AGENCY FOR INTERNATIONAL DEVELOPMENT

Congressional Presentation
Fiscal Year 1987

ANNEX II

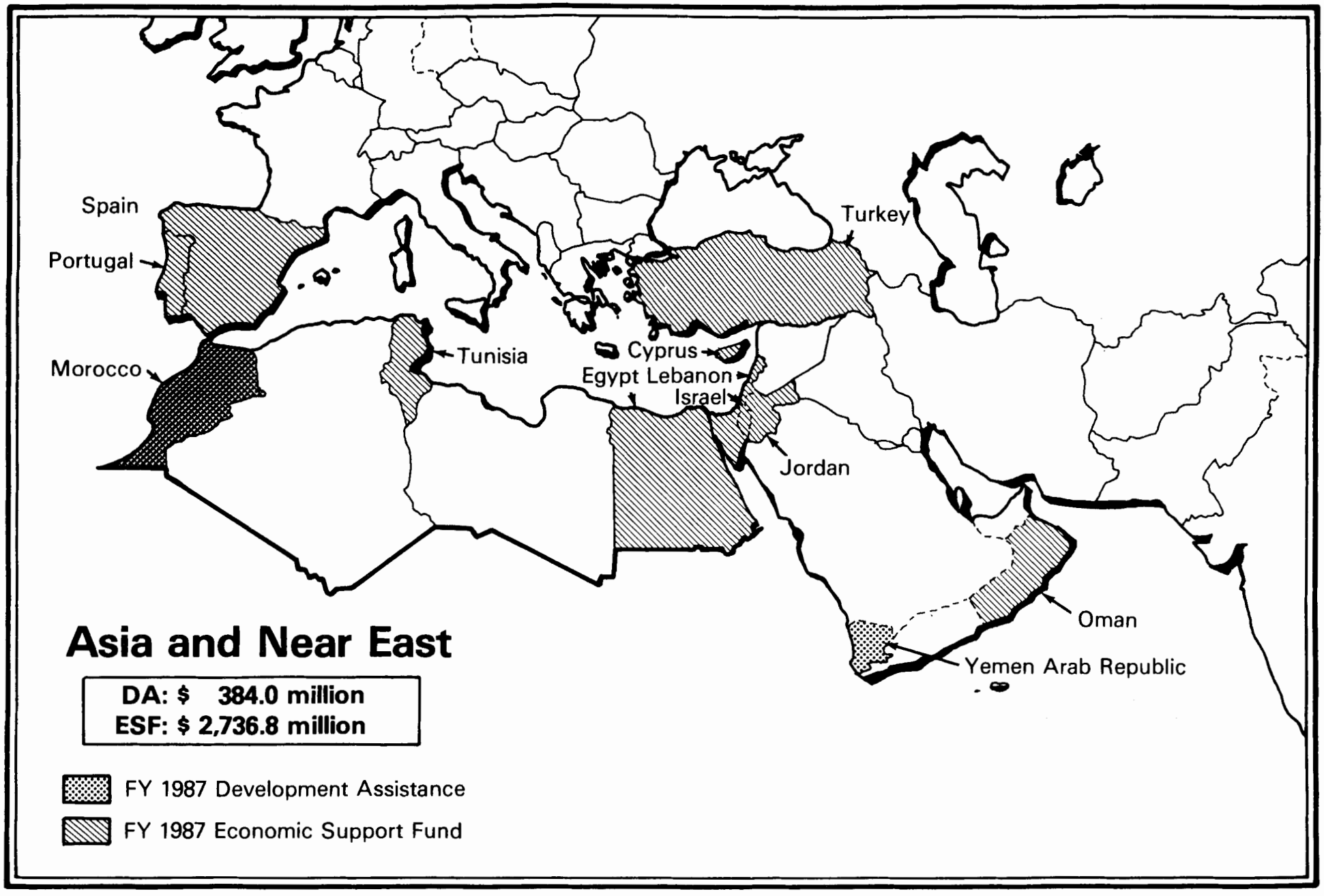
Asia and Near East

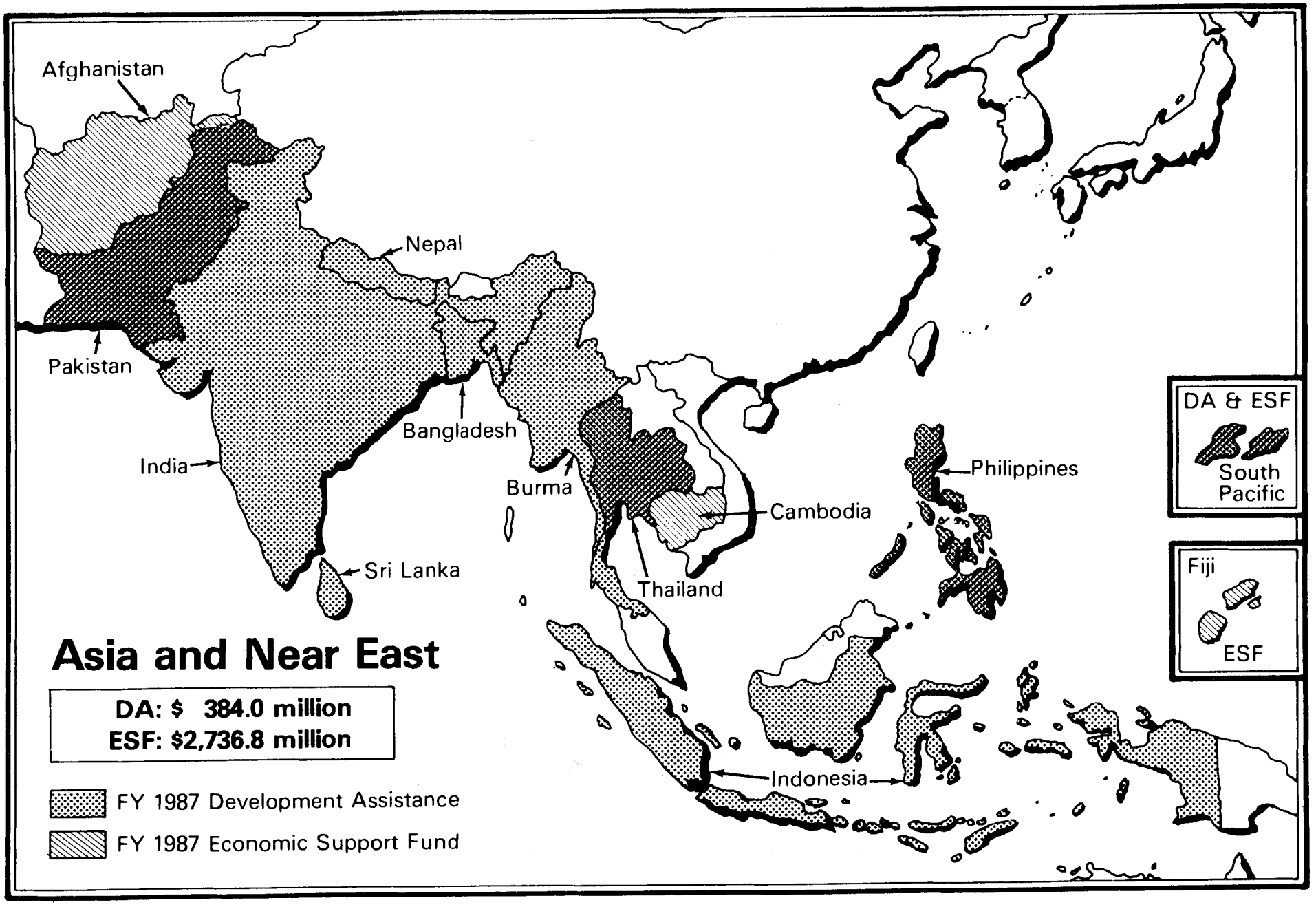
ASIA and the NEAR EAST

Responsible Officer:

Charles W. Greenleaf Jr.

CHARLES W. GREENLEAF, Jr.
Assistant Administrator
Bureau for Asia and the Near East


Spain
Portugal
Morocco
Tunisia
Cyprus
Egypt
Lebanon
Israel
Jordan
Turkey
Oman
Yemen Arab Republic
Asia and Near East
DA: $ 384.0 million
ESF: $ 2,736.8 million
FY 1987 Development Assistance
FY 1987 Economic Support Fund


Afghanistan
Nepal
Pakistan
Bangladesh
India
Burma
Cambodia
Philippines
Sri Lanka
Thailand
Indonesia
DA & ESF
South Pacific
Fiji
ESF
Asia and Near East
DA: $ 384.0 million
ESF: $2,736.8 million
FY 1987 Development Assistance
FY 1987 Economic Support Fund

ANNEX II

Annex II presents to the Congrss all the Economic Support Fund (ESF) and Development Assistance (DA) programs for Asia and the Near East for which A.I.D. is requesting funds for FY 1987.

The Annex begins with a summary table which provides a breakout by country and appropriation account of fundings from FY 1984 to FY 1987 for both ESF and DA. There is also a regional summary table showing economic and social data for countries that receive A.I.D. assistance as well as for selected non-aid recipient countries. Immediately following these tables is an overview of the proposed DA and ESF programs followed, in alphabetical order by country narratives including the projects for which funds are being requested in twenty-three countries and two regional programs. The narratives are followed by planned project summary sheets, where applicable, which present in detail requests for proposed new projects in FY 1987. Note that the regional projects presented in this Annex are different from centrally funded activities, which are described in Annex IV.

Also included in this year's submission is a section consisting of proposed shelf projects for FY 1987. These are projects and activities not detailed in this proposal to Congress but which represent valid development requirements. To the extent that funds become available, such projects are candidates for funding in FY 1987.

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** ESF Only.

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Summary of Programs by Country and Appropriation

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

CP-87

REGION: BUREAU FOR ASIA AND NEAR EAST

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
AFGHANISTAN									
1984	---	---	---	---	---	---	---	---	---
1985	3,912	---	---	---	---	---	---	543	3,369
1986	17,812	---	---	---	---	---	---	17,812	---
1987	15,000	---	---	---	---	---	---	15,000	---
BANGLADESH									
1984	77,029	51,029	26,000	---	---	---	---	---	---
1985	85,070	47,770	32,000	---	5,000	300	---	---	---
1986	75,000	40,700	29,000	2,000	2,000	300	1,000	---	---
1987	75,000	40,000	29,000	---	2,500	2,000	1,500	---	---
BURMA									
1984	12,200	10,160	---	2,040	---	---	---	---	---
1985	14,930	12,750	---	2,180	---	---	---	---	---
1986	10,000	9,180	---	320	---	500	---	---	---
1987	10,000	8,000	---	1,500	---	500	---	---	---
CYPRUS									
1984	15,000	---	---	---	---	---	---	15,000	---
1985	15,000	---	---	---	---	---	---	15,000	---
1986	14,355	---	---	---	---	---	---	14,355	---
1987	3,000	---	---	---	---	---	---	3,000	---
EGYPT									
1984	852,949	---	---	---	---	---	---	852,949	---
1985	1,065,000	---	---	---	---	---	---	1,065,000	---
1986	1,031,382	---	---	---	---	---	---	1,031,382	---
1987	815,000	---	---	---	---	---	---	815,000	---
FIJI									
1984	---	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---
1986	1,357	---	---	400	---	---	---	957	---
1987	1,500	---	---	---	---	---	---	1,500	---
INDIA									
1984	87,500	72,300	10,400	2,200	---	2,600	---	---	---
1985	85,000	53,600	20,900	6,500	---	---	4,000	---	---
1986	75,000	51,200	---	12,700	6,000	---	5,100	---	---
1987	72,000	60,600	---	6,000	---	1,400	4,000	---	---

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

CP-87

REGION: BUREAU FOR ASIA AND NEAR EAST

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
INDONESIA									
1984	74,649	45,955	9,500	2,850	---	11,010	5,287	---	47
1985	66,303	42,380	1,500	15,125	---	4,760	2,500	---	38
1986	52,960	36,110	---	11,400	---	2,300	3,150	---	---
1987	55,000	28,875	6,000	8,400	---	4,500	7,225	---	---
ISRAEL									
1984	910,000	---	---	---	---	---	---	910,000	---
1985	1,950,000	---	---	---	---	---	---	1,950,000	---
1986	1,898,400	---	---	---	---	---	---	1,898,400	---
1987	1,200,000	---	---	---	---	---	---	1,200,000	---
ITALY									
1984	10,000	---	---	---	---	---	---	10,000	---
1985	1,656	---	---	---	---	---	---	---	1,656
1986	---	---	---	---	---	---	---	---	---
1987	---	---	---	---	---	---	---	---	---
JORDAN									
1984	20,000	---	---	---	---	---	---	20,000	---
1985	100,000	---	---	---	---	---	---	100,000	---
1986	89,570	---	---	---	---	---	---	89,570	---
1987	18,000	---	---	---	---	---	---	18,000	---
LEBANON									
1984	28,063	---	---	---	---	---	---	27,778	285
1985	20,202	---	---	---	---	---	---	18,775	1,427
1986	21,942	---	---	---	---	---	---	21,942	---
1987	2,000	---	---	---	---	---	---	2,000	---
MOROCCO									
1984	26,435	9,900	5,260	---	---	3,105	1,170	7,000	---
1985	34,545	9,975	3,850	500	---	1,800	3,420	15,000	---
1986	31,484	10,400	3,200	---	2,000	1,900	2,500	11,484	---
1987	38,000	9,500	4,000	---	---	1,500	3,000	20,000	---
NEPAL									
1984	14,066	8,616	2,400	1,950	---	950	150	---	---
1985	19,128	12,329	2,600	2,600	---	1,493	106	---	---
1986	14,400	9,251	2,100	1,825	---	1,224	---	---	---
1987	14,400	10,219	1,229	1,699	---	1,253	---	---	---

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

CP-87

REGION: BUREAU FOR ASIA AND NEAR EAST

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
OMAN									
1984	15,000	---	---	---	---	---	---	15,000	---
1985	20,000	---	---	---	---	---	---	20,000	---
1986	9,570	---	---	---	---	---	---	9,570	---
1987	18,800	---	---	---	---	---	---	18,800	---
PAKISTAN									
1984	225,000	---	---	---	---	---	---	225,000	---
1985	250,000	37,800	12,200	---	---	---	---	200,000	---
1986	263,250	11,000	6,500	6,500	---	---	---	239,250	---
1987	275,000	13,200	8,800	---	---	3,000	---	250,000	---
PHILIPPINES									
1984	82,120	20,320	5,300	2,300	---	3,800	400	50,000	---
1985	175,376	25,833	---	4,500	---	300	3,767	140,000	976
1986	138,505	12,030	---	4,840	---	300	1,710	119,625	---
1987	118,000	13,850	4,000	1,450	---	650	3,050	95,000	---
POLAND									
1984	---	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---
1986	14,000	10,000	---	---	---	---	---	4,000	---
1987	---	---	---	---	---	---	---	---	---
PORTUGAL									
1984	40,000	---	---	---	---	---	---	40,000	---
1985	80,000	---	---	---	---	---	---	80,000	---
1986	76,560	---	---	---	---	---	---	76,560	---
1987	80,000	---	---	---	---	---	---	80,000	---
SPAIN									
1984	12,000	---	---	---	---	---	---	12,000	---
1985	12,000	---	---	---	---	---	---	12,000	---
1986	11,484	---	---	---	---	---	---	11,484	---
1987	12,000	---	---	---	---	---	---	12,000	---
SRI LANKA									
1984	44,735	37,044	---	7,048	---	143	500	---	---
1985	34,662	23,956	---	10,200	---	200	306	---	---
1986	20,000	16,350	---	2,000	---	100	1,550	---	---
1987	20,000	19,000	---	---	---	---	1,000	---	---

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

CP-87

REGION: BUREAU FOR ASIA AND NEAR EAST

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
THAILAND									
1984	35,848	14,000	3,568	7,700	---	103	1,232	9,115	130
1985	32,109	1,609	1,500	700	---	---	20,300	8,000	---
1986	24,000	12,850	900	1,200	---	---	4,050	5,000	---
1987	24,000	12,200	---	700	---	---	6,100	5,000	---
TUNISIA									
1984	1,550	---	---	---	---	---	40	1,500	10
1985	22,630	---	2,500	---	---	---	40	20,000	90
1986	19,140	---	---	---	---	---	---	19,140	---
1987	20,000	---	---	---	---	---	---	20,000	---
TURKEY									
1984	138,503	---	---	---	---	---	---	138,500	3
1985	175,000	---	---	---	---	---	---	175,000	---
1986	119,625	---	---	---	---	---	---	119,625	---
1987	150,000	---	---	---	---	---	---	150,000	---
YEMEN									
1984	27,392	10,932	---	8,461	---	7,959	40	---	---
1985	27,449	12,070	---	5,500	---	9,839	40	---	---
1986	23,000	11,550	---	3,950	---	7,500	---	---	---
1987	26,000	11,500	---	4,430	---	10,070	---	---	---
SO PACIFIC REGIONAL									
1984	5,532	2,900	---	155	---	1,945	532	---	---
1985	6,023	2,800	---	300	---	2,123	800	---	---
1986	5,457	2,400	---	400	---	1,000	700	957	---
1987	6,000	2,300	---	400	---	1,100	700	1,500	---
ASIA AND NEAR EAST REGIONAL									
1984	---	---	---	---	---	---	---	---	---
1985	---	---	---	---	---	---	---	---	---
1986	46,911	10,229	2,634	2,554	---	5,801	4,564	21,129	---
1987	52,100	8,702	1,971	2,830	---	5,147	3,450	30,000	---
ASIA REGIONAL									
1984	17,631	6,087	125	1,887	---	4,821	4,711	---	---
1985	19,333	7,109	643	3,229	---	4,360	3,992	---	---
1986	---	---	---	---	---	---	---	---	---
1987	---	---	---	---	---	---	---	---	---

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

CP-87

REGION: BUREAU FOR ASIA AND NEAR EAST

O F F I C E	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
NEAR EAST REGIONAL									
1984	18,963	495	1,655	448	---	1,817	558	13,990	---
1985	23,640	658	2,018	332	---	1,342	1,088	18,202	---
1986	---	---	---	---	---	---	---	---	---
1987	---	---	---	---	---	---	---	---	---
TOTAL									
1984	2,792,165	289,738	64,208	37,039	---	38,253	14,620	2,347,832	475
1985	4,338,968	290,639	79,711	51,666	5,000	26,517	40,359	3,837,520	7,556
1986	4,105,164	243,250	44,334	50,089	10,000	20,925	24,324	3,712,242	---
1987	3,120,800	237,946	55,000	27,409	2,500	31,120	30,025	2,736,800	---

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

REGION: ASIA

	POPULATION			HEALTH			EDUCATION			
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	--POPULATION DENSITY-- (PERSONS PER SQUARE KM) POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
AID RECIPIENT COUNTRIES										
AFGHANISTAN	15,056(85)	2.4% (85)	37(85)	16,728(78)	10% (80)	182(85)	20% (80)	54% (79)	44(82)	27(84)
BANGLADESH	101,408(85)	2.7% (85)	50(85)	10,936(79)	38% (80)	140(85)	29% (81)	53% (74)	955(82)	681(84)
BURMA	36,919(85)	2.0% (85)	56(85)	4,681(79)	21% (80)	89(85)	66% (80)	.% .	333(82)	54(84)
FIJI	700(85)	2.0% (85)	67(85)	2,232(80)	77% (80)	23(85)	79% (76)	49% (76)	221(82)	37(84)
INDIA	767,681(85)	2.1% (85)	56(85)	3,640(80)	41% (80)	101(85)	41% (81)	52% (71)	396(82)	228(84)
INDONESIA	173,103(85)	2.1% (85)	55(85)	11,529(79)	23% (81)	89(85)	67% (80)	51% (77)	483(82)	83(84)
KAMPUCHEA (CAMBODIA)	6,249(85)	2.2% (85)	44(85)	15,913(71)	.% .	. .	42% (63)	51% (62)	183(82)	39(84)
NEPAL	16,996(85)	2.7% (85)	47(85)	30,062(80)	14% (80)	107(85)	19% (75)	59% (71)	374(82)	114(84)
PAKISTAN	99,199(85)	2.6% (85)	51(85)	3,478(80)	35% (81)	125(85)	26% (81)	52% (81)	344(82)	115(84)
PHILIPPINES	56,808(85)	2.5% (83)	65(85)	7,966(80)	73% (83)	53(85)	83% (80)	48% (76)	494(84)	178(84)
SRI LANKA	15,599(85)	1.3% (84)	70(85)	7,172(80)	70% (81)	28(85)	86% (81)	51% (71)	763(79)	239(84)
THAILAND	51,546(85)	1.7% (85)	64(85)	7,104(79)	63% (80)	57(85)	88% (80)	51% (78)	250(82)	97(84)
CP SUMMARY	1,341,264 *	2.2% #	56 #	6,111	39% #	100 #	47% #	52% #	403 @	158 @

