY	G 526-0109	79	81	1,000	1,000	1,000	884	---	98	---	---
SMALL FARM TECHNOLOGY	L 526-0109	79	81	5,000	5,000	5,000	3,170	---	1,799	---	---
MINIFUNDIA CROP INTENSIFICATION	G 526-0118	79	81	2,250	2,250	2,000	1,362	---	68.	---	---
TOTAL FOR ACCOUNT				6,250	8,250	6,180	5,416	---	2,697	---	60
GRANTS				3,250	3,250	3,180	2,246	---	898	---	60
LOANS				5,000	5,000	5,000	3,170	---	1,799	---	---
TOTAL FOR COUNTRY				6,250	8,250	6,180	5,416	---	2,697	---	60
GRANTS				3,250	3,250	3,180	2,246	---	898	---	60
LOANS				5,000	5,000	5,000	3,170	---	1,799	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: SURINAME

CP 66

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	-THROUGH FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	-ESTIMATED FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	-PROPOSED FY86- EXPENDITURES
ECONOMIC SUPPORT FUND												
TECHNICAL CONSULTANTS AND TRAINING	G	506-0019	82	82	500	500	500	---	---	---	---	---
TOTAL FOR ACCOUNT					500	500	500	---	---	---	---	---
GRANTS					500	500	500	---	---	---	---	---
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					500	500	500	---	---	---	---	---
GRANTS					500	500	500	---	---	---	---	---
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

ADDITIONAL PROGRAM REQUIREMENTS*

TITLE	ESTIMATED LENGTH OF PROJECT	ESTIMATED 1ST YEAR COST	PURPOSE
BOLIVIA			
Agriculture, Rural Development and Nutrition			
511-0568 Producer Organizations	FY 1986-FY 1989	3,000 (L) 1,000 (G)	To strengthen and develop producer organizations which will garner greater profits for agricultural producers and artisans. These organizations will provide storage, sorting and marketing services for their members and serve as bargaining agents.
511-0572 Agroindustrial Development	FY 1986-FY 1989	5,000 (L) 500 (G)	To establish a private financing facility, to increase development for private agricultural enterprises, and to expand the role of the private sector in argoindustry.
511-0573 Market Town Capital Formation	FY 1986-FY 1987	4,000 (L) 750 (G)	To promote private-sector development in secondary urban and semi-urban areas in the La Paz-Cochabamba-Santa Cruz corridor.
511-0576 Chapare Marketing and Agribusiness	FY 1986-FY 1988	2,100 (L) 345 (G)	To provide support for the elimination of illicit coca production, develop marketing facilities which are necessary to promote agri-business development, and develop new outlets for the Chapare region's agricultural produce.
DOMINICAN REPUBLIC			
Education and Human Resources			
517-0189 Center for Dominican Governmental Affairs	FY 1986-FY 1988	500 (G)	To strengthen and institutionalize the development of the Dominican democratic process and to enhance the soundness of public decision-making.
Selected Development Activities			
517-0218 Improving CDE Reveune Collection	FY 1986-FY 1988	2,500 (L)	To provide technical assistance and equipment to assist CDE in reducing fraudulent hook-ups by installing metered connections and tightening collection procedures.
517-0219 Mini-Hydro Expansion	FY 1986-1991	2,000 (L	Based on experience gained from the mini-hydro pilot project (517-0144), construct about 15 small hydro-electric power plants in rural areas.
517-0221 Power Plant Rehabilitation and Maintenance	FY 1986-FY 1989	500 (G) 3,000 (L)	To finance rehabilitation of key thermal electric power plants to improve their efficiency and permit a realistic utility rate structure.

*Projects identified for implementation if additional funds become available. ("Shelf Projects")

ADDITIONAL PROGRAM REQUIREMENTS*

TITLE	ESTIMATED LENGTH OF PROJECT	ESTIMATED 1ST YEAR COST	PURPOSE
PERU			
Agriculture, Rural Development and Nutrition			
527-0282 Agricultural Sector Recapitalization	FY 1986-FY 1990	2,000 (G) 4,000 (L)	To support and accelerate the implementation of policies that: 1) stimulate the financial recapitalization and expansion of agricultural production, processing and marketing systems by the private sector, and 2) continue to rebuild and expand the complementary technical and managerial capabilities of public sector agricultural service institutions.
527-0286 Private Sector Export and Investment Promotion	FY 1986	1,500 (G) 3,000 (L)	To strengthen the role of the private sector in Peru and to increase foreign exchange earnings through the improvement of the policy climate for the private sector, the establishment of an effective investment promotion system, and the expansion of non-traditional exports to world markets.
527-0285 Improved Health Sector Efficiency (Nutrition)	FY 1986-FY 1988	500 (G) 1,500 (L)	To support the implementation of specific health sector policies which increase the efficiency and viability of the health care system, and to continue strengthening the primary health care system in the private and public sectors to expand coverage, (including maternal child health, family planning, oral rehydration therapy (ORT), immunizations, growth monitoring, nutrition education and rural water sanitation services) to the more than 50% of population under-served or not currently attended.
Population			
527-0285 Improved Health Sector Efficiency (Population)	FY 1986-FY 1988	1,000 (G)	
Health			
527-0285 Improved Health Sector Efficiency (Health)	FY 1986-FY 1988	1,000 (G) 3,000 (L)	
Selected Development Activities			
527-0286 Private Sector Export and Investment Promotion	FY 1986	1,500 (G) 12,000 (L)	See 527-0286 under ARDN

*Projects identified for implementation if additional funds become available. ("Shelf Projects")