* = SUM, @ = ARITHMETIC MEAN, # = WEIGHTED MEAN (BY POPULATION), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

REGION: ASIA

	POPULATION		HEALTH				EDUCATION			
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	--POPULATION (PERSONS PER POP/AGRICUL-TURAL LAND	DENSITY-- SQUARE KM) POP/TOTAL LAND
SELECTED NON-AID RECIPIENT COUNTRIES										
CHINA	1,037,588(85)	0.8% (85)	67(85)	1,736(83)	50% (82)	50(85)	66% (82)	.% .	261(82)	108(84)
KOREA, DEMOCRATIC PEOPLE'	20,082(85)	2.3% (85)	66(85)	429(79)	.% .	30(85)	.% .	.% .	808(82)	163(84)
KOREA, REPUBLIC OF	42,643(85)	1.5% (85)	68(85)	1,690(80)	78% (80)	30(85)	88% (70)	47% (79)	1,764(82)	412(84)
MALAYSIA	15,467(85)	2.3% (85)	68(85)	7,911(77)	63% (80)	21(85)	58% (70)	48% (77)	333(82)	46(84)
SINGAPORE	2,556(85)	1.1% (85)	73(85)	1,152(80)	100% (80)	9(85)	83% (80)	59% (80)	24,718(82)	4,221(84)
VIETNAM	60,492(85)	2.5% (85)	65(85)	4,188(80)	.% .	59(85)	84% (79)	.% .	519(82)	182(84)
NCP SUMMARY	1,178,828 *	1.0% #	67 #	1,268	51% #	49 #	67% #	47% #	4,734 @	855 @
REGION SUMMARY	2,520,092 *	1.6% #	61 #	2,688	45% #	76 #	56% #	52% #	1,847 @	390 @

* = SUM, @ = ARITHMETIC MEAN, # = WEIGHTED MEAN (BY POPULATION), OTHERS = HARMONIC MEAN
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

	POPULATION		HEALTH				EDUCATION			
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	--POPULATION DENSITY-- (PERSONS PER SQUARE KM) POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
AID RECIPIENT COUNTRIES										
CYPRUS	665(85)	1.3% (84)	75(85)	1,123(80)	100% (80)	12(85)	89% (76)	61% (74)	122(82)	72(84)
EGYPT	49,133(85)	2.8% (85)	58(85)	971(80)	75% (80)	105(85)	44% (76)	47% (79)	1,545(82)	46(84)
ISRAEL	4,128(85)	1.9% (85)	75(85)	371(79)	.% .	13(85)	88% (72)	43% (80)	324(82)	201(84)
ITALY	57,116(85)	0.2% (85)	75(85)	342(79)	.% .	12(85)	94% (71)	55% (80)	323(82)	189(84)
JORDAN	2,668(85)	3.8% (84)	64(85)	1,165(82)	80% (82)	51(85)	65% (79)	36% (76)	204(81)	35(84)
LEBANON	2,619(85)	2.1% (85)	66(85)	536(79)	94% (75)	42(85)	68% (70)	42% (75)	851(82)	253(84)
MOROCCO	23,117(85)	2.4% (85)	53(85)	10,750(80)	55% (76)	93(85)	21% (71)	45% (71)	97(82)	48(84)
OMAN	1,228(85)	3.4% (85)	54(85)	1,903(80)	32% (76)	115(85)	.% .	.% .	104(82)	4(84)
POLAND	37,233(85)	0.8% (85)	72(85)	573(79)	47% (70)	18(85)	99% (78)	57% (78)	192(82)	118(84)
PORTUGAL	10,265(85)	0.5% (85)	72(84)	487(83)	78% (80)	18(85)	71% (70)	56% (81)	245(82)	111(84)
SPAIN	38,829(85)	0.6% (85)	75(85)	454(79)	.% .	9(85)	93% (81)	51% (79)	122(82)	76(84)
TUNISIA	7,259(85)	2.3% (85)	62(85)	3,686(80)	63% (82)	53(85)	47% (80)	47% (80)	82(82)	43(84)
TURKEY	50,661(85)	2.3% (85)	64(85)	1,631(80)	76% (80)	90(85)	69% (80)	51% (75)	126(82)	62(84)
YEMEN (SANAA) (NORTH)	6,159(85)	2.9% (85)	45(85)	13,320(79)	14% (81)	154(85)	9% (80)	45% (75)	76(82)	40(84)
CP SUMMARY	291,080 *	1.5% #	67 #	785	65% #	53 #	71% #	51% #	315 @	93 @

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

	POPULATION		HEALTH				EDUCATION			
	TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	--POPULATION (PERSONS PER SQUARE KM)-- POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
SELECTED NON-AID RECIPIENT COUNTRIES										
ALGERIA	22,107(85)	3.2% (85)	58(85)	2,629(79)	85% (80)	80(85)	45% (82)	40% (77)	45(82)	9(84)
BAHRAIN	427(85)	3.5% (85)	69(85)	956(80)	100% (75)	34(85)	63% (81)	56% (79)	3,760(82)	678(84)
IRAN	45,191(85)	3.1% (85)	61(85)	6,088(80)	60% (76)	112(85)	37% (76)	48% (76)	69(82)	27(84)
IRAQ	15,507(85)	3.2% (85)	60(85)	1,803(80)	70% (80)	80(85)	24% (65)	42% (77)	150(82)	35(84)
KUWAIT	1,710(85)	3.5% (85)	72(85)	588(80)	85% (76)	21(85)	68% (80)	50% (75)	1,116(82)	101(84)
LIBYA	3,752(85)	3.2% (85)	59(85)	733(80)	98% (80)	82(85)	50% (73)	42% (73)	21(82)	2(84)
SAUDI ARABIA	11,152(85)	3.2% (85)	57(85)	1,673(78)	91% (80)	100(85)	25% (80)	.% .	12(82)	5(84)
SYRIA	10,535(85)	3.7% (85)	67(85)	2,243(80)	71% (80)	51(85)	40% (70)	41% (79)	66(82)	54(84)
NCP SUMMARY	110,381 *	3.2% #	61 #	1,279	72% #	91 #	37% #	44% #	655 @	114 @
REGION SUMMARY	401,461 *	2.0% #	65 #	913	68% #	64 #	62% #	49% #	439 @	100 @

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION: ASIA

	GNP PER CAPITA, $US	DEBT: GOVERNMENT DEBT OUTSTANDING: AS % OF GNP	DEBT: GOVERNMENT DEBT OUTSTANDING: AS % OF EXPORTS	DEBT: DEBT SERVICE RATIO	FOREIGN ASSISTANCE: TOTAL US OBLIGATIONS: US AID $ MILLION	FOREIGN ASSISTANCE: TOTAL US OBLIGATIONS: US AID AS % GNP	FOREIGN ASSISTANCE: NET ECON. DISBURSEMENTS-ODA AS A % OF GNP: TOTAL US	FOREIGN ASSISTANCE: NET ECON. DISBURSEMENTS-ODA AS A % OF GNP: ALL SOURCE
AID RECIPIENT COUNTRIES								
AFGHANISTAN	. .	. .	. .	. .	0.0 (83)	. .	. .	. .
BANGLADESH	130 (83)	. .	. .	19.8 (83)	172.5 (83)	1.4 (83)	1.6 (83)	8.7 (83)
BURMA	180 (83)	. .	. .	39.9 (83)	19.0 (83)	0.3 (83)	0.1 (83)	4.8 (83)
FIJI	1,790 (83)	23.1 (79)	127.3 (82)	17.3 (83)	0.0 (83)	0.0 (83)	0.2 (83)	2.9 (83)
INDIA	260 (83)	43.2 (80)	816.8 (80)	10.3 (83)	209.6 (83)	0.1 (83)	0.1 (83)	1.2 (83)
INDONESIA	560 (83)	21.5 (80)	. .	13.7 (83)	138.8 (83)	0.2 (83)	0.1 (83)	1.1 (83)
KAMPUCHEA (CAMBODIA)	. .	. .	. .	. .	2.1 (83)	. .	. .	. .
NEPAL	160 (83)	. .	204.9 (78)	8.3 (83)	18.6 (83)	0.7 (83)	0.8 (83)	7.3 (83)
PAKISTAN	390 (83)	49.9 (80)	491.8 (80)	28.9 (83)	539.5 (83)	1.6 (83)	0.3 (83)	2.6 (83)
PHILIPPINES	760 (83)	21.4 (82)	169.5 (82)	25.0 (83)	154.2 (83)	0.4 (83)	0.4 (83)	1.2 (83)
SRI LANKA	330 (83)	77.6 (80)	296.4 (80)	15.7 (83)	80.5 (83)	1.5 (83)	1.2 (83)	9.4 (83)
THAILAND	820 (83)	24.8 (81)	124.1 (81)	15.0 (83)	125.0 (83)	0.3 (83)	0.1 (83)	1.2 (83)
CP SUMMARY	296	30.1	210.1	15.9	1459.8 *	0.4	0.1	2.1

* = SUM, OTHERS = HARMONIC MEANS
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION: ASIA

	GNP PER CAPITA, $US	DEBT: GOVERNMENT DEBT OUTSTANDING AS % OF GNP	DEBT: GOVERNMENT DEBT OUTSTANDING AS % OF EXPORTS	DEBT: DEBT SERVICE RATIO	FOREIGN ASSISTANCE: TOTAL US OBLIGATIONS US AID $ MILLION	FOREIGN ASSISTANCE: TOTAL US OBLIGATIONS US AID AS % GNP	FOREIGN ASSISTANCE: NET ECON. DISBURSEMENTS-ODA AS A % OF GNP TOTAL US	FOREIGN ASSISTANCE: NET ECON. DISBURSEMENTS-ODA AS A % OF GNP ALL SOURCE
SELECTED NON-AID RECIPIENT COUNTRIES								
CHINA	300 (83)	. .	. .	. .	0.1 (83)	0.0 (83)	0.0 (83)	0.2 (83)
KOREA, DEMOCRATIC PEOPLE'S	. .	. .	. .	. .	0.0 (83)	. .	. .	. .
KOREA, REPUBLIC OF	2,010 (83)	14.3 (80)	50.1 (80)	16.1 (83)	186.7 (83)	0.2 (83)	0.0 (83)	0.2 (83)
MALAYSIA	1,860 (83)	46.6 (79)	82.9 (79)	7.0 (83)	5.5 (83)	0.0 (83)	0.0 (83)	1.1 (83)
SINGAPORE	6,620 (83)	69.6 (80)	39.2 (80)	1.9 (83)	0.1 (83)	0.0 (83)	0.0 (83)	0.1 (83)
VIETNAM	. .	. .	. .	. .	0.0 (83)	. .	. .	. .
NCP SUMMARY	885	28.4	52.1	4.2	192.4 *	0.0	0.0	0.2
REGION SUMMARY	365	29.5	110.1	9.6	0.0 *	0.0	0.0	0.6

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

	GNP PER CAPITA, $US	DEBT: GOVERNMENT DEBT OUTSTANDING AS % OF GNP	DEBT: GOVERNMENT DEBT OUTSTANDING AS % OF EXPORTS	DEBT: DEBT SERVICE RATIO	FOREIGN ASSISTANCE: TOTAL US OBLIGATIONS US AID $ MILLION	FOREIGN ASSISTANCE: TOTAL US OBLIGATIONS US AID AS % GNP	FOREIGN ASSISTANCE: NET ECON. DISBURSEMENTS-ODA AS A % OF GNP TOTAL US	FOREIGN ASSISTANCE: NET ECON. DISBURSEMENTS-ODA AS A % OF GNP ALL SOURCE
AID RECIPIENT COUNTRIES								
CYPRUS	3,680 (83)	31.7 (81)	119.6 (81)	11.3 (83)	15.0 (83)	0.6 (83)	0.0 (83)	0.9 (83)
EGYPT	700 (83)	. .	. .	66.8 (83)	2332.0 (83)	6.8 (83)	3.0 (83)	4.6 (83)
ISRAEL	5,370 (83)	198.8 (78)	683.3 (78)	35.2 (83)	2485.0 (83)	11.0 (83)	5.8 (83)	6.2 (83)
ITALY	6,400 (83)	51.7 (80)	262.9 (80)	. .	13.2 (83)	0.0 (83)	0.0 (83)	0.0 (83)
JORDAN	1,640 (83)	40.4 (82)	256.2 (82)	36.7 (83)	72.9 (83)	1.6 (83)	0.5 (83)	16.5 (83)
LEBANON	. .	. .	. .	. .	153.9 (83)	. .	. .	. .
MOROCCO	760 (83)	43.1 (80)	320.3 (80)	54.4 (83)	155.2 (83)	1.0 (83)	0.3 (83)	2.2 (83)
OMAN	6,250 (83)	10.0 (81)	14.4 (81)	3.4 (83)	45.2 (83)	0.7 (83)	0.0 (83)	0.0 (83)
POLAND	. .	. .	. .	. .	24.8 (83)	. .	. .	. .
PORTUGAL	2,230 (83)	. .	. .	35.4 (83)	131.2 (83)	0.6 (83)	0.1 (83)	0.3 (83)
SPAIN	4,780 (83)	17.3 (80)	175.1 (80)	. .	414.5 (83)	0.2 (83)	0.0 (83)	0.0 (83)
TUNISIA	1,290 (83)	44.2 (80)	172.6 (80)	40.1 (83)	120.6 (83)	1.4 (83)	0.3 (83)	2.8 (83)
TURKEY	1,240 (83)	21.8 (80)	437.1 (80)	39.7 (83)	688.8 (83)	1.2 (83)	0.4 (83)	0.8 (83)
YEMEN (SANAA) (NORTH)	550 (83)	22.3 (79)	3857.3 (79)	443.6 (83)	36.1 (83)	0.9 (83)	0.6 (83)	9.0 (83)
CP SUMMARY	1,466	26.7	96.0	18.0	6688.4 *	0.0	0.3	1.7

* = SUM, OTHERS = HARMONIC MEANS
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

	GNP PER CAPITA, $US	DEBT: GOVERNMENT DEBT OUTSTANDING: AS % OF GNP	DEBT: GOVERNMENT DEBT OUTSTANDING: AS % OF EXPORTS	DEBT: DEBT SERVICE RATIO	FOREIGN ASSISTANCE: TOTAL US OBLIGATIONS: US AID $ MILLION	FOREIGN ASSISTANCE: TOTAL US OBLIGATIONS: US AID AS % GNP	FOREIGN ASSISTANCE: NET ECON. DISBURSEMENTS-ODA AS A % OF GNP: TOTAL US	FOREIGN ASSISTANCE: NET ECON. DISBURSEMENTS-ODA AS A % OF GNP: ALL SOURCE
SELECTED NON-AID RECIPIENT COUNTRIES								
ALGERIA	2,320 (83)	. .	. .	38.8 (83)	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
BAHRAIN	10,510 (83)	. .	6.2 (81)	. .	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
IRAN	. .	. .	. .	3.6 (77)	0.0 (83)	. .	. .	. .
IRAQ	. .	. .	. .	1.1 (77)	0.0 (83)	. .	. .	. .
KUWAIT	17,880 (83)	. .	. .	. .	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
LIBYA	8,480 (83)	. .	. .	. .	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
SAUDI ARABIA	12,230 (83)	. .	. .	. .	0.0 (83)	0.0 (83)	0.0 (83)	0.0 (83)
SYRIA	1,760 (83)	. .	. .	20.6 (83)	0.0 (83)	0.0 (83)	0.2 (83)	5.7 (83)
NCP SUMMARY	4,445	.	6.2	3.2	0.0 *	0.0	1.0	34.1
REGION SUMMARY	1,888	26.7	41.4	7.8	0.0 *	0.1	0.3	2.5

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: ASIA

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
AID RECIPIENT COUNTRIES								
AFGHANISTAN	0.5 (83)	2.4 (83)	. .	. .	. .	. .	. .	. .
BANGLADESH	0.5 (83)	5.2 (83)	9.6 (83)	. .	-1,431 (84)	-3.8 (79)	1.0 (79)	-424 (84)
BURMA	2.2 (83)	6.0 (83)	6.5 (83)	. .	-352 (83)	-4.4 (82)	3.2 (82)	-343 (83)
FIJI	. .	. .	. .	26.1 (79)	-162 (84)	16.4 (82)	1.2 (82)	-64 (83)
INDIA	1.5 (83)	4.0 (83)	7.7 (83)	19.9 (80)	-4,360 (85)	34.1 (80)	2.7 (80)	-2,526 (82)
INDONESIA	5.0 (83)	7.0 (83)	18.0 (83)	26.5 (80)	1,012 (83)	9.6 (80)	3.2 (80)	-6,294 (83)
KAMPUCHEA (CAMBODIA)	. .	. .	. .	. .	. .	. .	. .	. .
NEPAL	0.1 (83)	3.0 (83)	8.1 (83)	. .	-372 (83)	20.2 (79)	0.9 (79)	-143 (83)
PAKISTAN	2.5 (83)	5.6 (83)	11.1 (83)	20.8 (80)	-2,716 (83)	25.0 (80)	5.3 (80)	18 (83)
PHILIPPINES	2.9 (83)	5.4 (83)	11.7 (83)	15.6 (82)	-679 (84)	27.5 (82)	1.6 (82)	-2,760 (83)
SRI LANKA	2.9 (83)	5.2 (83)	14.5 (83)	42.0 (80)	-665 (83)	43.1 (80)	0.6 (77)	-472 (83)
THAILAND	4.3 (83)	6.9 (83)	8.7 (83)	18.4 (81)	-1,927 (84)	19.0 (81)	3.7 (81)	-2,098 (84)
CP SUMMARY	2.2 @	5.1 @	10.7 @	22.1	-2,222 &	24.1 &	1.5	-2,961 &

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: ASIA

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
SELECTED NON-AID RECIPIENT COUNTRIES								
CHINA	4.4 (83)	6.0 (83)	1.7 (83)	. .	. .	. .	. .	. .
KOREA, DEMOCRATIC PEOPLE'S	. .	. .	. .	. .	. .	. .	. .	. .
KOREA, REPUBLIC OF	6.6 (83)	7.3 (83)	19.3 (83)	20.6 (80)	-1,738 (83)	11.1 (80)	6.0 (80)	-1,578 (83)
MALAYSIA	4.5 (83)	7.3 (83)	6.5 (83)	27.5 (79)	2,739 (84)	12.7 (79)	3.8 (79)	-1,695 (84)
SINGAPORE	7.4 (83)	8.2 (83)	5.4 (83)	26.3 (80)	-5,878 (83)	-6.6 (80)	5.2 (80)	-956 (83)
VIETNAM	. .	. .	. .	. .	. .	. .	. .	. .
NCP SUMMARY	5.7 @	7.2 @	8.2 @	24.4	-1,609 &	8.8 &	4.8	-1,508 &
REGION SUMMARY	3.2 @	5.7 @	9.9 @	22.8	-2,086 &	20.7 &	1.8	-2,638 &

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SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
AID RECIPIENT COUNTRIES								
CYPRUS	5.5 (83)	. .	10.8 (83)	29.7 (81)	-656 (83)	22.7 (81)	2.0 (81)	-185 (83)
EGYPT	4.2 (83)	8.8 (83)	13.2 (83)	56.2 (79)	-3,823 (83)	29.5 (79)	3.3 (79)	-785 (83)
ISRAEL	2.9 (83)	3.2 (83)	73.0 (83)	85.6 (80)	-2,678 (84)	21.9 (80)	30.1 (80)	-2,319 (83)
ITALY	2.8 (83)	2.2 (83)	17.4 (83)	48.3 (80)	-3,131 (83)	24.5 (80)	1.6 (80)	647 (83)
JORDAN	6.9 (83)	11.1 (83)	10.0 (83)	40.1 (82)	-1,720 (84)	19.1 (82)	11.8 (82)	-223 (84)
LEBANON	. .	. .	. .	. .	. .	. .	. .	. .
MOROCCO	2.9 (83)	4.7 (83)	8.4 (83)	34.4 (80)	-1,242 (83)	29.1 (80)	6.3 (80)	-892 (83)
OMAN	6.5 (83)	6.5 (83)	17.9 (83)	49.2 (81)	1,813 (83)	-4.5 (81)	22.0 (81)	572 (83)
POLAND	. .	. .	. .	. .	. .	. .	. .	. .
PORTUGAL	3.7 (83)	. .	20.1 (83)	35.5 (77)	-2,026 (84)	18.7 (77)	4.4 (75)	-983 (83)
SPAIN	3.0 (83)	1.8 (83)	16.7 (83)	29.2 (80)	-4,059 (84)	14.8 (80)	1.2 (80)	2,059 (84)
TUNISIA	5.0 (83)	6.0 (83)	9.4 (83)	35.2 (80)	-1,178 (83)	7.9 (80)	3.9 (80)	-561 (83)
TURKEY	3.0 (83)	4.1 (83)	42.0 (83)	25.2 (80)	-2,942 (84)	21.6 (79)	3.9 (80)	-1,407 (84)
YEMEN (SANAA) (NORTH)	5.7 (83)	4.2 (83)	13.9 (83)	36.8 (81)	-1,756 (83)	42.8 (81)	15.4 (81)	-558 (83)
CP SUMMARY	4.3 @	5.3 @	21.1 @	38.0	-3,203 &	21.4 &	3.5	566 &

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SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY87

REGION: NEAR EAST

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1973-19( )	AVERAGE ANNUAL RATE OF INFLATION 1973-19( )	GOVERNMENT EXPENDI-TURES AS % GNP 19( )	TRADE BALANCE $US MILLION 19( )	GOVT. DEBT FINANCING AS % GOVT EXPENSES 19( )	GOVERNMENT DEFENSE SPENDING AS % GDP 19( )	CURRENT ACCOUNT BALANCE $US MILLION 19( )
SELECTED NON-AID RECIPIENT COUNTRIES								
ALGERIA	3.6 (83)	6.5 (83)	12.8 (83)	. .	3,226 (83)	. .	. .	-86 (83)
BAHRAIN	. .	. .	. .	. .	-41 (84)	-26.1 (81)	. .	238 (83)
IRAN	. .	. .	. .	34.1 (79)	8,532 (77)	15.8 (79)	5.2 (79)	5,081 (77)
IRAQ	. .	. .	. .	. .	4,970 (77)	. .	. .	2,990 (77)
KUWAIT	0.2 (83)	1.4 (83)	10.2 (83)	26.3 (80)	4,769 (84)	. .	3.7 (81)	5,570 (84)
LIBYA	-0.9 (83)	3.0 (83)	11.6 (83)	. .	3,439 (83)	. .	. .	-1,707 (83)
SAUDI ARABIA	6.7 (83)	6.9 (83)	16.5 (83)	. .	11,926 (83)	. .	. .	-18,433 (83)
SYRIA	4.9 (83)	8.0 (83)	12.7 (83)	. .	-2,225 (83)	. .	17.1 (80)	-815 (83)
NCP SUMMARY	2.9 @	5.2 @	12.8 @	29.7	7,430 &	-26.1 &	5.8	-8,907 &
REGION SUMMARY	3.9 @	5.2 @	18.6 @	36.5	-429 &	21.1 &	3.8	-1,906 &

@ = ARITHMETIC MEAN, & = WEIGHTED MEAN (BY GNP), OTHERS = HARMONIC MEAN
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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
1985								
Loans	340,388	129,621	18,000	14,400	2,000	12,667	163,700	-
Grants	3,998,580	161,018	61,711	37,266	24,517	27,692	3,673,820	12,556
Total	4,338,968	290,639	79,711	51,666	26,517	40,359	3,837,520	12,556
1986								
Loans	174,290	73,220	-	4,000	-	-	97,070	-
Grants	3,930,874	170,030	44,334	46,089	20,925	24,324	3,615,172	10,000
Total	4,105,164	243,250	44,334	50,089	20,925	24,324	3,712,242	10,000
1987								
Loans	292,025	82,825	2,000	3,500	3,000	2,900	197,800	-
Grants	2,828,775	155,121	53,000	23,909	28,120	27,125	2,539,000	2,500
Total	3,120,800	237,946	55,000	27,409	31,120	30,025	2,736,800	2,500

1/ Includes $7,556 Disaster Assistance Funds in FY 1985; the remainder is Child Survival Funds.

FY 1987
PROGRAM HIGHLIGHTS

The FY 1987 request consists of

- $2,737 million in Economic Support Funds, including $1,200 million for Israel, $815 million for Egypt, $250 million for Pakistan, and $150 million for Turkey.
- $384 million in Development Assistance, including $75 million for Bangladesh, $72 million for India, and $55 million for Indonesia.
- $383 million in P.L. 480 Title I/III, including $185 million for Egypt, $64 million for Bangladesh, $50 million for Pakistan, and $40 million for Morocco.
- $121 million in P.L. 480 Title II, including $80 million for India and $16 million for Bangladesh.

REGIONAL OVERVIEW

A.I.D.'s newly merged Bureau for Asia and Near East covers an enormous span of territory, ranging two-thirds of the way around the globe from the Atlantic to the mid-Pacific Oceans. Recipient countries are of commensurate diversity, ranging from Relatively Least Developed Countries as poor as any on earth to sophisticated NATO allies. Twenty-eight bilateral and regional programs are proposed for funding in FY 1987. The United States is pursuing, across the region, a wide variety of developmental, political, strategic, and peacemaking objectives. In support of those objectives, we are requesting Development Assistance (DA), Economic Support Funds (ESF), and P.L. 480 Titles I, II, and III resources.

SOUTH AND SOUTHEAST ASIA

Unique Features and U.S. Interests

The A.I.D. program in Asia is predominantly developmental in character, as befits a region where some three-quarters of the world's poor people live under conditions of income, health, and nutrition (especially in South Asia) which are as low as any in the rest of the Third World. These levels of poverty have significant implications for social, political and economic stability in the region. Our efforts to address development problems here support a number of political and security as well as humanitarian objectives.

Traditionally Asia has been an area of great interest and importance to the United States. Political and strategic concerns in Asia include the on-going crisis in the Philippines; armed struggles resulting from the Soviet invasion of Afghanistan and the Vietnamese invasion of Cambodia; communal and international tensions in South Asia; and the illicit drug trade emanating from the Asian region.

Poverty and underdevelopment are common themes which run through these diverse national and regional problems affecting U.S. interests. A.I.D.'s programs in Asia are generally designed to help host country governments improve the pace and distribution of socio-economic growth, thereby strengthening their ability to address their political and economic problems in a peaceful and equitable manner. To this end, A.I.D. is requesting DA, ESF, and P.L. 480 resources to be integrated into a strong, developmentally oriented regional program.

Progress in Meeting Goals

There have been a number of recent indicators of positive overall Asian economic performance. Gross domestic product (GDP) in Asian countries grew by 6.5% in 1984, and by over 7% in 1983. With the notable exception of the

Philippines, Asian countries were relatively free from severe debt service adjustment problems. As a result, national authorities were able to pursue neutral or only mildly restrictive financial policies in 1984. Fiscal deficits in most of Asia, already lower than the average for other regions, changed little from 1983 to 1984 but increased in 1985.

Asia also recorded a low aggregate regional rate of inflation in 1984/85, at 7.6%. However, countries in the region experienced continued deterioration in their current account balances (averaging -7.9% in 1984 and -15.0% projected in 1985). An improvement in the employment picture was discernible in those primarily Southeast Asian countries that are mainly exporters of manufactures and which were well positioned to benefit from the increase in world trade. However many Asian countries have also been negatively affected by the continued weakness in the oil markets, usually due to declining remittances from workers employed in the Middle East.

Agriculture continues to dominate the Asian economies. Total South Asian cereal production fell very slightly in 1984-85, after breaking previous records by 11 percent in 1983-84 largely due to bumper Indian harvests. The 1984-85 decline in rice production was due to poor monsoon rainfall in some areas, and growth in wheat output was slowed by abnormally dry winter weather. In Southeast Asia, cereals production rose to a record high in Indonesia in 1983/84 and again in 1984/85. Food production growth in the Philippines remained very slow in both years, partly due to poor weather. Over the longer term, however, per capita food production has improved in most countries of the region. Despite this developmental success, provision of adequate food security and employment remains threatened by population growth, which continues to outrun increases in food production.

Population continues to be a serious concern in the region, and one which has received major and sustained attention by recipient countries. As a result of A.I.D., host government, and other donor efforts, the crude birth rate in A.I.D.-assisted countries in Asia has dropped from an average of 45 per 1000 in 1960 to 35 per 1000 in 1985. However, even if lower average annual growth rates were to continue, the 1.26 billion current population of these countries would still double in less than 35 years. Child survival efforts are closely related to population issues. Half of all the infant and young child deaths in all the A.I.D.-assisted countries worldwide occur in four Asian countries: India, Pakistan, Bangladesh, and Indonesia.

Lessons Learned

Recent evaluations have identified a number of noteworthy lessons which are being incorporated into new project design and implementation.

Recent evaluations of agriculture research projects in Pakistan, Bangladesh and the Philippines have concluded that while research capability has improved, lack of specific training in research management is now becoming

a significant constraint to further institutional growth. The studies stress that for successful institution building, agriculture research projects must include components aimed at training research managers how to plan, prioritize and use limited resources efficiently. To apply this lesson, A.I.D. funds now enable ISNAR (International Service for Agriculture Research) and AIM (Asian Institute of Management) to provide such training in Sri Lanka, Philippines, Indonesia and India.

Other agriculture research evaluations have concluded that sound and useful technologies developed at central research stations are not being adopted by farmers who live in less favorable agroclimatic and socio-economic environments. What is needed is a greater understanding of the constraints to adoption. Accordingly, A.I.D. has successfully encouraged the governments of Indonesia and Pakistan to move research activities away from the central stations and onto provincial substations closer to farmers. In addition, in agriculture research, the Bureau is increasingly pursuing a farming systems approach to help researchers understand how new technologies can be integrated into the entire farming system.

In irrigation, lessons from three major evaluations undertaken in Indonesia in 1984/85 have substantially shaped the development of the recently approved Small-Scale Irrigation Project (497-0347). The major lessons were the following:

- Assessment of an earlier project showed only a small increase in irrigated area due to inappropriate design or location. A new and comprehensive set of site selection criteria was developed and used in designing the new Small-Scale Irrigation project.

- Centralized decision-making has led to inappropriate irrigation investments and poor design due to ignorance of local conditions. The new project will decentralize decision-making to the provincial and district levels and strengthen local staff capacity.

- In another predecessor project, community organizers were effective in increasing farmer involvement in the pre-construction phase. The new project will make use of local organizers to serve as a catalyst for increasing farmer participation in irrigation activities.

Numerous recent evaluations have concluded that forestry projects must be designed both to provide short-term, tangible benefits (increased food, fodder, and fuel production) as well as to achieve longer-term goals (soil conservation). Traditionally, most forestry efforts in Asia have been oriented toward commercial species which require 30 years to reach maturity. Investment is needed in multi-purpose, fast-growing trees. To begin to address this problem, the Asia Near East and Science and Technology Bureaus have approved a joint $40 million effort for Asia--the Forestry and Fuelwood Research and Development Project

(498-0276). This initiative supports an Asia research network focussed on high priority, fast-growing multi-purpose tree species.

Recent evaluations have concluded that acceptance of new technologies and successful management of trees are more widespread if forestry programs are oriented toward private farmers rather than the community as a whole. Social forestry programs need components such as seed distribution programs targeted at the private farmer and closer coordination with agriculture extension programs. The recently approved India National Social Forestry Project (386-0495) and the Bangladesh Homestead Agriculture Forestry Project (388-0062), currently under design, will both be oriented toward private farmers.

Recent A.I.D. studies of health projects have concluded that many public sector primary health care projects lack adequate staff and staff incentives and may be too complex to contribute significantly to reducing infant and child mortality, especially in the near future. These studies suggest that a more effective approach involves a selective emphasis on specific interventions geared to child survival, and which make greater use of private sector channels. As a result of these findings, more recently designed health activities such as the social marketing of Oral Rehydration Therapy (ORT) in Bangladesh, commercial production, distribution and marketing of ORT in the Philippines, the expanded program for immunization in Indonesia, and assistance for the diarrheal disease program of the Government of Indonesia are much more tightly focused on such particular interventions.

Health project evaluation findings in the Philippines, Bangladesh, and Pakistan indicate that the provision of critical supplies (e.g., ORT) must be accompanied by efforts to stimulate demand. Based on these findings, several recently designed projects including Primary Health Care in Pakistan (391-0475), the ORT amendment to the Primary Health Care project in the Philippines (492-0371) and Social Marketing of ORT (338-0050) in Bangladesh have supported private sector marketing and mass media promotion of oral rehydration salts and other supplies.

New Program Emphases

A.I.D. programs in Asia are intensifying their use of policy dialogue, institution building, the private sector and technology transfer to further their objectives.

Policy dialogue agendas are in place or under formulation for all programs and are helping to bring about macroeconomic and sector level reforms in policies that have been inhibiting economic and social development in the Asian countries. For example, at the macroeconomic level in the Philippines, we are engaged in a multidonor effort with the government to restore the country's economic stability and growth. Policy dialogue is the underpinning for our assistance, and we have identified sectors in which significant reforms are necessary in the short term to lay a

foundation for longer term structural change. To this end we have focussed our attention on the agriculture sector. The longer term prospects for the Philippine economy will continue to depend on reforms that reintroduce market forces to exploit more effectively the comparative advantage of the Philippines. So far, dialogue applied to the agriculture sector has resulted in the Philippine Government's agreement to deregulate rice prices and open wheat and flour marketing to the private sector. In Pakistan, where our agenda focuses on the delineation of public and private sector roles, dialogue has brought about an official policy supporting private ownership of tubewells and increases in water charges in Baluchistan and Sind provinces which will provide more funding for operations and maintenance. The Government is moving towards increased private sector participation in fertilizer distribution and in oilseed processing and marketing. In Bangladesh, dialogue has reduced the financial and administrative burden placed on the government through significant cuts in credit and fertilizer subsidies along with the shift in fertilizer distribution from the public to the private sector.

Institution building is an important element of every program, both for building specific country and regional research and educational institutions, and for strengthening the systems that include them. In Nepal, the curriculum at the Institute for Renewable Natural Resources project (367-0132) has been revised to strengthen the instruction of watershed management and community forestry so that graduates are better able to combat the rapid depletion of natural resources. In Pakistan, we are helping to integrate agricultural research, extension and education in the Northwest Frontier Province through a major institional project called Transformation and Integration of the Provincial Agricultural Network (391-0488).

New technologies that are appropriate to the development status of individual countries are being promoted through a variety of research projects most of which have an agricultural productivity focus. Others, however, address such additional fields as alternative energy and biomedicine. India and Thailand have the institutional capacity to engage in advanced technological research in several fields, with the assistance of similarly engaged U.S. research institutions. In these countries, A.I.D. provides funding to support initial linkages between the two sets of institutions. In India, for example, the U.S. Center for Disease Control (CDC) and India's National Center for Disease Control (NICD) have developed a strategy to strengthen federal and state capabilities in epidemiology and rapid diagnostic technology (386-0492).

A healthy, growing private sector is a major objective in all policy dialogue agendas. It is an objective that is also pursued through separate projects in many country programs. In Nepal, 20 privately run seed businesses have been established in the Hill areas to produce seeds to increase the food production and consumption of the people in these remote areas. In Bangladesh, by the end of 1984, about 100 private new small businesses had been established through an A.I.D.-supported financial

intermediary. In Pakistan, the private sector portion of national fertilizer distribution has increased from one-third to one-half, while the private sector's share of the production of vegetable oil products grew almost ten percent between 1983 and 1984. In Bangladesh, private sector marketing of contraceptives since 1979 has increased condom sales from 31.5 million to 85 million in 1983, and increased pill sales from 700,000 to 1.5 million cycles. A.I.D. is also now supporting contraceptive retail sales in Pakistan. In the Philippines, seven small business institutes became operational in 1985, and will conduct baseline surveys, provide training in needs analysis and offer management courses to local entrepreneurs. In Thailand, A.I.D. financed the preparation of investment opportunity analyses, strategy papers and other support materials for a Board of Investment engineering investment mission to the United States in November 1985. In Indonesia, an A.I.D.-established private Indonesian management institution has developed a program to recruit and place mid-career Indonesians in U.S. companies and business schools for short-term training.

NEAR EAST-NORTH AFRICA

Unique Features and U.S. Interests

Of the 12 countries for which funds are requested in the Near East-North Africa subregion, Egypt, Morocco, and Yemen had 1984 per capita income levels below the $790 cutoff point for International Development Association assistance. Quality-of-life in the region suffers from a number of environmental, public health, and public sector management problems. They include lack of rational land use policies, poor utilization of water resources, inhospitable climate, over-urbanization, lack of pollution controls on industry, unsafe conditions at the workplace, and unreliable public services because of budgetary practices that underestimate the recurrent costs and operation and maintenance of capital projects.

The Arab Moslem societies benefit from strong religious, social, and cultural ties which contribute to their individual members' strong sense of self-confidence and domestic law and order. Cultural factors cause these societies to resist liberalization measures, including economic reforms, that would introduce uncertainty and competition. Despite the desire for rapid economic growth and modernization, many of these societies tend to scrutinize carefully and to control any economic, technical, and educational relationships with Western societies, which they view as possible threats to their identity and independence.

U.S. policy in the area has the principal objectives of expanding the peace process between Israel and its Arab neighbors, strategic defense, and access to the oil supplies of the Persian Gulf. U.S. economic assistance is directly allocated in support of these objectives. With regard to the peace process, U.S. economic assistance is helping Egypt to remain strong enough to continue to resist the pressures of radical forces which seek to undo what has been achieved; Jordan to confront the risks involved in

playing a significant role; and Israel to maintain sufficient confidence in its ability to withstand external threats and confidence in U.S. support.

Morocco and Tunisia are strategically located geopolitical partners. The United States has a military transit and exercise agreement with Morocco, and U.S. assistance is helping Morocco to implement necessary economic reforms. Economic assistance to Oman and North Yemen helps protect the vital U.S. interest in free world access to oil supplies of the Persian Gulf.

Progress in Meeting Goals

Three successive years of declining growth in gross domestic product (GDP) were reversed in 1984 in most of the region's states, reflecting both external factors such as economic recovery in the industrialized countries, and domestic adjustment efforts. A major exception was Egypt where the fiscal deterioriation was substantial. Most countries have begun tackling fiscal imbalances, primarily through reductions in public sector investment programs.

Inflation rates in 1984 were, on the average, much lower than those of 1980-81. However, in those countries which monetized fiscal deficits, e.g. Turkey, inflationary pressures intensified.

Several countries, notably Cyprus, Egypt, Jordan, Morocco, Tunisia, and Turkey, experienced larger current account deficits in 1984. The principal reasons were the introduction of import-liberalization measures, higher interest payments on debt, reduced flows of worker remittances (in some countries), and the impact of petroleum-price declines and volume quotas (in the oil-exporting countries).

Few countries can expect a resumption of the high growth of 1970's which was based on plentiful foreign exchange. Mounting debt burdens, reduced external capital flows, and stagnant remittances indicate that more rapid growth in the coming years will depend on improved domestic policies.

Lessons Learned

Recent evaluations have revealed a number of lessons which are being incorporated into project design and implementation.

In agriculture, an evaluation in Jordan revealed the importance of emphasizing the development of appropriate extension methodology. This finding influenced the design of the extension components of the Mission's new major agriculture project in the Jordan highlands. In Morocco, a FY 1984 evaluation of the Range Management Improvement project (608-0145) recommended the project shift from a focus on delimited grazing perimeters to a broader concept of livestock/agricultural zones. The project was

substantially redesigned in FY 1985 with a broader focus on range management research and extension.

In irrigation, the evaluation of the Egypt Water Use and Management project (263-0017) found that effective Water Users Associations can have a major impact on the maintenance and management of water resources at the local level. This finding has been incorporated into the off-farm water management component of the Irrigation Management Systems project (263-0132).

A study of the Egyptian Basic Education Program (263-0139) confirms the validity of the project's hypothesis that the construction of accessible schools, the provision of instructional materials, equipment, and limited technical assistance will increase enrollment rates, particularly for females, and will contribute to government efforts to improve the quality of education. Although the evaluation's findings are tentative, the report identifies variables that seem to be related to community support of primary education. Schools that are community-based tend to have the greatest impact on female enrollment. This finding will be closely monitored in subsequent evaluations.

The evaluation of the Strengthening Rural Health project (263-0015) in Egypt recommended that the project form the nucleus of a research and development unit within the Ministry of Health. The idea is to institutionalize the capability to conduct applied research as a way of having the greatest potential for long-term impact in the final eighteen months of the project. Action is under way to establish such a unit. In Jordan the collaborative review of the Health Education project (278-0245) led to a renewed commitment by the Jordanian Ministry of Health to the project's objectives and goals. In a similar vein, the evaluation by a joint Yemeni-American evaluation team of the Yemen Tihama Primary Health Care project (279-0065) used a Team Planning Approach to help resolve communications problems which had emerged within the project. The approach was successful in establishing new channels of communication, in reaffirming the project's objectives and in setting the framework for a new Child Survival project now being considered for FY 1986.

Project evaluations in the water and wastewater sector in Egypt and Jordan have provided guidance for improving project implementation and shaping the overall programs. For example, the evaluation of the Jordan Groundwater Resources Investigation project (278-0243) indicated the continued need for U.S. assistance in monitoring and assessing the quantity and quality of Jordan's groundwater supplies. Findings from this evaluation will provide important guidance for the design of the FY-86 Water Resources project. The FY 1985 assessment of the water and wastewater sector in Egypt identified a number of project and program level recommendations to alleviate generic constraints to sustainability of investments such as interministerial coordination, training, improved construction and O&M practices which must be addressed to insure success of this $1.2 billion program. An early response to these findings by the Mission has been the

development of the Institutional and Human Resources Development project to address some of the manpower constraints.

Previous evaluation efforts have not only changed the course of individual projects, but have also modified overall development programs and strategies. For example, in Morocco, as a result of the evaluation of previous regionally funded conventional energy projects (Conventional Energy Technical Assistance, 936-5724, and Energy Management and Conservation, 936-5728), the Mission made the decision to adopt energy development as one of its key sectors. A key lesson from the policy planning evaluation was the need to expand the computer model developed under this project to other major sectors of the economy so that different ministries can look at the energy implications of their decisions. The major recommendation from the conventional energy project evaluation was to include other conventional energy resources (oil) in the follow-on project in terms of determining availabilities, costs of drilling and the potential for export to relieve balance of payments constraints. Another lesson was the need to have trained individuals in place to implement such a program. Taking into account these lessons, the Mission designed and has begun implementation of the Conventional Energy Management and Training project (608-0176) and the Energy Planning Assistance project (608-0180). Combined with the Renewable Energy Development project (608-0159), these efforts now constitute sector-wide involvement.

The decentralization portfolio in Egypt was evaluated during FY 1984-85. The decentralization program provided a variety of small-scale infrastructure development projects in rural and rural-urban areas of Egypt, with emphasis on local participation in the decision-making process. The evaluations identified considerable project success, and emphasized the importance of institutionalization, operations and maintenance, and local revenue generation for the program to be sustainable. The findings from these evaluations will be incorporated into the follow-on Local Development II (263-0182) program now under design.

The $2.8 billion Egypt Commodity Import Program (CIP) was evaluated during FY 1985. The findings were that the program is efficiently managed and, given the profusion and complexity of CIP objectives, time and resource constraints, the CIP has had a "remarkable record of success." Recommendations from this evaluation deal with the appropriateness of imports, efficiency measures, and information systems that will improve program management and development impact. Lessons learned and experience gained from the implementation of the Egypt CIP have been incorporated into the design of the Jordan CIP.

The Production Credit project (263-0147) seeks to insure foreign exchange availability to the Egyptian private sector. The FY 1985 evaluation of this project recommended an active policy dialogue with the government on the need to address interest rate distortions that inhibit the flow of available credit into longer term productive investments, particularly in

areas where Egypt has a comparative advantage and export potential.

Finally, the interim evaluation of the Water Systems and Services Management project (278-0259) in Jordan successfully tested a model for effective transfer of U.S. architectural and engineering technology to Jordanian private sector consulting engineers, which will be replicated in other countries.

New Program Emphases

Projects in the Near East and North Africa portfolio are oriented as heavily as possible towards policy dialogue, technology transfer, institution building, and the private sector.

In Egypt, A.I.D. is encouraging policy reform in the energy sector, including the rationalization of electricity prices and operation and maintenance. In addition, a detailed energy conservation program is under design, and work is under way on development of alternative energy resources and on administrative improvements in the energy sector. A.I.D. will finance the engineering and construction of another major thermal power plant of 1,200 MW capacity and connections to the national power grid. Policy reform is a feature of A.I.D. assistance in water and sewer development as well. A major effort (263-0173) will continue in FY 1987 to improve sewerage capacity in Cairo. Also in Egypt, A.I.D. will expand its intermediate credit project which lends to the private sector. In Morocco, a new Agricultural Inputs project (608-0192) will support liberalization of fertilizer distribution and multiplication of selected seed.

The Cross-Sectoral Development Training project (664-0333) in Tunisia will strengthen government and private institutions through short term, job-oriented training. The Agriculture Development and Support project (297-0052) in Yemen is providing technical assistance to the Ministry of Agriculture to develop its capacity to deal with policy, operational, and procedural needs of agricultural development.

Morocco's Renewable Energy project (608-0159) is achieving significant transfer of scientific methodologies and techniques. The project is replicating biomass pilot projects, installing wind power pilot projects, studying major refuse-derived fuel programs, and conducting a matching grant program for private sector renewable energy applications. The Water Systems and Services Management project (278-0259) in Jordan transfers U.S. technology and training to strengthen Jordanian public and private sector abilities to protect, conserve, deliver and manage known water resources.

Use of Deob-Reob Authority:

FY 1985 Reobligations:

Country	Amount
Bangladesh	$70,000
Burma	280,000
Indonesia	1,265,000
Morocco	357,833
Philippines	2,150,335
Thailand	108,599
TOTAL ANE BUREAU	$4,231,767

FY 1986 Reobligations as of December 31, 1985:

Country	Amount
Indonesia	$560,000

FY 1985 Deobligations Available for Reobligation as of December 31, 1985

Country	$000/Account	
Egypt	28,843	ESF (G)
Indonesia	804	ARDN (G)
	7,777	ARDN (L)
	76	EHRD (G)
	2,172	EHRD (L)
	534	POP (L)
	61	SDA (G)
	11,424	
Lebanon	481	SDA (G)
Philippines	381	ARDB (G)
	7,867	ARDN (L)
	82	HE (G)
	9,620	HE (L)
	266	EHRD (G)
	3,713	POP (L)
	170	SDA (G)
	522	SDA (L)
	12,500	ESF (G)
	35,121	
Sri Lanka	1,050	ARDN (G)
	2,000	ARDN (L)
	300	HE (G)
	2,558	HE (L)
	5,908	
Thailand	806	ARDN (G)
TOTAL ANE BUREAU	82,583	

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FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (306) AFGHANISTAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 15,056

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

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 0.5%

ANNUAL RATE OF INFLATION (.- .) . %

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

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 36.8	MALE 35.5	FEMALE 38.1
(1970)	TOTAL 36.2	MALE 35.8	FEMALE 36.5

ADULT LITERACY RATE (1980) TOTAL 20% MALE 33% FEMALE 6%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) -2.5%

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

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 44

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT ,CORN ,BARLEY	85%	(1984)
CASH: COTTON ,VEGETABLES ,.	7%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,NUTS ,FRUIT

MAJOR AGRICULTURAL IMPORTS:(1984) VEGETABLE OILS ,WHEAT ,.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1979) 60%

CENTRAL GOVERNMENT FINANCES

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

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

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

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

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 258 (83) 214 (84) 229
EQUIVALENT TO . MONTHS OF IMPORTS (.)

FOREIGN TRADE

MAJOR EXPORTS(.)NATURAL GAS ,CARPETS ,DRIED FRUITS

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 11 (1983) 8 (1984) 13
AS % OF TOTAL EXPORTS (.) .% (.) .% (.) .%

MAJOR IMPORTS(.)

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982) 11 (1983) 6 (1984) 8
AS % OF TOTAL IMPORTS (.) .% (.) .% (.) .%

TRADE BALANCE($ MILLIONS, U.S.)(.) .(.) .(.)

TRADING PARTNERS: USSR ,PAKISTAN ,INDIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1978) 60.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1978) 52
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (.) . %

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.5% (1978) 1.9% (1985) 2.4%

POPULATION IN URBAN AREAS.....(1970) 11% (1985) 18%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 47

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1976) 2.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 45.4% (15-64YRS) 52.3% (65+ YRS) 2.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 182

PEOPLE PER PHYSICIAN..... (1978) 16,728

MAJOR CAUSES OF
DISEASE (1981) INTESTINAL INFEC,FOOD POISONING ,TUBERCULOSIS
DEATH.. (1975) ENTERIC DISEASE ,DYSENTERY ,MEASLES

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 90%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 10%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.....	(1981)	TOTAL	44.5	MALE	71.1	FEMALE	16.9
SECONDARY.....	(1981)	TOTAL	7.1	MALE	10.2	FEMALE	2.2
POST SECONDARY..	(1979)	TOTAL	1.3	MALE	2.2	FEMALE	0.4

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 385%

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

COUNTRY AFGHANISTAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	-	-	-	-	-	537.2	45.4	491.8
Loans	-	-	-	-	-	117.4	45.4	72.0
Grants	-	-	-	-	-	419.8	-	419.8
a. A.I.D. and Predecessor Agencies	-	-	-	-	-	340.4	31.1	309.3
Loans	-	-	-	-	-	84.6	31.1	53.5
Grants	-	-	-	-	-	255.8	-	255.8
(Economic Support Fund)	-	-	-	-	-	25.4		
b. Food for Peace (PL 480)	-	-	-	-	-	177.9	14.3	163.6
Loans	-	-	-	-	-	32.3	14.3	18.5
Grants	-	-	-	-	-	145.1	-	145.1
Title I - Total Sales Agreements	-	-	-	-	-	32.8	14.3	18.5
Repayable in U.S. Dollars - Loans	-	-	-	-	-	29.8	12.6	17.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.0	1.7	1.3
Title II - Total Grants	-	-	-	-	-	145.1	-	145.1
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	142.8	-	142.3
Voluntary Relief Agencies	-	-	-	-	-	2.3	-	2.3
c. Other Economic Assistance	-	-	-	-	-	18.9	-	18.9
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	18.9	-	18.9
Peace Corps	-	-	-	-	-	18.8	-	18.8
Narcotics	-	-	-	-	-	*	-	*
Other	-	-	-	-	-	0.1	-	0.1
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	5.6	-	5.6
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	5.6	-	5.6
a. MAP Grants	-	-	-	-	-	*	-	*
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	5.6	-	5.6
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	-	-	-	-	-	542.8	45.4	497.4
Loans	-	-	-	-	-	117.4	45.4	72.0
Grants	-	-	-	-	-	425.4	-	425.4
Other U.S. Government Loans and Grants	-	-	-	-	-	64.8	75.5	10.7-
a. Export-Import Bank Loans	-	-	-	-	-	64.3	75.0	10.7-
b. All Other Loans	-	-	-	-	-	0.5	0.5	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	0.8	6.3	0.0	447.7
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.3
IDA	0.0	0.0	0.0	226.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	95.1
AFDB	0.0	0.0	0.0	0.0
UNDP	0.8	6.3	0.0	90.0
OTHER-UN	0.0	0.0	0.0	35.7
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

AFGHANISTAN	CY 1982	CY 1983	CY 1978-83
United States	-	-	24.0
Germany, Fed. Rep.	3.6	3.3	45.0
Japan	0.1	0.1	18.1
Canada	-		13.6
United Kingdom	0.1	0.3	6.8
Other	3.3	8.0	24.2
Total	7.1	11.7	131.7

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

CY 1982	CY 1983	CY 1978-83
1.1	0.3	57.10

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	370	325	3,215
Eastern Europe	-	Negl.	210
Total.	370	325	3,425

AFGHANISTAN

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
	0.543*	17.812**	15.0

*Excludes $3,369,000 in Disaster Relief Funds.
**Includes $3,457 of deobligated FY 1985 funds available for reobligation in FY 1986.

Country Narrative

The Soviet invasion of Afghanistan in December 1979 aroused immediate opposition which has spread throughout the country and continues today in the form of a nationwide insurgency against the Soviets and the Karmal regime (Democratic Republic of Afghanistan-DRA). Despite widespread military action, brutal bombings of villages, hamlets and nomad camps, destruction of crops and livestock, and reprisals against non-combatants as a means of wearing down civilian support for the resistance, the "mujahidin" have mounted a fierce and increasingly effective opposition, inflicting mounting losses on the Soviet invaders and the DRA army. The Afghan civilians in the countryside and many of the towns and cities continue to support the mujahidin, but have increasing need for humanitarian assistance to sustain themselves in Afghanistan.

In their fight for national survival, the Afghans are paying a terrible price. More than 3.5 million people -- about 20% of the 1979 Afghan population -- have become refugees in Pakistan, Iran and elsewhere. The Government of Pakistan estimates that 2.6 million Afghan refugees are in Pakistan, constituting the world's largest refugee population.

The Soviet invasion has completely disrupted the economic life in Afghanistan, one of the world's most isolated and economically underdeveloped countries. As war has raged through the agricultural valleys, whole villages and farms have been deliberately destroyed. Agricultural infrastructure, including the vitally important irrigation system, has been severely damaged, in some cases irreparably. Resulting serious food shortages have required foodgrains to be imported by the Soviets and by ordinary Afghans, but distribution problems are serious. In October 1983 the Karmal regime itself reported that 75% of the public transportation vehicles, all communication cables, and significant numbers of other public installations had been destroyed. Afghans displaced in the countryside by combat are particularly vulnerable to food shortages and disease.

The medical situation is horrendous. In Afghanistan, thousands are killed, maimed and wounded each year with little hope of treatment. Public health is worse, and terribly aggravated by nutrition problems.

Education has deteriorated considerably -- from substandard to non-existent in most areas -- since the Soviet invasion. The public schools run by the regime have closed everywhere except in a few major cities. Perhaps 80% of the Afghan teachers have been executed or imprisoned or have fled the country; thousands of Afghans have been sent for "study" to the Soviet Union.

The outlook for the immediate future of Afghanistan is grim; the expectation is that the fighting will continue. The Soviets seem intent on a long-term strategy based on maintaining the regime in Kabul, wearing down the resistance, and "Sovietizing" the Afghan government, economy, society, and people. The mujahidin appear willing to pay the heavy cost of continuing their struggle. They show no sign of weakening in their resolve.

U.S. Interests and Objectives

The U.S. strongly opposes the continuing Soviet occupation and strongly supports the United Nations General Assembly's calls for a negotiated political settlement based on four principles: (1) complete withdrawal of Soviet troops; (2) restoration of an independent and non-aligned Afghanistan; (3) self-determination for the Afghan people; and (4) return of the refugees in safety and honor. United States actions are aimed at keeping the pressure on the Soviets to negotiate a political solution. On the ground the resistance fighters maintain this pressure. Humanitarian assistance to the civilian population enables them to continue to live inside their own country and support the resistance fighters.

A.I.D. Assistance Strategy

The immediate objective of A.I.D. humanitarian assistance for the Afghans is to improve the ability of the Afghans to sustain themselves inside Afghanistan. In alleviating the suffering of the people in "free" areas of Afghanistan, A.I.D. seeks to address some of the factors forcing rural Afghans to emigrate to urban areas or to refugee camps. Eventually, we hope to reduce the flow of refugees and ultimately to encourage the voluntary repatriation of Afghans to resistance-controlled areas. By helping the Afghans gradually to develop networks of resistance social services, our assistance will also enable the mujahidin to protect and take care of the people who support them.

A.I.D. Program (FYs 1985-1986)

The Afghan refugees in Pakistan are supplied with food, shelter, clothing and medicine by Pakistan and the international community primarily through the U.N. High Commissioner for Refugees (UNHCR) and the World Food Program. Major contributors to the relief program are Saudi Arabia and other Arab states of the Gulf, Japan, Western Europe, and the United States. The U.S. Government contributed about $67 million for the Afghan refugees in fiscal year 1985, including over $38 million through the World Food Program. This was approximately one-third the total international contribution for Afghan refugee relief. To date, total U.S. contributions to the Afghan refugee relief program exceed $430 million.

In addition to U.S. funding for the care and maintenance of Afghan refugees in Pakistan, A.I.D. made $8 million available in FY 1985 for short-term humanitarian relief for war-affected Afghans in Afghanistan. This has

included $4 million of medical and medically related supplies, and food aid inside Afghanistan disbursed by the Office of Foreign Disaster Assistance (OFDA). A second $4 million tranche (Asia Near East Regional project 398-0290) is funding additional food and medical assistance, a comprehensive series of medical training projects for Afghans in Pakistan, and education and other projects. U.S. and international private voluntary organizations (PVOs) are working in Pakistan and Afghanistan to implement these projects.

Beginning in FY 1986, A.I.D. is initiating a long-term program of cross-border humanitarian assistance. A.I.D. intends to provide $15 million of Economic Support Funds which have been earmarked for this purpose by Congress in the FY 1986 Foreign Assistance Act. While most of the program will focus on war-affected Afghans in Afghanistan, some assistance, e.g., training, will be provided in Pakistan. The Government of Pakistan's courageous and strong opposition to the Soviet occupation of Afghanistan is expected to continue to support this new initiative.

Though still in the design phase, the new program is expected to include:

In the Technical Services and Support project (306-0200), A.I.D. intends to assist the Government of Pakistan and the Afghanistan resistance to identify, develop and evaluate priority humanitarian assistance projects which will improve the ability of Afghans in "free" areas to sustain themselves within Afghanistan. This project will provide the needed technical advisory services, auxiliary equipment and local institutional support needed for the effective development and implementation of discrete projects. The project also will fund small activities which do not warrant separate project status. Seed money to establish relationships between U.S. institutions and resistance institutions and agencies will also be considered.

The Private Voluntary Organization (PVO) Co-Financing project (306-0201) will include funding for a variety of PVO sub-projects. Mainly cross-border humanitarian activities incorporating, where possible, small-scale development, these sub-projects will be relatively simple in design and lend themselves to quick implementation. They will fall within priority sectors for A.I.D. assistance such as health, food and nutrition, education and human resource development.

Health: A.I.D. intends in the Health Sector Assistance project (306-0203) to develop extensive curative health services for war-related injuries as well as normal medical needs and preventive services for basic public health, including maternal and child care (MCH). These services will greatly expand what is now available in-country. It may also in lude coordination mechanisms and support systems within Pakistan which will provide logistics support for health units in Afghanistan, including commodities required for emergency

health interventions, immunization equipment, medicines, and bandages. Public health measures for Afghans remaining in Afghanistan will address respiratory infections, tuberculosis, malaria, parasitic diseases and oral rehydration therapy for children under five suffering from diarrheal dehydration. Para-medical training, including first-aid and basic public health training, will be furnished.

Education: Under the Education Sector Assistance project (306-0202), A.I.D. intends to support, improve and expand existing lower and middle schools and to develop secondary school activities in resistance-controlled areas of Afghanistan. If funding permits, new activities will also begin in areas not presently covered by ongoing education activities. Ongoing and new education interventions will address the near total lack of education services in many areas controlled by the resistance. Activities may include basic training of teachers; provision of textbooks, slates, and other school supplies; limited funding of teacher stipends; and, if necessary, funding of modest school construction and repair costs. The development of some functioning basic education services in resistance-controlled areas of rural Afghanistan may forestall the possibility of a completely illiterate generation of rural Afghans. This effort is essential given the Soviet Union's continued attempt to indoctrinate young Afghans in communist ideology.

Agriculture: The majority of rural Afghan households rely on crop production and livestock as the principal source of income. Alternative sources of income are few given the war in the countryside. Most of the means of agricultural production has been destroyed or lost. A.I.D. seeks through the Agricultural Sector Assistance project (306-0204) to increase basic agricultural self-sufficiency through the provision of agricultural extension and technical assistance. To increase the availability and accessibility of food and animal transport within Afghanistan, A.I.D. intends to improve livestock management by replenishing livestock and through effective veterinary coverage, making available proper feed and improving feeding techniques, breeding, providing extension and outreach services, and procuring pack animals to transport humanitarian supplies.

Commodity Support: In response to widespread destruction of the basic means of production in rural Afghanistan, A.I.D. intends under the Commodity Support project (306-0205) to make available food and a wide range of humanitarian goods including many domestically-produced Pakistani products. Assistance will include procurement services, storage and warehousing facilities and creation of a commodity distribution network. Commodities to be procured may include agricultural inputs and commodities (seeds, pesticides, fertilizer, and farm implements), food, pharmaceuticals and medical supplies for use by people and animals, clothing, blankets, tents and other goods. Provision of farm implements and seeds will facilitate increased crop

production and provide immediate benefits to those still able to farm the land.

A key element of our response to the international Afghanistan problem is the encouragement of continued and expanding humanitarian assistance for the Afghans by European and other western and non-aligned donors. Private voluntary organizations, U.S.-based or other, are expected to play a significant role in implementing this program. In all aspects of the assistance program, A.I.D. will respect the sensitivities of the Afghan people themselves and of the Pakistanis whose understanding is essential for the success of this humanitarian program.

An Office of the A.I.D. Representative for Afghanistan Affairs, staffed by career A.I.D. Foreign Service Officers, has been established in Islamabad to administer the program.

Requested Year Program (FY 1987)

A.I.D. will continue funding for the new projects being developed in FY 1986.

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

PROGRAM: AFGHANISTAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND												
TECHNICAL SERVICES AND SUPPORT	G	306-0200	86	C	---	---	---	---	800	700	800	700
PVO CO-FINANCING	G	306-0201	86	90	---	6,000	---	---	945	350	1,200	900
EDUCATION SECTOR ASSISTANCE	G	306-0202	86	89	---	13,000	---	---	3,250	1,250	3,250	2,700
HEALTH SECTOR ASSISTANCE	G	306-0203	86	89	---	13,000	---	---	3,250	1,250	3,250	2,700
AGRICULTURE SECTOR ASSISTANCE	G	306-0204	86	89	---	13,000	---	---	3,055	1,250	3,250	2,700
COMMODITY SUPPORT	G	306-0205	86	89	---	13,000	---	---	3,055	2,500	3,250	3,000
AFGHANISTAN PVO SUPPORT	G	398-0290	85	86	4,000	4,000	543	24	3,457	3,976	---	---
TOTAL FOR ACCOUNT					4,000	62,000	543	24	17,812	11,276	15,000	12,700
GRANTS					4,000	62,000	543	24	17,812	11,276	15,000	12,700
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					4,000	62,000	543	24	17,812	11,276	15,000	12,700
GRANTS					4,000	62,000	543	24	17,812	11,276	15,000	12,700
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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (388) BANGLADESH

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 101,408

PER CAPITA GNP..... (DOLLARS,1983) 130

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 0.5%

ANNUAL RATE OF INFLATION (1973-83) 9.6%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1974) 6.8%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 50.0	MALE 49.4	FEMALE 50.5
(1970)	TOTAL 44.9	MALE 45.6	FEMALE 44.1

ADULT LITERACY RATE (1981) TOTAL 29% MALE 40% FEMALE 18%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) -0.8%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 47%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 955

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE ,WHEAT ,POTATOES	83%	(1984)
CASH: JUTE ,SUGARCANE ,TEA	5%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) JUTE .. ..

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RICE ..

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 74%

CENTRAL GOVERNMENT FINANCES

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

(1977)	1,036 (78)	1,445 (79)	1,551

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

(1977)	1,022 (78)	1,160 (79)	1,495

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

(1977)	14 (78)	285 (79)	56

DEFENSE EXPENDITURES,

AS % OF TOTAL EXPENDITURES.. (1977)	10.7% (78)	9.9% (79)	7.6%
AS % OF GNP..... (1977)	1.6% (78)	1.3% (79)	1.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 207 (83) 542 (84) 406
EQUIVALENT TO 1.4 MONTHS OF IMPORTS (1984)

FOREIGN TRADE

MAJOR EXPORTS(1983)JUTE ,LEATHER ,TEA

EXPORTS TO U.S.

($ MILLIONS, US, FOB) (1982)	78 (1983)	104 (1984)	129
AS % OF TOTAL EXPORTS (1982)	11% (1983)	15% (1984)	14%

MAJOR IMPORTS(1983)FOODGRAINS ,FUELS ,RAW COTTON

IMPORTS FROM U.S.

($ MILLIONS, US, CIF) (1982)	209 (1983)	272 (1984)	213
AS % OF TOTAL IMPORTS (1982)	10% (1983)	15% (1984)	9%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -1,448(83) -1,223(84)-1,431

TRADING PARTNERS: UNITED STATES ,JAPAN ,SAUDI ARABIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 63.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 143
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 19.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1978) 3.0% (1985) 2.7%

POPULATION IN URBAN AREAS.....(1970) 8% (1985) 14%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 48 (1985) 44

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1983) 19.1%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 44.3% (15-64YRS) 53.1% (65+ YRS) 2.7%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 140

PEOPLE PER PHYSICIAN..... (1979) 10,936

MAJOR CAUSES OF
DISEASE (1981) LEPROSY ,INTESTINAL INFEC,TUBERCULOSIS
DEATH.. (1975) TUBERCULOSIS ,ENTERIC DISEASE ,CHOLERA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 75%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 38%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1984)	TOTAL 54.0	MALE 66.3	FEMALE 41.0
SECONDARY..... (1981)	TOTAL 19.8	MALE 31.0	FEMALE 7.7
POST SECONDARY.. (1980)	TOTAL 2.3	MALE 3.8	FEMALE 0.7

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 61.2%

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

COUNTRY BANGLADESH

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	157.3	152.1	172.5	172.3	193.2	1989.4	159.2	1830.2
Loans	124.4	50.5	64.0	60.0	81.0	791.4	159.2	632.2
Grants	32.9	101.6	108.5	112.3	112.2	1198.0	-	1198.0
a. A.I.D. and Predecessor Agencies	80.3	80.0	74.4	78.9	77.0	1059.9	34.8	1025.1
Loans	50.0	-	-	-	13.0	226.8	34.8	192.0
Grants	30.3	80.0	74.4	78.9	64.0	833.1	-	833.1
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	77.0	72.1	98.1	93.4	116.2	929.5	124.4	805.1
Loans	74.4	50.5	64.0	60.0	68.0	564.6	124.4	440.2
Grants	2.6	21.6	34.1	33.4	48.2	364.9	-	364.9
Title I - Total Sales Agreements	74.4	50.5	64.0	60.0	68.0	564.6	124.4	440.2
Repayable in U.S. Dollars - Loans	74.4	50.5	64.0	60.0	68.0	564.6	123.3	441.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	1.1	1.1-
Title II - Total Grants	2.6	21.6	34.1	33.4	48.2	364.9	-	364.9
Emerg. Relief, Econ. Develop. & World Food Program	0.7	1.2	16.4	18.7	30.8	248.7	-	248.7
Voluntary Relief Agencies	1.9	20.4	17.7	14.7	17.4	116.2	-	116.2
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	0.1	0.1	0.2	0.2	0.3	1.4	-	1.4
Credits or Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.1	0.2	0.2	0.3	1.4	-	1.4
a. MAP Grants	-	-	-	-	-	*	-	*
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	0.1	0.1	0.2	0.2	0.3	1.4	-	1.4
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	157.4	152.2	172.7	172.5	193.5	1990.8	159.2	1831.6
Loans	124.4	50.5	64.0	60.0	81.0	791.4	159.2	632.2
Grants	33.0	101.7	108.7	112.5	112.5	1199.4	-	1199.4
Other U.S. Government Loans and Grants	-	74.3	-	-	14.7	92.9	75.9	17.0
a. Export-Import Bank Loans	-	-	-	-	-	4.0	6.1	2.1-
b. All Other Loans	-	74.3	-	-	14.7	88.9	69.8	19.1

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	711.3	779.5	449.8	5294.4
IBRD	0.0	0.0	0.0	54.9
IFC	3.9	0.0	4.0	12.8
IDA	367.3	393.1	266.0	3207.7
IDB	0.0	0.0	0.0	0.0
ADB	308.1	377.5	179.8	1755.7
AFDB	0.0	0.0	0.0	0.0
UNDP	32.0	8.9	0.0	114.1
OTHER-UN	0.0	0.0	0.0	149.2
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

BANGLADESH	CY 1982	CY 1983	CY 1978-83
United States	193.0	205.0	1,023.0
Japan	215.8	104.7	1,006.5
Germany, Fed. Rep.	82.7	35.3	853.5
United Kingdom	40.2	37.5	455.9
Canada	88.2	87.5	443.2
Other	213.0	119.3	1,154.5
Total	832.9	589.3	4,936.6

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

CY 1982	CY 1983	CY 1978-83
129.5	N.A.	274.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	75	-	435
Eastern Europe	-	-	685
Total	75	-	1,120

BANGLADESH

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
1985								
Loans		-	-	-	-	-	-	-
Grants	85,070	47,770	32,000	-	300	-	-	5,000 1/
Total	85,070	47,770	32,000		300			5,000
1986								
Loans		-	-	-	-	-	-	-
Grants	75,000	40,700	29,000	2,000	300	1,000	-	2,000 1/
Total	75,000	40,700	29,000	2,000	300	1,000		2,000
1987								
Loans		-	-	-	-	-	-	-
Grants	75,000	40,000	29,000		2,000	1,500	-	2,500 1/
Total	75,000	40,000	29,000		2,000	1,500		2,500

1/ Child Survival Funds

FY 1987 PROGRAM HIGHLIGHTS
- Continued support for government and private organizations' family planning service delivery programs, as well as new initiatives to stimulate demand for services, at $29 million. - Support to strengthen Bangladesh's agricultural and forestry research system, at $8 million. - Initiate a new multi-year PL 480 Title III program designed to improve foodgrain and agricultural policies. - Continue to provide such rural infrastructure as farm-to-market roads and electricity through the PL 480 Title II and DA programs. - Continue efforts to promote small, labor-intensive enterprises. - Continue the privatization of fertilizer distribution through a national wholesale network, at $12 million.

BANGLADESH

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	1,286	10,000	3,000
Grants	104,161	80,000	82,000
Total AID	105,447	90,000	85,000
P.L. 480 **			
Title I	94,500	70,000	64,000
(of which Title III is)	(94,500)	(70,000)	(64,000)
Title II	18,968	16,799	16,323
Total P.L. 480	113,468	86,799	80,323
Total AID and P.L. 480	218,915	176,799	165,323

**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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	395,000	54,500	308,000	40,000	318,000	41,000
Rice	75,000	20,000	35,000	10,000	14,000	4,000
Feedgrains	-	-	-	-		
Vegoil	14,000	10,000	16,000	10,000	19,000	10,000
Non-food	7,000	10,000	7,000	10,000	6,000	9,000
Title I Total	491,000	94,500	366,000	70,000	357,000	64,000
(of which Title III is)	-	94,500	-	70,000	-	64,000
Title II 1/						
Voluntary Agencies	120,000	18,968	120,000	16,799	120,000	16,323
Government - to - Government	-	-	-	-	-	-
Title II Total	120,000	18,968	120,000	16,799	120,000	16,323
Total P.L. 480	611,000	113,468	486,000	86,799	477,000	80,323

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

BANGLADESH

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	37	34	32
PASA[b]	1	1	1
TOTAL	38	35	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.*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	18	53	71	22	56	78	23	67	90
Regional[e]	–	–	–	–	1	1	–	1	1
TOTAL	18	53	71	22	57	79	23	68	91

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	17	96	113	17	57	74	2	72	74
Regional[e]	20	–	20	13	–	13	10	–	10
TOTAL	37	96	133	30	57	87	12	72	84

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

Development Overview

Bangladesh is one of the poorest countries in the world. Its per capita Gross National Product (GNP) is estimated at $130 and a Bangladeshi's physical quality of life ranks among the lowest in the world. Nearly 14 percent of infants die before the age of one year, life expectancy is 50 years, and literacy is estimated at only 29 percent. Malnutrition is endemic, especially in chronic food deficit districts.

Bangladesh is the world's most densely populated agrarian country, with over 1,700 people per square mile. A population growing at about 2.7 percent per year (doubling every 26 years) vitiates recent gains in agricultural production and postpones the Bangladesh Government's (BDG's) goal of foodgrain self-sufficiency. Intense population pressure on the country's fertile but finite land base is driving many Bangladeshis off the farm. While Bangladesh is still a predominantly rural, agricultural society, pressures on the land base have resulted in a rapid urban growth rate of about 5.6 percent per year. Overcrowding in rural areas has increased the number of rural households that are landless, now estimated at over 50 percent. Estimates of unemployment range from 23 to 42 percent, with annual labor force growth rates projected to rise from 2.8 per-cent in 1985 to 3.5 percent in the year 2000. Each year about one million people enter the labor force. The agricultural sector cannot absorb significant additional labor and non-agricultural employment opportunities are also extremely limited. An unskilled human resource base, limited physical infrastructure, lack of natural resources, and inadequate capital combine to retard industrial growth rates. The country suffers from recurrent climatic disasters, ranging from excessive flooding to drought.

However, there have been a number of very encouraging signs in recent years. A rapid expansion in irrigation has led to increased cropping intensity, adoption of higher yielding crop varieties and improved agricultural technology packages. In addition, sound government policies have mitigated the damaging effects of weather on agricultural production, and prevented great potential human suffering from natural disasters. The superior performance of non-governmental organizations in delivering family planning services is setting a good example for the BDG's population program which has also shown significant improvement in recent years. The government shows it is thoroughly aware of the magnitude of the unemployment problem by placing highest priority in its Third Five-Year Plan on the need to generate new productive off-farm employment opportunities. In addition, the continued willingness of the government to make sound macro-economic policy decisions will increase the country's capability to utilize both domestic and external financial resources more efficiently. However, given the low base from which the country is starting, Bangladesh will continue to be an appropriate recipient of foreign assistance for the foreseeable future.

BANGLADESH

U.S. Interests and Objectives

Bangladesh ranks as the world's eighth most populous country. Its extreme poverty, rapid population growth rate and geographic location in an historically troubled area command U.S. interest in the country's future.

Economic assistance to Bangladesh is the U.S. Government's (USG) principal means of supporting the interrelated objectives of orderly economic growth and stability. Stability is a necessary condition for continuing equitable development and contributes to the important U.S. goal of regional stability in South and Southeast Asia.

America's historic humanitarian concern requires our involvement in meeting the most basic needs of Bangladesh. But beyond the humanitarian aspect the United States has an interest in demonstrating that it is prepared to work effectively with those poor countries that are adopting sound economic policies in pursuit of development.

The present government is well-disposed toward the United States and continues to implement a far-reaching economic reform program including a flexible exchange rate policy, reduced subsidies, export promotion, trade liberalization and greater reliance on market mechanisms. The government is making significant reforms in administration and local government, looking toward a return to representative political institutions. National elections are tentatively scheduled for the first quarter of 1986. Sustained U.S. assistance is a critical element in supporting the government's pragmatic development policies and its efforts to move in an orderly fashion toward representative democracy.

A.I.D. Development Strategy

Recognizing that rapid population growth compounds the difficulties in meeting agricultural production and employment needs, A.I.D. continues to give highest priority in Bangladesh to the goal of reducing human fertility. The goal will be addressed by increasing the use of modern family planning methods delivered by governmental and non-governmental programs and stimulating additional demand for family planning and maternal child health services. Secondly, agricultural productivity must be increased to raise rural incomes and reduce the need for imported foodgrains. A.I.D. approaches this goal through development and dissemination of improved agricultural technologies; improving the supply and distribution of inputs; and development of key infrastructure and human resources. An additional and increasingly critical objective is the expansion of employment opportunities, through the development of small private enterprises, dissemination of appropriately labor-intensive agricultural technologies, a Food For Work public works program, improvements in financial markets, and development of selected infrastructure. A.I.D. will assist the BDG to create and sustain a policy and institutional environment that encourages the development of labor-intensive enterprises.

Infusing the basic strategy is an active multi-faceted policy dialogue with particular emphasis on strengthening the role of markets and increasing the scope of private sector participation in the economy. Significant levels of assistance, combined with policy analysis and quality technical assistance, have created an atmosphere of mutual confidence that permits A.I.D. to advise and consult with the government in many of the most critical economic policy issues it faces. The broad impact of A.I.D.'s programs in Bangladesh can be measured best by the important and effective policy changes, described below, which have been supported by substantial U.S. assistance.

A.I.D. Program (FYs 1985-1986)

The current A.I.D. program advances the Mission strategy in the following ways:

A. Reducing Fertility

The Family Planning Services project (388-0050) addresses the Mission's priority program through grants to governmental and non-governmental population activities. To meet increasing demand for family planning services, A.I.D. financing for the government program continues to include commodities (contraceptives, surgical supplies and equipment), demographic research, maternal and child health training materials, contraceptive prevalence surveys, community-based family planning projects, participant training and local-cost financing of the voluntary sterilization program. A.I.D.'s active monitoring of voluntary sterilization services has helped ensure that both the quality of services and voluntary nature of the government's program are maintained. A.I.D.'s assistance to non-governmental organizations enables them to finance community-based distribution programs and voluntary sterilization clinics, maternal and child health/family planning clinics, and subsidized private sector marketing of contraceptives.

Higher contraceptive prevalence rates will eventually be contingent on expanded demand for fertility reduction. A.I.D. will continue to explore new social measures to broaden the market for family planning services.

The prototypical Social Marketing Project (SMP) has increased distribution of pills and condoms to retailers, improving access by the population to family planning services. Contraceptive sales through this retail sales program are, by definition, voluntary and based on consumer demand. Child Survival Funds finance a new national oral rehydration solution marketing program. A.I.D. funding will continue to the BDG, non-governmental organizations and retail sales programs. In addition, A.I.D. will collaborate with NGOs to provide more maternal and child health services.

B. Increasing Agricultural Productivity

The Agricultural Research II project (388-0051), begun in FY 1981, is an integral part of A.I.D.'s long-term commitment to developing agricultural research capabilities in Bangladesh. The project supports efforts to develop more productive crop varieties and cultivation practices by strengthening the institutional capacity necessary for technological advances and by decentralizing research to regional substations and farmers' fields. The objective is to diversify crop production and improve the efficiency of fertilizer use. In FY 1985, the Mission conducted an external evaluation of the Agriculture Research Program. This evaluation resulted in a revised Mission proposal for a project supplement to extend the Agricultural Research II project until 1991, focussing on a farming systems research approach. The evaluation team found that, while most of the project's objectives were being met, A.I.D.'s commitment to institutionalizing the national agricultural research capability requires sustained support over a longer period than originally envisaged.

In an effort to improve the quality of advanced agricultural training, funding from the Technical Resources project (388-0027) will be provided for technical assistance in curriculum design and agricultural extension from a Title XII university to the Bangladesh Institute of Post-Graduate Studies in Agriculture (IPSA). This program is jointly funded with the Japan International Cooperation Agency (J.I.C.A.).

The deforestation rate in Bangladesh is estimated to be significantly higher than the average for the Asia region. The Homestead Agro-Forestry Development project (388-0062), to begin in FY 1986, addresses the critical problem of rapidly depleting fuelwood supplies, especially for the rural poor. It will develop the BDG's capability to provide the assistance needed to significantly increase small farmers' production of trees, shrubs, bamboo and other ground cover. Bangladesh's forestry efforts have, until recently, focussed on the protection of reserve forests. A.I.D.'s project emphasizes homestead forestry, which provies 90 percent of all fuelwood used, and will introduce an agro-forestry component at existing cropping systems sites.

The Fertilizer Distribution Improvement II project (388-0060), initiated in FY 1984, continues a process begun by its predecessor project to increase fertilizer use through improvements in the marketing system, provisions of adequate fertilizer supplies, and increased national storage capacity. Under the first project, A.I.D. successfully negotiated the removal of government constraints on the operations of private-sector retailers, the elimination of officially administered retail prices, and the closure of a large number of government fertilizer sales centers. The current project focusses on the national level entry of private sector wholesalers into large-scale fertilizer distribution and marketing, elimination of fertilizer subsidies, and fertilizer dealer development and sales promotion. As a result of current BDG-A.I.D. policy dialogue, private distributors

will for the first time be allowed to procure fertilizer from ports and factories, and compete with the government for national distribution. A.I.D. is supporting the new distribution system by financing fertilizer imports, credit for private distributors, technical assistance in distribution and marketing, and minor infrastructural improvements to increase access to ports, factories, and warehouses.

A.I.D. will continue to fund the Feeder Roads Maintenance & Improvement Project (388-0056), formerly called the Zila Roads Maintenance & Improvement Project. Serving as the link between farm-to-market (Food for Work) roads and the national highway system, these district level roads facilitate farmers' access to production inputs, credit and markets, as well as provide immediate employment benefits. The project will train an additional 150 engineers in road maintenance techniques and will demonstrate the benefits of a road maintenance system that can be replicated throughout the country.

PL 480

PL 480 programs in Bangladesh provide essential support to A.I.D.'s strategy to increase agricultural production and provide rural employment. The Food for Work (FFW) III project (388-0061), initiated in FY 1985, will continue a successful program of upgrading local foot paths and seasonal roads into farm-to-market roads that are accessible throughout the year. The FFW activity is an excellent example of how food commodities can be fully integrated into A.I.D.'s development program. The sales proceeds of supplemental PL 480 shipments financed a program of bridge and culvert construction on FFW roads, increasing their utility and development impact. Bridge and culvert construction will continue in both current and requested year programs.

The PL 480 Title III program for FY 1985, an extension of the multi-year agreement begun in FY 1982, financed the purchase of wheat, rice and other U.S. agricultural commodities. The on-going program is providing support for key policy reforms designed to improve the efficiency of the public food distribution system, reduce food subsidies and encourage domestic food production. Under the Title III agreement, the BDG has reduced foodgrain subsidis through increased ration prices, adopted a procurement program that supports producer prices and acquires domestic commodities for the reserve system, and strengthened the use of open market sales to moderate retail price changes. An evaluation performed in the fall of 1985 concluded that the government has performed well in meeting the goals of the program.

Local currency generated from Title III sales are used to finance agricultural research, irrigation, and other projects that move Bangladesh closer to the goal of foodgrain self-sufficiency.

In addition, during the course of FY 1986, a comprehensive Food and Agricultural Policy Study is examining the possibilities for new food and

agricultural policy initiatives that may form the basis for the new multi-year agreement expected to begin in FY 1987.

C. Expanding Employment Opportunities

An extremely high rate of unemployment and underemployment, fueled by a high population growth rate and stagnant per-capita agricultural productivity, is one of the most critical problems confronting Bangladesh. A.I.D. will continue to fund projects, as well as begin new initiatives, that seek to address the unemployment problem.

Enterprise Policy Reform (388-0067), initiated in FY 1985, is designed to provide both A.I.D. and the BDG with a better understanding of policy and institutional constraints that may hinder the development of labor-intensive small and medium size off-farm enterprises. The project constitutes the initial phase of a long-term A.I.D. commitment to enterprise development in Bangladesh, and is providing A.I.D. with information required to engage the BDG in a policy dialogue to remove those constraints. A.I.D. is funding a national economic census by the Bangladesh Bureau of Statistics which will generate benchmark and other data that can be used for further surveys of labor-intensive enterprises. Technical assistance funded under the Technical Resources project (388-0027) will be provided to the Bangladesh Planning Commission to conduct studies and recommend policies that will encourage the expansion of small enterprises. One example is a study of the potential of subcontracting systems in Bangladesh as facilitators for small scale enterprise development. The project will help define the parameters for A.I.D. involvement in the promotion of off-farm employment.

Enterprise Development (388-0066), beginning in FY 1986, will significantly expand the pilot activities of the non-governmental organization Micro-Industries Development Assistance Society (MIDAS), begun under the Rural Industries project (388-0042). A.I.D. believes that prospects for small enterprise development have greatly improved over the past few years as the BDG has moved toward greater reliance on private sector production and free markets. The new project will extend techncal assistance and credit to establish and expand small labor-intensive enterprises, many with backward linkages to agriculture or forward linkages to export markets. Evaluations of the predecessor project demonstrated the effectiveness of MIDAS as a business consulting and credit vehicle and its exceptional loan repayment performance. Funds will be used to establish new MIDAS branch offices, as well as create two new divisions within MIDAS: (1) a Business Innovation Division, to identify new product lines, technologies, and marketing strategies; and (2) a Subcontracting Division to encourage commercial relationships between parent firms and small-scale subcontracting firms.

Evaluations of A.I.D.'s Rural Electrification I & II projects demonstrate a significant immediate increase in economic activity when rural areas gain access to electricity, as well as the expansion of irrigation. Seventy

percent of power distributed in the Rural Electrification II project (388-0054)is consumed by rural industries and commercial businesses. The Rural Electrification III project (388-0070) will continue this successful program. Technical assistance provided under the project will focus on improving the financial viability of the rural electrification cooperatives by reducing price subsidies, increasing the density of service, and improving management capability.

In the Feeder Roads Maintenance & Improvement project (388-0056), discussed above, A.I.D. has begun to assist the BDG institutionalize a routine road maintenance program which provides substantial short-term employment. This program will also ensure that rural assets are maintained and a reliable transportation system is developed.

D. Human Resources

Acknowledging that policy and institution-building efforts can only be effective if supported by a strong human resource base, A.I.D. uses the Technical Resources project (388-0027) to finance a limited amount of U.S. and third country training in areas that are not included in our bilateral projects.

Requested Year Program (FY 1987)

Development Assistance grant funds are requested to fund increments of on-going projects as well as three new projects, two of which are follow-on activities.

A. Reducing Fertility

The Population & Family Planning project (388-0071) will continue the activities begun under the Family Planning Services project (388-0050) providing support to governmental and non-governmental programs delivering a wide range of family planning and health services. A comprehensive evaluation of the current project performed in FY 1986 will assist A.I.D. in the refinement of service delivery activities. It will also explore ways to increase the demand for fertility reduction including expansion of female education and employment opportunities.

B. Increasing Agricultural Productivity

FY 1986 funding will finance such on-going activities as Fertilizer Distribution Improvement II (388-0060), Homestead Agro-Forestry (388-0062), Rural Electrification III (388-0070), and Feeder Roads Maintenance & Improvement (388-0056). Additional funding is requested for a multi-year amendment beginning in FY 1987 to Agricultural Research II (388-0051) to strengthen the Bangladesh Agricultural Research Council's capability to manage effectively the nation's research system. This project will continue existing programs in grain production and improved irrigation techniques, as well as strengthen efforts recently begun in horticulture,

livestock feed and tillage practices. Current farming systems research trials will be more closely linked to the national extension system. Curricula at the agricultural university and training institutes will be updated to incorporate farming systems research as a research and extension methodology.

In FY 1987, A.I.D. plans to initiate a PVO Co-Financing project (388-0072). The project will fund activities of both indigenous and U.S. private organizations that provide a broad range of services directly to the most economically and socially disadvantaged. The large PVO community in Bangladesh has worked effectively with the poor, and direct grants will be made to support a number of PVO activities. A.I.D. will also provide funds and technical assistance to the Association of Development Agencies in Bangladesh (ADAB), a consortium of all PVOs working in Bangladesh, to permit ADAB to assist PVOs improve their project design, implementation and evaluation capabilities as well as management and accounting skills. While agriculture, rural development and nutrition will be emphasized, education and selected development activities funds will also be used.

The PL 480 Title II Food for Work project (388-0061), managed by the U.S. PVO CARE. will continue to finance such small rural infrastructure projects as feeder roads and bridges which are currently providing seasonal employment to over 800,000 landless rural poor.

C. Expanding Rural Employment

Incremental funding is requested for the on-going Rural Electrification, Enterprise Development, and Food for Work III projects that will continue to stimulate off-farm employment opportunities. Additional funding under the Technical Resources project (388-0027) is requested to continue technical assistance to the Planning Commission. (See description above).

D. Human Resources

The Development & Management Training project (388-0068), beginning in FY 1986, greatly expands A.I.D.'s ability to provide quality in-country and U.S. education in public administration, management, business administration, and economics. Training will be focussed at the entry and middle levels of both public and private sector organizations. The project will also strengthen local management and public administration training institutions.

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

PROGRAM: BANGLADESH

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PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
RURAL ELECTRIFICATION	L	388-0021	78	80	34,000	34,000	34,000	33,716	---	---	---	---
FERTILIZER DISTRIBUTION IMPROVEMENT	G	388-0024	78	83	203,000	193,210	193,210	187,726	---	5,484	---	---
FERTILIZER DISTRIBUTION IMPROVEMENT	L	388-0024	78	83	32,000	32,000	32,000	30,356	---	1,645	---	---
TECHNICAL RESOURCES	G	388-0027	79	88	9,650	13,150	7,350	2,937	2,300	1,500	1,500	2,000
RURAL FINANCE	G	388-0037	83	85	75,000	75,000	75,000	72,773	---	2,227	---	---
RURAL INDUSTRIES	G	388-0042	81	85	5,000	4,513	4,513	1,914	---	2,599	---	---
PVO CO-FINANCING II	G	388-0045	80	85	3,179	2,572	2,572	2,394	---	178	---	---
AGRO-CLIMATIC ENVIRONMENT MONITOR	G	388-0046	81	86	7,400	7,400	5,900	5,634	1,500	1,000	---	766
AGRICULTURAL RESEARCH II	G	388-0051	81	91	27,000	53,000	22,600	16,825	4,400	6,000	5,000	6,000
FOOD FOR WORK II (OPG)	G	388-0052	81	85	3,175	3,169	3,169	2,965	---	204	---	---
RURAL ELECTRIFICATION II	G	388-0054	81	85	50,000	50,000	50,000	27,408	---	19,000	---	3,592
FEEDER ROADS MAINTENANCE AND IMPROVEMENT	G	388-0056	81	87	9,200	20,200	9,200	6,752	5,000	2,000	6,000	3,000
FERTILIZER DISTRIBUTION IMPROVEMENT II	G	388-0060	84	88	52,000	52,000	1,000	---	15,000	500	12,000	12,000
FERTILIZER DISTRIBUTION IMPROVEMENT II	L	388-0060	84	88	13,000	13,000	13,000	---	---	8,342	---	3,000
FOOD FOR WORK III	G	388-0061	85	89	9,400	9,400	1,045	264	1,500	1,200	1,500	1,500
HOMESTEAD AGRO-FORESTRY RESEARCH	G	388-0062	86	91	---	18,000	---	---	3,000	2,000	3,000	3,000
ENTERPRISE POLICY REFORM	G	388-0067	85	86	3,000	3,000	1,500	2	1,500	1,292	---	1,200
RURAL ELECTRIFICATION III	G	388-0070	86	90	---	50,000	---	---	6,500	1,000	10,200	15,000
PVO CO-FINANCING III	* G	388-0072	87	92	---	3,500	---	---	---	---	800	758

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: BANGLADESH

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT					536,004	637,114	456,059	391,666	40,700	56,171	40,000	51,816
GRANTS					457,004	558,114	377,059	327,594	40,700	46,184	40,000	48,816
LOANS					79,000	79,000	79,000	64,072	---	9,987	---	3,000
POPULATION PLANNING												
FAMILY PLANNING SERVICES	G	388-0050	81	86	153,336	147,784	115,778	74,479	29,000	32,500	---	36,684
POPULATION AND FAMILY PLANNING	* G	388-0071	87	91	---	160,000	---	---	---	---	29,000	1,000
TOTAL FOR ACCOUNT					153,336	307,784	115,778	74,479	29,000	32,500	29,000	37,684
GRANTS					153,336	307,784	115,778	74,479	29,000	32,500	29,000	37,684
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PVO CO-FINANCING II	G	388-0045	80	85	950	499	499	351	---	148	---	---
FAMILY PLANNING SERVICES	G	388-0050	81	86	1,530	1,530	1,530	1,272	---	258	---	---
BAVS MCH SERVICES (OPG)	G	388-0074	86	88	---	3,000	---	---	2,000	850	---	1,000
TOTAL FOR ACCOUNT					2,480	5,029	2,029	1,623	2,000	1,256	---	1,000
GRANTS					2,480	5,029	2,029	1,623	2,000	1,256	---	1,000
LOANS					---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND												
FAMILY PLANNING SERVICES	G	388-0050	81	86	5,000	5,000	5,000	8	---	2,000	---	2,000
ICDDR/B URBAN VOLUNTEER PROGRAM (OPG)	G	388-0073	86	90	---	4,600	---	---	2,000	950	2,500	900
TOTAL FOR ACCOUNT					5,000	9,600	5,000	8	2,000	2,950	2,500	2,900
GRANTS					5,000	9,600	5,000	8	2,000	2,950	2,500	2,900
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
TECHNICAL RESOURCES	G	388-0027	79	88	1,350	1,350	1,050	505	300	350	---	300
DEVELOPMENT AND MANAGEMENT TRAINING	* G	388-0068	87	90	---	8,000	---	---	---	---	2,000	1,000

*Refers to the planned project summary sheet

GLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: BANGLADESH

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT					1,350	9,350	1,050	505	300	350	2,000	1,300
GRANTS					1,350	9,350	1,050	505	300	350	2,000	1,300
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
KARNAPHULI THIRD UNIT	G	388-0018	76	81	700	700	700	502	---	198	---	---
ENTERPRISE DEVELOPMENT	G	388-0066	86	90	---	8,000	---	---	1,000	800	1,000	2,000
PVO CO-FINANCING III	• G	388-0072	87	92	---	2,000	---	---	---	---	500	200
TOTAL FOR ACCOUNT					700	10,700	700	502	1,000	998	1,500	2,200
GRANTS					700	10,700	700	502	1,000	998	1,500	2,200
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					698,870	979,577	580,616	468,783	75,000	94,225	75,000	96,900
GRANTS					619,870	900,577	501,616	404,711	75,000	84,238	75,000	93,900
LOANS					79,000	79,000	79,000	64,072	---	9,987	---	3,000

*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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: BANGLADESH

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Population and Family Planning				FY 1987 29,000	Life of Project Funding 160,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
388-0071	☒ NEW	29,000			FY 1987	FY 1991	FY 1992
☒ GRANT ☐ LOAN	☐ CONTINUING						

Purpose: To reduce fertility by (1) increasing the use of family planning methods; (2) stimulating increased demand for service; (3) delaying age of marriage.

Project Description: A.I.D.'s Family Planning Services project (388-0050) addressed the Bangladesh government's (BDG) highest development priority by providing grants to government and non-government family planning groups for commodities, demographic research, maternal and child health training materials, community-based distribution projects, local cost financing of the voluntary sterilization program, and a contraceptive retail sales program.

The proposed project will address the demand for family planning services by strengthening information, education and service delivery systems, e.g., the Ministry of Health and Population Control, decentralized administrative structures of other ministries, non-governmental organizations (NGOs), and commercial retail sales outlets participating in contraceptive social marketing. The project will focus on disseminating information and increasing the public's access to child spacing methods and voluntary sterilization while it builds on important lessons learned from the ongoing project. It will continue to reimburse selected costs of non-clinical and clinical contraceptive services, as well as finance contraceptives, technical assistance for logistics and supply, operational research in service delivery, and data-gathering and analysis for evaluation purposes, e.g., the contraceptive prevalence survey. The project will also focus on ways to reduce fertility, stimulate demand for family planning services, and delay the age of marriage through increased access for females to education, vocational training and work opportunities.

Relationship of Project to A.I.D. Strategy: At the currently estimated population growth rate of 2.7%, A.I.D. Bangladesh's population will double in 25 years, vitiating gains in agricultural production and productive employment opportunities. A.I.D. thus supports the crucial goal of reducing fertility by both meeting existing demand for family planning services and stimulating greater demand through expansion of female education and employment opportunities.

Host Country and Other Donors: The IBRD and a consortium of other donors, UNFPA and the Asian Development Bank finance family planning infrastructure, training, contraceptives and technical assistance. A local consultative group of donors meets periodically with the government to discuss family planning program priorities and strategies.

Beneficiaries: Married couples of reproductive age will benefit from the family planning service delivery effort. Young, unmarried females are the beneficiaries of activities to delay age of marriage and fertility. Expected reductions in fertility will improve the health of women and children and enable young people to pursue options of education/employment in place of child-bearing at an early age.

Major Outputs:

A variety of voluntary family planning services including information, marketing efforts, research and commodities.

A.I.D.-Financed Inputs	Life-of-Project ($000)
Commodities; technical assistance for logistics and supply; operational research and evaluative data gathering/analysis; program support to NGOs and BDG	$160,000

U. S. FINANCING (In thousands of dollars)				Principal Contractors or Agencies
	Obligations	Expenditures	Unliquidated	
Through September 30,				To be determined
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	29,000	131,000	160,000	

PROGRAM: BANGLADESH

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Development and Management Training				FY 1987 2,000	Life of Project Funding 8,000

Number 388-0068	[X] NEW	Population	ED. & HR 2,000	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING				FY 1987	FY 1991	FY 1992

Purpose: To improve the institutional capacity of both the Bangladesh Government (BDG) and private organizations to plan, design and implement development policies and programs through training in management and public administration.

Project Description: While the upper echelon of the BDG administrative management, trained under the pre-independence elite Pakistan Civil Service Corps, is generally competent, mid-level and new entrants into the civil service are less qualified. Access to quality education in such basic skills as public administration, management, business administration and economics has been limited and made available primarily to those individuals already in key policy positions. The dearth of adequately trained managers and technical personnel severely limits the absorptive capacity of BDG institutions, inhibits the implementation of key development activities, and inhibits effective policy dialogue. The weak human resource base will also inevitably reduce the government's capacity in the future to make informed policy decisions and effect a rational allocation of resources. Bangladesh universities are not capable of providing quality education in other than such technical areas as engineering, medicine and agriculture. Although a few institutes of management and public administration have either been re-established after a hiatus since independence or have been recently created, post-graduate education in public administration, management and economics is virtually non-existent.

This project will upgrade personnel in both public and private institutions through external and some in-country training. It will finance long- and short-term, degree and non-degree training. It will establish within the BDG a system of selecting the best young entrants into the public and private workforce and create an incentive structure to ensure that their newly acquired skills are effectively utilized.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s country strategy explicitly recognizes that the lack of investment in human capital at the managerial and entrepreneurial levels acts as a serious constraint to the management of public programs and the growth of productive private enterprises. Inadequately trained managers seriously inhibit the analysis, promulgation and implementation of sound public policies. A.I.D.'s training strategy seeks to redress this.

Host Country and Other Donors: Most major international and bilateral donors include training programs in their projects which are short-term and focused on the projects' technical areas, e.g., agriculture and health. Some donors, primarily the British and Dutch, emphasize training in the humanities and social sciences. This project will focus on training that will influence the country's policy decisions and program effectiveness.

Beneficiaries: All Bangladeshis will ultimately benefit from a strengthened human resource base supporting economic development, as well as from enlighted management of public and private resources.

Major Outputs: A cadre of mid-level public servants and private sector employees, trained in the skills areas necessary to effectively plan, manage and evaluate development programs and enterprises.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Short- and long-term training, technical assistance and commodities	$8,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	2,000	6,000	8,000

Principal Contractors or Agencies

PROGRAM: BANGLADESH

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
PVO-Co-Financing		800		FY 1987 1,300	Life of Project Funding 5,500

Number 388-0072	[X] NEW	Population	ED. & HR	Sel. Act. 500	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING				FY 1987	FY 1992	FY 1993

Purpose: To strengthen the capacity of Private Voluntary Organizations (PVOs) in Bangladesh to extend basic services to the poor and to test cost-effective, replicable methods of service delivery.

Project Description: PVOs in Bangladesh have become increasingly involved in the delivery of a broad range of services, such as health, family planning, and agriculture, at the field level. Indigenous and international non-governmental organizations (NGOs) are presently reaching 10-15% of the rural poor in Bangladesh. The reputation and quality of these NGOs, over 6000 in all, varies immensely. However, their unique ability to reach poorer target groups; to keep operating costs low; to encourage beneficiary participation in program design, implementation and evaluation; and to introduce innovations in appropriate technology and service delivery are widely recognized by the BDG and the donor community.

This project will finance NGO sub-projects designed to strengthen private service delivery institutions in sectors where BDG support at the grassroots level is limited; in sectors that directly advance the A.I.D. development strategy, i.e., child survival, employment generation, social forestry, private entrepreneurship development; and in sectors where A.I.D. is investigating new approaches for longer term funding. The project also will provide a limited amount of technical assistance to PVOs to strengthen their project management skills.

Relationship of Project to A.I.D. Country Strategy: Encouraging the private sector to take a more active role in development is an important element of A.I.D.'s strategy. PVOs have already demonstrated a unique capability to provide family planning services effectively at low cost. Project funds will permit PVOs, working closely with the most disadvantaged groups, to test innovative ways to increase agricultural productivity and create new employment opportunities.

Host Country and Other Donors: The funds provided through the project will cover from 50% to 75% of the cost of each sub-project. The balance will be provided from a variety of sources including the beneficiaries, private business and philanthropic concerns, other bilateral and multilateral organizations, and private individuals. A.I.D. will continue to work closely with the World Bank Local Consultative Group Sub-committee on NGOs in Rural Development, particularly in streamlining project approval and monitoring procedures.

Beneficiaries: As a result of this project, A.I.D. expects to strengthen the PVOs and, through them, to be able to provide the poor with access to a broader range of services.

Major Outputs:	All Years
- Delivery of services to the poor in areas such as child health, small business development, credit facilities, employment generation, technology transfer and the environment	X
- Training of NGO employees and project beneficiaries	X
- Institutional strengthening of local organizations	X

A.I.D.-Financed Inputs	Life-of-Project ($000)
Technical assistance, commodities, training, lending and operational capital	$5,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,300	4,200	5,500

Principal Contractors or Agencies

To be determined.

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (482) BURMA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 36,919

PER CAPITA GNP..... (DOLLARS,1983) 180

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 2.2%

ANNUAL RATE OF INFLATION (1973-83) 6.5%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1972) 8.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 56.1	MALE 54.4	FEMALE 57.8
(1970)	TOTAL 48.8	MALE 47.3	FEMALE 50.3

ADULT LITERACY RATE (1980) TOTAL 66% MALE 76% FEMALE 56%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 3.2%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 48%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 333

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE ,. ,.	47%	(1984)
CASH: PEANUTS ,. ,.	6%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RICE ,PULSES ,RUBBER

MAJOR AGRICULTURAL IMPORTS:(1984) MILK ,WHEAT ,ANIMAL PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1983) 63%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1980)	999 (81)	1,041 (82)	1,041
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1980)	927 (81)	944 (82)	997
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1980)	72 (81)	98 (82)	43
DEFENSE EXPENDITURES,			
AS % OF TOTAL EXPENDITURES.. (1980)	21.9% (81)	22.3% (82)	19.3%
AS % OF GNP..... (1980)	3.5% (81)	3.6% (82)	3.3%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 114 (83) 99 (84) 71
EQUIVALENT TO 1.1 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)RICE ,TEAK ,HARDWOODS

EXPORTS TO U.S.

($ MILLIONS, US, FOB) (1982)	16 (1983)	11 (1984)	13
AS % OF TOTAL EXPORTS (1981)	3% (1982)	4% (1983)	3%

MAJOR IMPORTS(1983)MACH.TRANSP EQ ,BLDG MATERIALS ,OIL INDUSTRY EQ

IMPORTS FROM U.S.

($ MILLIONS, US, CIF) (1982)	37 (1983)	17 (1984)	17
AS % OF TOTAL IMPORTS (1981)	5% (1982)	5% (1983)	2%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -334(82) -491(83) -352

TRADING PARTNERS: JAPAN ,SINGAPORE ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 54.9%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 150
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 39.9%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.9% (1978) 2.0% (1985) 2.0%

POPULATION IN URBAN AREAS.....(1970) 23% (1985) 30%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 33

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1983) 10.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 41.3% (15-64YRS) 55.0% (65+ YRS) 3.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 89

PEOPLE PER PHYSICIAN..... (1979) 4,681

MAJOR CAUSES OF
DISEASE (1981) MALARIA ,INTESTINAL INFEC,TUBERCULOSIS
DEATH.. (1982) MALARIA ,TUBERCULOSIS ,HEART DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 96%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 21%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1977)	TOTAL 76.2	MALE 86.0	FEMALE 73.2
SECONDARY..... (1979)	TOTAL 22.9	MALE 24.2	FEMALE 19.5
POST SECONDARY.. (1978)	TOTAL 3.4	MALE 3.4	FEMALE 3.4

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 120%

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

COUNTRY BURMA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	6.8	7.6	13.7	18.8	14.6	163.1	67.0	96.1
Loans	-	-	-	-	-	40.4	67.0	26.6-
Grants	6.8	7.6	13.7	18.8	14.6	122.7	-	122.7
a. A.I.D. and Predecessor Agencies	2.0	3.0	7.6	13.8	12.2	98.6	33.9	64.7
Loans	-	-	-	-	-	33.5	33.9	0.4-
Grants	2.0	3.0	7.6	13.8	12.2	65.1	-	65.1
(Economic Support Fund)	-	-	-	-	-	9.0		
b. Food for Peace (PL 480)	0.2	-	-	-	-	22.6	26.8	4.2-
Loans	-	-	-	-	-	1.9	26.8	24.9-
Grants	0.2	-	-	-	-	20.7	-	20.7
Title I - Total Sales Agreements	-	-	-	-	-	14.7	26.8	12.1-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	14.7	26.8	12.1-
Title II - Total Grants	0.2	-	-	-	-	7.9	-	7.9
Emerg. Relief, Econ. Develop. & World Food Program	0.2	-	-	-	-	0.3	-	0.3
Voluntary Relief Agencies	-	-	-	-	-	7.6	-	7.6
c. Other Economic Assistance	4.6	4.6	6.1	5.0	2.4	41.9	6.3	35.6
Loans	-	-	-	-	-	5.0	6.3	1.3-
Grants	4.6	4.6	6.1	5.0	2.4	36.9	-	36.9
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	4.6	4.6	6.1	5.0	2.4	36.9	-	36.9
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	*	*	0.2	0.2	0.1	89.2	-	89.2
Credits or Loans	-	-	-	-	-	-	-	-
Grants	*	*	0.2	0.2	0.1	89.2	-	89.2
a. MAP Grants	-	-	-	-	-	72.1	-	72.1
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	*	*	0.2	0.2	0.1	4.8	-	4.8
d. Transfers from Excess Stocks	-	-	-	-	-	12.3	-	12.3
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	6.8	7.6	13.9	19.0	14.7	252.3	67.0	185.3
Loans	-	-	-	-	-	40.4	67.0	26.6-
Grants	6.8	7.6	13.9	19.0	14.7	211.9	-	211.9
Other U.S. Government Loans and Grants	-	-	-	-	-	3.4	4.3	0.9-
a. Export-Import Bank Loans	-	-	-	-	-	3.4	4.3	0.9-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	115.5	130.8	42.3	1406.7
IBRD	0.0	0.0	0.0	33.1
IFC	0.0	0.0	0.0	0.0
IDA	92.0	54.7	32.3	697.0
IDB	0.0	0.0	0.0	0.0
ADB	8.1	71.6	10.0	516.0
AFDB	0.0	0.0	0.0	0.0
UNDP	15.4	4.5	0.0	87.9
OTHER-UN	0.0	0.0	0.0	72.7
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	6.0	4.0	13.0
Japan	111.0	120.8	815.4
Germany, Fed. Rep.	62.5	79.0	280.4
Australia	17.2	6.7	58.7
United Kingdom	6.0	2.7	43.2
Other	15.5	13.2	124.1
Total	218.2	226.4	1,334.8

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	15
Eastern Europe	-	-	215
Total		-	230

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
1985								
Loans		-	-	-	-	-	-	-
Grants	14,930	12,750	-	2,180	-	-	-	-
Total	14,930	12,750		2,180				
1986								
Loans		-	-	-	-	-	-	-
Grants	10,000	9,180	-	320	500	-	-	
Total	10,000	9,180		320	500			
1987								
Loans		-	-	-	-	-	-	-
Grants	10,000	8,000	-	1,500	500	-	-	-
Total	10,000	8,000		1,500	500			

FY 1987
PROGRAM HIGHLIGHTS

- Technological and institutional improvements applied in agriculture sub-sectors benefitting from minimum market and price controls--$8.0 million.

- New primary health care technologies applied in low cost delivery programs--$1.5 million.

- Long- and short-term training in areas assuring the availability and sustained dissemination of essential technical skills and scientific knowledge in institutions which are central to development programs and policy development--$.5 million.

BURMA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	–	–	–
Grants	9,540	12,610	14,934
Total AID	9,540	12,610	14,934
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	9,540	12,610	14,934

** 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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

PERSONNEL DATA			
Category	FY1985 (Actual)	FY1986 (Estimated)	FY1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	7	8	8
PASA[b]	0	0	0
TOTAL	7	8	8

[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 PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY1985 (Actual)			FY1986 (Estimated)			FY1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	23	12	35	25	15	40	30	22	52
Regional[e]	–	5	5	–	–	–	–	–	–
TOTAL	23	17	40	25	15	40	30	22	52

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY1985 (Actual)			FY1986 (Estimated)			FY1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	13	13	–	54	54	–	16	16
Regional[e]	–	–		–	–		–	–	
	–	–		–	–		–	–	
TOTAL		13	13		54	54		16	16

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

BURMA

Development Overview

Burma remains one of the world's poorest countries with a per capita Gross National Product (GNP) of only $180. Burma, the largest and least densely populated country in mainland Southeast Asia, with an estimated population of 37 million, contains substantial and relatively unexploited mineral, marine, forest, land, water and hydro-energy resources. These include undetermined amounts of petroleum and natural gas and an estimated 80 percent of the world's teak. Only one-half of Burma's arable land is now cultivated and only a small percentage is irrigated. Although Burma has only recently begun programs which make use of high-yielding seed varieties, fertilizer and irrigation, its potential for future agricultural production increases is extremely high. Burma's general economic potential--certainly its potential for improvement--is also considered very high.

While the country is very poor, the gap between rich and poor and between urban and rural standards of living is small. Burma is basically self-sufficient in both food and energy although shortages and distribution problems do occur. It has been relatively untouched by international inflation. Though there has been recent evidence of upward pressure, a consumer-oriented price policy has, to date, succeeded in keeping domestic prices relatively stable. However, the social and physical infrastructure of the country and delivery of services to rural areas are inadequate. Only a small percentage of the population has access to electricity or potable water. Malaria, diarrheal diseases, and tuberculosis are widespread, and the infant mortality rate remains high although it is improving. Burma's population has been growing at just over 2 percent since 1973. Sixty-six percent of Burma's citizens are considered literate, but only about 3 of every 100 elementary school entrants advance to the university level.

In the 1950s, Burma emphasized social service programs at the expense of economic growth. By the 1970s, however, the government began to place increased priority on economic growth and performance. A tax reform program expanded government revenues and slowed the rate of monetary expansion. Interest rates were raised and government enterprises were placed on a more commercial basis. As a result, the Burmese economy passed its low point in 1975 and achieved an annual growth rate of 6.8 percent through 1981. More recently growth has slowed and external debt has increased as foreign exchange earnings from traditional exports, particularly rice, have declined significantly. This phenomenon poses increasingly difficult problems for an economy which requires additional foreign exchange for investment and development.

The agriculture sector accounts for 48 percent of Gross Domestic Product and, until recently, also accounted for the largest percentage of Burma's export earnings. The extension of high-yielding varieties, improved cultivation practices, and fertilizer increased Burma's rice productivity by 80 percent from 1.65 MT/hectare in 1975 to just over 3 MT/hectare in

1984, but a saturated international rice market, combined with an inability to obtain premium rice from farmers at official prices, has reduced government sales of rice for export. As a result of this decline, forestry products now account for a slightly larger percentage of the country's export earnings than agriculture, and valuable forest reserves are coming under increasing pressure in the face of the country's heavy foreign exchange demands.

Despite its high potential and a few encouraging signs, Burma's economic and social service development progress is restrained by a cumbersome centralized administration and distribution system, dual systems of administered and market prices for several commodities and services, a strong bias for self-sufficiency even at high costs to efficiency, an overvalued official exchange rate, and a shortage of skilled personnel and modern technologies. Foreign exchange needed to finance continued modernization and development efforts is in short supply, in part because of the constraining factors described above. The results of this are seen in shortages of capital equipment and investment goods, high rates of unemployment and underemployment, and inadequate and deteriorating infrastructure in nearly every sector. Goods representing a very significant portion of the value of imports into the country are provided through a parallel economy which performs admirably even in the face of government-imposed restraints.

Access to borrowing is limited by a debt service ratio estimated in 1984 to be as high as 42 percent of export earnings--and increasing.

U.S. Interests And Objectives

Burma borders India, Bangladesh, China, Laos, and Thailand. The United States is interested in the stability and progress of Burma as an independent nation in Southeast Asia. U.S. development interests stem from a recognition of Burma's long-term potential for economic growth, for satisfying the development aspirations of its own people, and for contributing to the world's food supplies. U.S. commercial interests could be significantly expanded in a more open, growing economy. In 1984 U.S./Burma two-way trade was estimated at $30 million, with U.S. exports to Burma accounting for $17 million.

The United States and Burma have a close cooperative relationship and the United States is helping Burma to curtail the production and export of illicit narcotics through a narcotics control assistance program financed by the Department of State. A.I.D.'s current and planned programs in Burma support all of these U.S. interests.

A.I.D. Development Assistance Strategy

The A.I.D. strategy in Burma recognizes that the economic assistance program is but one significant element in a larger U.S. program designed to achieve U.S. foreign policy objectives in this country and region. It

recognizes an economic and political environment which restrains market-led economic growth and dissuades active discussion of economic policies with foreign experts. It also recognizes the importance of helping Burma adapt its policies and programs to a rapidly changing world.

The A.I.D. strategy adapts to constraints imposed by the current economic environment by concentrating assistance on a few sound Burmese development efforts in key sectors that show significant potential for contributing to Burma's economic growth and social development. While, of necessity, recognizing independent Burmese policy prescriptions, the strategy also challenges the current environment by focusing support on economic activities which are subject to minimum government control, and by indicating alternatives for selection and adoption by the Government of Burma. Thus, the program highlights problems derived from inappropriate policies and the need for policy changes. It initiates technological and institutional improvements which contribute to the efficiency of any system, and introduces ideas for increased economic and administrative efficiency to Burmese who participate in formulation of economic development policies and programs. The strategy paves the way for modernization and change over the medium and long term. It also addresses the social service needs of the population and recognizes a proper role of the public sector by supporting social development programs which demonstrate efficient, low-cost delivery of social services to the poor majority.

The A.I.D. strategy establishes intermediate objectives of increased productivity and continued long-term growth and improved social service delivery in the areas of A.I.D. intervention. The strategy concentrates on agriculture and health development and supports two high priority programs of national scope.

Within the agricultural sector, A.I.D. supports Burma's production of selected food crops while strengthening institutional capacity to sustain the advances that are made. U.S. technology, research, and training assistance for oilseeds production and processing are making Burma less dependent on edible oil imports and moving it closer to meeting its domestic requirements. They are also increasing rural incomes and supporting A.I.D.'s nutrition objectives in the health sector while providing support to private sector farmers and millers.

The objective of A.I.D.'s health sector support is the reduction of morbidity and mortality, especially among infants and children. A.I.D.'s contribution to the National Primary Health Care program enables Burma to train and equip village volunteers as community health workers and as auxiliary midwives providing basic preventive and curative services in health and nutrition at the village level. A.I.D. also supports the Government of Burma's program to provide traditional birth attendants with their first organized training.

In addition to the above efforts, A.I.D. supports the development of Burma's human resources through training programs in the United States and third countries. In 1984/85, A.I.D. sponsored 50 participants from Burmese development agencies for courses in agriculture, public health, cooperatives and energy management.

A.I.D. Program (FYs 1985-86)

A. Agriculture

During FY 1985 A.I.D. made its final contribution to the Maize and Oilseeds Production Project (482-0005) which was initiated in FY 1982. This project is financing technical assistance and training from a consortium of U.S.-based universities and is supplying agricultural commodities such as fertilizer and equipment in support of a relatively open market-based sub-sector of the Burmese agriculture sector. At the end of FY 1985, 18 project-funded agricultural specialists were enrolled in graduate study programs in the United States. A mid-term evaluation completed in early 1985 confirmed the general success of the project, but it also noted: (a) a failing of the project to identify and train Ph.D.-level technicians in a timely way; and (b) a slow start-up of the technical assistance component of the project. The design of a follow-on production project which will begin in FY 1986 has taken these problems and their causes into consideration.

In late FY 1985, A.I.D. initiated two new activities in this sub-sector. The Edible Oil Processing and Distribution (482-0006) and Agriculture Research and Development (482-0012) projects supplement the earlier production project with efforts to strengthen research and improve the processing and distribution of oilseeds. The first of these two new projects includes support to private sector oil mills and complements the Maize and Oilseeds Production Project (482-0005) by introducing more modern extraction and processing technologies designed to increase the present low rates of oil recovery and improve the quality of edible oils. The Agriculture Research and Development Project (482-0012) represents the first phase of a joint, long-range effort to strengthen adaptive research capacities in maize, oilseeds and other selected crops.

During FY 1986, A.I.D. will continue the projects above while initiating a new follow-on production activity, the Agriculture Production Project (482-0007). This project will extend the work begun under the Maize and Oilseeds Production Project (482-0005), but will augment the effort with an integrated pest management component and a reinforced human resources development program.

B. Health

A 1985 end-of-project evaluation of the Primary Health Care I Project (482-0002) concluded that, though the project achieved its purpose of increasing coverage, services are still more curative than preventive in

nature. Recommendations for increased attention to the quality of training and performance of community health workers have been integrated into a follow-on Primary Health Care II Project (482-0004). Combined with other donor and Burmese contributions, this project is enabling Burma to provide some primary health care coverage in all of its 287 rural townships and to improve the quality of services provided. A.I.D. assistance is improving volunteer health worker training/supply/deployment, health information systems and research, management, and supervision.

A new activity, Strengthening Primary Health Care Service Delivery Project (492-0013), scheduled to begin in late FY 1986, will augment the quality improvement aspects of the Primary Health Care II Project (482-0004) by focussing attention on supervision and training for the lowest level government-paid public (mid-level) health workers and by initiating interventions in areas which most affect mothers' and children's health in Burma. These include such things as immunization, oral rehydration therapy, mass media information dissemination, malaria suppression, and treatment of upper respiratory and TB infections.

C. Development Training

Since the resumption of A.I.D.'s development assistance program in Burma in FY 1980, A.I.D. participant training programs have proven very successful in transferring U.S. managerial and technical skills to Burma and in building a human resource base for future economic development. Through FY 1985, 182 Burmese government officials have received overseas training in agriculture, health, planning, public management and energy development. In FY 1986 A.I.D. plans to fund increased participant training, with greater emphasis on management and administration.

Requested Year Program (FY 1987)

A. Agriculture

In FY 1987, A.I.D. will continue assistance to the edible oil sub-sector under the Edible Oil Processing and Distribution (482-0006), Agriculture Research and Development (482-0012), and Burma Agriculture Production (482-0007) projects. These projects will: (a) move the cooperative sector toward a more realistic, market-oriented operation and, through technology improvements and training, benefit some small, private sector entrepreneurs engaged in oil extraction; (b) strengthen adaptive research/extension linkages; and (c) consolidate institutional improvements which will assure continued food production increases into the future. The United States has substantial technical expertise and experience to assist in this area.

FY 1987 evaluations of the Edible Oil Processing and Distribution and Agriculture Research and Development projects will be used to identify design and implementation problems and to point out appropriate

corrective actions.

B. Health

A.I.D. will continue assistance to the Primary Health Care II (482-0004) and Strengthening Primary Health Care Service Delivery (482-0013) projects during FY 1987. Each project will profit from and improve the management information system, first developed and installed under the Primary Health Care II project, designed to help the Government of Burma achieve low-cost primary health care program objectives more efficiently, both within these A.I.D.-financed projects and throughout the health system. An evaluation of the Primary Health Care II Project planned for early FY 1987 will use data gathered under the project's management information system to assess the degree of success in achieving planned qualitative improvements in health care delivery.

C. Development Training

Funding is requested for the continuation of participant training programs.

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

PROGRAM: BURMA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
MAIZE AND OILSEEDS PRODUCTION	G	482-0005	82	85	30,000	30,000	30,000	18,390	---	6,110	---	5,401
EDIBLE OIL PROCESSING AND DISTRIBUTION	G	482-0006	85	87	9,500	8,010	6,010	---	---	1,500	2,000	1,240
AGRICULTURE PRODUCTION	G	482-0007	86	90	30,000	27,000	---	---	4,680	250	6,000	3,000
AGRICULTURE RESEARCH AND DEVELOPMENT	G	482-0012	85	86	11,300	7,500	3,000	---	4,500	2,000	---	2,043
TOTAL FOR ACCOUNT					80,800	72,510	39,010	18,390	9,180	9,860	8,000	11,684
GRANTS					80,800	72,510	39,010	18,390	9,180	9,860	8,000	11,684
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PRIMARY HEALTH CARE	G	482-0002	80	81	4,720	4,720	4,720	4,618	---	---	---	---
PRIMARY HEALTH CARE II	G	482-0004	83	85	9,470	9,320	9,320	1,884	---	2,500	---	2,250
STRENGTHENING PRIMARY HEALTH CARE SVC DE	G	482-0013	86	90	12,000	12,000	---	---	320	---	1,500	750
TOTAL FOR ACCOUNT					26,190	26,040	14,040	6,502	320	2,500	1,500	3,000
GRANTS					26,190	26,040	14,040	6,502	320	2,500	1,500	3,000
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT TRAINING II	G	482-0010	86	91	---	3,000	---	---	500	250	500	250
TOTAL FOR ACCOUNT					---	3,000	---	---	500	250	500	250
GRANTS					---	3,000	---	---	500	250	500	250
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					106,990	101,550	53,050	24,892	10,000	12,610	10,000	14,934
GRANTS					106,990	101,550	53,050	24,892	10,000	12,610	10,000	14,934
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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (233) CYPRUS

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 665

PER CAPITA GNP..... (DOLLARS,1983) 3,680

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 5.5%

ANNUAL RATE OF INFLATION (1973-83) 10.8%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1966) 7.9%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 74.6	MALE 72.8	FEMALE 76.4	
(1970)	TOTAL 70.9	MALE 69.3	FEMALE 72.4	

ADULT LITERACY RATE (1976) TOTAL 89% MALE 96% FEMALE 83%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 3.4%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 9%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 122

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT ,BARLEY ,.	35%	(1984)
CASH: GRAPES ,CITRUS FRUIT ,POTATOES	15%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) POTATOES ,CITRUS FRUIT ,GRAPES

MAJOR AGRICULTURAL IMPORTS:(1984) BARLEY ,SORGHUM ,WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1983) 21%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1981)	485 (82)	532 (83)	550
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1981)	627 (82)	655 (83)	685
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1981)	-142 (82)	-124 (83)	-135
DEFENSE EXPENDITURES,			
AS % OF TOTAL EXPENDITURES.. (1981)	6.7% (82)	6.0% (83)	5.5%
AS % OF GNP..... (1981)	2.0% (82)	1.5% (83)	1.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 538 (83) 532 (84) 552
EQUIVALENT TO 4.1 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)FOOD & BEVERAGE,CEMENT ,CLOTHING

EXPORTS TO U.S.

($ MILLIONS, US, FOB) (1982)	6 (1983)	12 (1984)	20
AS % OF TOTAL EXPORTS (1981)	1% (1982)	1% (1983)	3%

MAJOR IMPORTS(1983)MANUFCTURD GOOD,MACH TRANSP EQ ,FUELS

IMPORTS FROM U.S.

($ MILLIONS, US, CIF) (1982)	86 (1983)	74 (1984)	70
AS % OF TOTAL IMPORTS (1981)	10% (1982)	9% (1983)	7%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -536(82) -590(83) -656

TRADING PARTNERS: UNITED KINGDOM ,ITALY ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 39.4%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 138
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 11.3%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.8% (1978) 0.7% (1984) 1.3%

POPULATION IN URBAN AREAS.....(1970) 41% (1985) 50%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 21

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

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 24.9% (15-64YRS) 64.8% (65+ YRS) 10.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 12

PEOPLE PER PHYSICIAN..... (1980) 1,123

MAJOR CAUSES OF

DISEASE (1981)	CHICKEN POX	,TUBERCULOSIS	,SCARLET FEVER
DEATH.. (1974)	CIRCULATORY	,HEART DISEASE	,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 129%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 100%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1982)	TOTAL 79.4	MALE 79.7	FEMALE 79.0	
SECONDARY..... (1982)	TOTAL 79.4	MALE 76.5	FEMALE 79.5	
POST SECONDARY.. (1981)	TOTAL 2.7	MALE 3.3	FEMALE 2.1	

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

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

COUNTRY CYPRUS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	15.2	14.0	15.0	15.0	15.0	208.3	0.6	207.7
Loans	-	-	-	-	-	1.2	0.6	0.6
Grants	15.2	14.0	15.0	15.0	15.0	207.1	-	207.1
a. A.I.D. and Predecessor Agencies	15.0	14.0	15.0	15.0	15.0	177.0	-	177.0
Loans	-	-	-	-	-	-	-	-
Grants	15.0	14.0	15.0	15.0	15.0	177.0	-	177.0
(Economic Support Fund)	15.0	14.0	15.0	15.0	15.0	120.6		
b. Food for Peace (PL 480)	0.2	-	-	-	-	31.0	0.6	30.4
Loans	-	-	-	-	-	1.2	0.6	0.6
Grants	0.2	-	-	-	-	29.8	-	29.8
Title I - Total Sales Agreements	-	-	-	-	-	1.2	0.6	0.6
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	1.2	0.6	0.6
Title II - Total Grants	0.2	-	-	-	-	29.8	-	29.8
Emerg. Relief, Econ. Develop. & World Food Program	0.2	-	-	-	-	29.1	-	29.1
Voluntary Relief Agencies	-	-	-	-	-	0.7	-	0.7
c. Other Economic Assistance	-	-	-	-	-	0.3	-	0.3
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.3	-	0.3
Peace Corps	-	-	-	-	-	0.3	-	0.3
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	15.2	14.0	15.0	15.0	15.0	208.3	0.6	207.7
Loans	-	-	-	-	-	1.2	0.6	0.6
Grants	15.2	14.0	15.0	15.0	15.0	207.1	-	207.1
Other U.S. Government Loans and Grants	2.3	-	-	-	-	28.4	30.0	1.6-
a. Export-Import Bank Loans	2.3	-	-	-	-	5.7	3.4	2.3
b. All Other Loans	-	-	-	-	-	22.7	26.6	3.9-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	34.3	44.1	7.0	295.7
IBRD	26.2	43.8	7.0	249.7
IFC	0.0	0.0	0.0	6.1
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.1	0.3	0.0	19.1
OTHER-UN	0.0	0.0	0.0	0.8
EEC	8.0	0.0	0.0	20.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	-	1.0	52.0
Germany, Fed. Rep.	11.3	4.0	37.5
Austria	0.2	0.8	16.1
France	2.2	2.2	10.1
United Kingdom	1.1	0.6	7.1
Other	0.1	0.3	1.5
Total	14.9	8.9	124.3

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

CY 1982	CY 1983	CY 1978-83
*0.4	N.A.	3.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	15
Eastern Europe	-	-	10
Total			25

CYPRUS

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	15.0	14.355	3.0

Development Overview

The economy of Cyprus was severely disrupted by the hostilities of 1974. Approximately 200,000 Cypriots -- almost one-third of the total population -- were displaced. Substantial effort was required to resettle displaced persons and provide employment and administrative, educational, medical and social services.

The Government of Cyprus (GOC) has done an excellent job in managing its economic problems. After sharp economic reversals in 1974 and 1975, production for domestic use and for export grew rapidly. Per capita gross national product (GNP) for the south is estimated to be about $4,000. Unemployment has dropped from a 1974 high of about 30% to about 3% and labor shortages exist in several skill areas.

In the north, economic development has been slower, living standards are below those of the south, and unemployment is believed to be higher. While there is little reliable data on economic conditions, we do know that GNP has increased since 1974 and is estimated at about 1/3 to 1/2 that of the south. Some economic progress is being made despite shortages of foreign exchange and a lack of entrepreneurial and managerial skills.

U.S. Interests and Objectives

United States economic assistance demonstrates our continued concern for the people of Cyprus and an active interest in promoting a just and lasting settlement.

A.I.D. Development Strategy

Between FY 1975 and FY 1985, the United States provided almost $200 million to Cyprus. Of this amount $31.5 million was committed for the Cyprus-America Scholarship Program, begun in 1981, which enables Cypriots to study at educational institutions in the United States. The remainder was used to support the United Nations High Commission for Refugees (UNHCR) programs of housing construction, construction and equipping of health and education facilities, agriculture development and social services. For the past several years, the UNHCR program has been almost entirely funded by the United States.

With future funding, A.I.D. and the U.S. Embassy in Nicosia will focus on the identification and support of activities which contribute to bicommunal cooperation. Assistance will also continue to give Cypriots access to higher education in the United States, which provides them with an alternative to the training opportunities available in the Soviet Union and Eastern Europe.

CYPRUS

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans			
Grants	10,000	8,000	5,000
Total AID	10,000	8,000	5,000
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	10,000	8,000	5,000

**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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

CYPRUS

A.I.D. Program (FYs 1985-1986)

The $15 million provided in FY 1985 was equally divided between the UNHCR program and the scholarship program. A portion of the FY 1985 UNHCR resources were budgeted for construction of the bicommunal Nicosia sewer system. Additional funding will be provided for the scholarship programs in FY 1986. An effort is being made to identify and fund bicommunal projects that can lead to reconciliation of the ethnic Cypriot communities.

UNHCR projects are designed by the Cyprus Red Cross for both the Greek and Turkish Cypriot communities and submitted for review and approval to UNHCR in consultation with the United States and other donors. Funds are allocated on the basis of population: 19.05% for the Turkish Cypriot north and 81.95% for the Greek Cypriot south.

The Cyprus scholarship program is administered jointly by American-Mideast Educational and Training Services, Inc. (AMIDEAST) and the Fulbright Commission of Cyprus. The first students entered American educational institutions in the fall of 1982. To date, 400 students have matriculated at more than 80 institutions throughout the United States. The number of new students increased in 1985 as a program of partial scholarships was introduced to supplement the one under which students receive full scholarships and living expenses. Over the life of the scholarship program an estimated 736 participants will be trained (333 full scholarships, 283 partial scholarships, and 120 short-term trainees). The scholarships are for both undergraduate and graduate study and range from two to four years in length.

Requested Year Program (FY 1987)

Funds are requested for activities which promote bicommunal cooperation.

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

PROGRAM: CYPRUS

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND												
RELIEF AND REHABILITATION ACTIVITIES	G	233-0001	75	87	160,000	168,000	160,000	113,738	7,177	5,000	3,000	5,000
SCHOLARSHIP PROGRAM	G	233-0002	81	86	34,500	39,000	31,500	1,160	7,178	4,000	---	4,000
TOTAL FOR ACCOUNT					194,500	207,000	191,500	119,898	14,355	9,000	3,000	9,000
GRANTS					194,500	207,000	191,500	119,898	14,355	9,000	3,000	9,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					194,500	207,000	191,500	119,898	14,355	9,000	3,000	9,000
GRANTS					194,500	207,000	191,500	119,898	14,355	9,000	3,000	9,000
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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (263) EGYPT

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 49,133

PER CAPITA GNP..... (DOLLARS,1983) 700

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 4.2%

ANNUAL RATE OF INFLATION (1973-83) 13.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975) 5.1%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 58.4	MALE 56.6	FEMALE 60.3
(1970)	TOTAL 49.9	MALE 49.5	FEMALE 50.3

ADULT LITERACY RATE (1976) TOTAL 44% MALE 57% FEMALE 29%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) -0.4%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 19%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 1,545

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: CORN ,WHEAT ,SORGHUM	52%	(1984)
CASH: COTTON ,RICE ,VEGETABLES	24%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,ORANGES ,POTATOES

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,MEATS ,TOBACCO

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1981) 36%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1981)	11,429 (82)	12,572 (83)	14,143
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1981)	17,143 (82)	18,572 (83)	22,000
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1981)	-5,714 (82)	-6,000 (83)	-7,857
DEFENSE EXPENDITURES,			
AS % OF TOTAL EXPENDITURES.. (1981)	1.4% (82)	1.7% (83)	2.1%
AS % OF GNP..... (1981)	11.4% (82)	13.4% (83)	13.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, ($MILLIONS, U.S.) (1982) 1,276 (83) 1,528 (84) 1,415

EQUIVALENT TO 1.7 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)CRUDE PETROLEUM,RAW COTTON ,COTTON GOODS

EXPORTS TO U.S.

($ MILLIONS, US, FOB) (1982)	147 (1983)	295 (1984)	165
AS % OF TOTAL EXPORTS (1981)	4% (1982)	4% (1983)	9%

MAJOR IMPORTS(1983)FOODSTUFFS ,MACH AND EQ ,FERTILIZERS

IMPORTS FROM U.S.

($ MILLIONS, US, CIF) (1982)	1,726 (1983)	3,094 (1984)	2,975
AS % OF TOTAL IMPORTS (1981)	26% (1982)	25% (1983)	44%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -3,920(82) -3,715(83)-3,823

TRADING PARTNERS: UNITED STATES ,ITALY ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 46.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,

($ MILLIONS, U.S.).....	(1983)	2,466
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....	(1983)	66.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.8% (1978) 2.9% (1985) 2.8%

POPULATION IN URBAN AREAS.....(1970) 42% (1985) 46%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 40

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1980) 24.5%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 38.8% (15-64YRS) 57.4% (65+ YRS) 3.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 105

PEOPLE PER PHYSICIAN..... (1980) 971

MAJOR CAUSES OF

DISEASE (1981)	HEPATITIS	,TYPHOID FEVER	,MEASLES
DEATH.. (1981)	GASTROINTESTINAL	,CIRCULATORY	,ACUTE RESP. INFE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 111%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 75%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1981)	TOTAL 74.6	MALE 86.1	FEMALE 62.5
SECONDARY..... (1981)	TOTAL 50.8	MALE 63.8	FEMALE 38.7
POST SECONDARY.. (1976)	TOTAL 11.5	MALE 15.7	FEMALE 7.1

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 218%

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

COUNTRY EGYPT

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	1166.4	1130.4	1064.9	1005.1	1104.1	10519.0	996.2	9522.3
Loans	565.3	342.5	262.0	238.3	237.5	5290.0	996.2	4293.3
Grants	601.1	787.9	802.9	766.8	866.6	5229.0	-	5229.0
a. A.I.D. and Predecessor Agencies	865.0	829.0	771.0	750.0	852.9	7562.3	299.3	7263.0
Loans	280.0	70.0	-	-	-	2734.1	299.3	2434.8
Grants	585.0	759.0	771.0	750.0	852.9	4828.2	-	4828.2
(Economic Support Fund)	865.0	829.0	771.0	750.0	852.9	7331.7		
b. Food for Peace (PL 480)	301.4	301.4	293.9	255.1	251.2	2945.5	686.2	2259.3
Loans	285.3	272.5	262.0	238.3	237.5	2545.2	686.2	1859.0
Grants	16.1	28.9	31.9	16.8	13.7	400.3	-	400.3
Title I - Total Sales Agreements	285.3	272.5	262.0	238.3	237.5	2581.1	686.2	1894.9
Repayable in U.S. Dollars - Loans	285.3	272.5	262.0	238.3	237.5	2086.3	357.1	1729.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	494.8	329.1	165.7
Title II - Total Grants	16.1	28.9	31.9	16.8	13.7	364.4	-	364.4
Emerg. Relief, Econ. Develop. & World Food Program	3.3	6.4	17.9	5.2	0.4	81.2	-	81.2
Voluntary Relief Agencies	12.8	22.5	14.0	11.6	13.3	283.2	-	283.2
c. Other Economic Assistance	-	-	-	-	-	11.2	10.7	0.5
Loans	-	-	-	-	-	10.7	10.7	-
Grants	-	-	-	-	-	0.5	-	0.5
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	0.1	-	0.1
Other	-	-	-	-	-	0.4	-	0.4
II. MILITARY ASSISTANCE – TOTAL	0.8	550.8	902.4	1326.9	1366.7	5648.1	1005.5	4642.6
Credits or Loans	-	550.0	700.0	900.0	900.0	4550.0	1005.5	3544.5
Grants	0.8	0.8	202.4	426.9	466.7	1098.1	-	1098.1
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	550.0	700.0	900.0	900.0	4550.0	1005.5	3544.5
c. Military Assistance Service-Funded (MASF) Grants	0.8	0.8	2.4	1.9	1.7	8.1	-	8.1
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	200.0	425.0	465.0	1090.0	-	1090.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	1167.2	1681.2	1967.3	2332.0	2470.8	16167.1	2001.7	14165.4
Loans	565.3	892.5	962.0	1138.3	1137.5	9840.0	2001.7	7838.3
Grants	601.9	788.7	1005.3	1193.7	1333.3	6327.1	-	6327.1
Other U.S. Government Loans and Grants	9.5	18.0	44.4	8.4	199.9	510.8	292.8	218.0
a. Export-Import Bank Loans	9.5	17.3	41.7	8.4	155.7	328.7	135.8	192.9
b. All Other Loans	-	0.7	2.7	-	44.2	182.1	157.0	25.1

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	491.0	528.7	441.9	4558.3
IBRD	350.0	458.0	263.3	2850.3
IFC	110.9	8.0	6.5	212.1
IDA	0.0	0.0	0.0	980.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	23.8	109.6	194.3
UNDP	2.1	0.5	0.0	97.2
OTHER-UN	0.0	13.4	0.0	43.3
EEC	28.0	25.0	62.5	180.5

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	928.0	1,031.0	5,017.0
Germany, Fed. Rep.	125.7	98.7	615.3
Japan	72.4	60.0	580.1
France	49.1	21.9	255.0
United Kingdom	13.1	16.0	118.6
Other	96.5	70.8	389.8
Total	1,284.8	1,298.4	6,975.8

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

CY 1982	CY 1983	CY 1978-83
11.8	N.A.	853.8

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	1,440
Eastern Europe	-	420	1,730
Total	-	420	3,170

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
ESF	1,065.0*	1,031.4*/**	815.0

* Figures include $500 million supplemental appropriation, $250 million of which was obligated in FY 1985, and the balance of which will be obligated in FY 1986.

** Includes $1.4 million no-year funds deobligated in FY 1985, which will reobligated in FY 1986.

COUNTRY NARRATIVE

COUNTRY OVERVIEW

Egypt plays a crucial leadership role in the Middle East peace process, and the country's continued stability is central to that role. The U.S. economic assistance program supports Egypt's constructive contribution in the Middle East by helping to sustain its economy through a difficult period of adjustment in the short run. It also provides direct support for the infrastructure, productive enterprises, and human resources necessary to sustain vigorous levels of long-term equitable growth.

The present A.I.D. program in Egypt is an important element of support for the Camp David Agreements. The program has advanced both U.S. and Egyptian interests. Egypt's commitments to peace with Israel and to the Middle East peace process have been maintained. A.I.D. assistance has been a major source of the foreign exchange necessary for higher levels of national investment. From FY 1975 through FY 1985 $11 billion of U.S. economic assistance was obligated, of which $8.7 billion has been expended. A record $1,270 million was expended under the program in 1985, exceeding that year's obligations by $205 million.

Since the A.I.D. program began in 1975, Egypt's gross domestic product has expanded at an average annual rate of about 8 percent even though growth during the last two years (1983-1985) has been at half that rate (compared with 2.5 percent annually between 1967 and 1974). Foreign exchange receipts exceeded $16 billion in 1984--up from $2 billion in 1974. More than seventy-five foreign and Egyptian banks are now in operation, as compared to six in 1974. Most importantly, the vast majority of Egyptians have a much higher standard of living today than they did in 1974. Wages, especially in agriculture and construction, have risen substantially in real terms. Real per capita income rose especially rapidly in the late 1970s and has continued to rise since 1980 at approximately 2 percent per year.

Despite these encouraging signs, severe structural problems and questionable public policies constrain Egypt's prospects for sustained development. Productivity in agriculture and industry is low. Egypt can no longer depend on increasing oil earnings, workers' remittances, Suez Canal fees, and tourism to fuel high levels of economic growth. With the

EGYPT

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	33,018	23,562	8,000
Grants	1,236,848	1,239,180	1,071,283
Total AID	1,269,866	1,262,742	1,079,283
P.L. 480 **			
Title I	225,000	213,000	185,000
(of which Title III is)	((0)	((0)	((0)
Title II	13,208	6,855	4,910
Total P.L. 480	238,208	219,855	189,910
Total AID and P.L. 480	1,508,074	1,482,597	1,269,193

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

P.L. 480 (in thousands of dollars)						
Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	1,010,000	134,000	1,038,000	134,900	930,000	120,000
Feedgrains	525,000	91,000	519,000	78,100	470,000	65,000
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	1,535,000	225,000	1,557,000	213,000	1,400,000	185,000
Title II 1/						
Voluntary Agencies	44,423	13,208	21,107	6,855	14,934	4,910
Government - to - Government						
Title II Total	44,423	13,208	21,107	6,855	14,934	4,910
Total P.L. 480	1,579,423	238,208	1,578,107	219,855	1,414,934	189,910

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

EGYPT

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	131.5	115	113
PASA[b]	8	12	12
TOTAL	139.5	127	125

[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
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	607	662	1,269	361	835	1,196	240	837	1,077
Regional[e]	26	5	31	15	14	29	18	0	18
TOTAL	633	667	1,300	376	849	1,225	258	837	1,095

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	0	0		0	40	40	0	40	40
Regional[e]	0	13	13	0	3	3	0	0	
TOTAL		13	13		43	43		40	40

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

prognosis for these external factors not encouraging, the country will have to rely on productivity increases in agriculture and industry for a major portion of the economic growth to sustain the economic and social gains of the past several years. Substantial growth is needed merely to keep pace with Egypt's continuing, rapid population growth rate, now estimated at 2.7 or 2.8 percent per year.

Egypt's current economic and social condition derives in large part from the revolution of 1952 and the socio-economic policies implemented since then. The debilitating effects of long-term war mobilization are also a factor. With the revolution came a series of far-reaching structural changes in Egypt's economy during the 1950's and 1960's, aimed at dramatically reducing the gap between rich and poor. This period witnessed an extraordinary investment of financial and human resources in the extension of social services to the Egyptian people. By the mid-1960's Egypt was in the vanguard of developing countries in terms of equity, social services, and physical quality of life indices.

However, these economic and social policies were costly and well beyond the capacity of the economy to sustain. Resources were inadequate to finance consumption for a fast growing population, let alone for adequate new investment. The industrial structure reflected an ad hoc strategy of import substitution and inefficient state-run enterprises. The agricultural sector was virtually ignored, and farmers were taxed, through low government fixed procurement prices, to pay for industrialization. At the same time, diversion of resources to defense expenditures left social and industrial infrastructure with inadequate operating budgets and deferred maintenance needs.

The "Open Door" policies promulgated by former President Sadat to revive the Egyptian economy, ensuing economic liberalization measures, and the establishment of peace with Israel as part of the regional peace process, set the stage for Egypt's entry into a period of economic revival. The key requirements for this transition are movement toward market-oriented systems for establishing prices and allocating resources, the rehabilitation and expansion of Egypt's infrastructure and capital plant, strengthening private enterprise, and investment in human resources. As enunciated by President Mubarak, the nation's commitment to equity and social welfare remains strong, but Egypt's policymakers are increasingly aware that sustainable social programs must be financed through economic growth. Translating this into action is a slow and difficult process, however, and the Egyptian Government must balance progress in policy change with the needs for equity and political stability.

UNITED STATES INTERESTS AND OBJECTIVES

The overriding objectives of the United States are to achieve regional peace, stability, and security, broaden the base of the present Egyptian-Israeli peace agreement, and bring all of the principal countries of the Arab-Israeli dispute into a comprehensive peace settlement. Egypt is central to these objectives. Accordingly, while both countries

recognize the desirability of an eventual phase-down in U.S. assistance, A.I.D. anticipates an additional period of undiminished economic assistance to Egypt to support stability and growth and to help the Egyptians redress structural weaknesses in their economy.

The essential political premises remain those articulated in the joint communique issued in February, 1982 on the occasion of the first meeting between President Reagan and President Mubarak:

"-- Egypt and the United States are full partners in the pursuit of regional stability and in the continuation of peace in the Middle East;

"-- The United States has cooperated in the economic development of Egypt through a program of assistance to the Egyptian Government in recognition of the sacrifices made by the Egyptian people;

"-- The Government of Egypt has announced its intentions to undertake its own program of economic reform that utilizes the initiative and capabilities of the Egyptian people;

"-- Egypt has, with substantial U.S. assistance and the infusion of other external resources, strengthened its economy and rebuilt much of the capital and social infrastructure base;

"-- Egypt has entered a period of economic progress that will require its own management of substantial external resources, including continued U.S. assistance;

"-- It is in the interest of both nations to ensure the success of the economic reform program in Egypt in a manner that recognizes the substantial capabilities of the Government of Egypt to accomplish its intentions and the continuing commitment of the U.S. to provide resources that may be utilized to this end."

ECONOMIC PERFORMANCE

Economic Growth: Economic growth has slowed recently, due largely to a leveling off of export earnings, which serve as a major source of inputs into industry and agriculture. The public sector dominance of Egyptian industry and inappropriate public pricing serve to stifle innovation, repress productivity, and retard growth. Many government owned and operated industrial plants - for example, fertilizer and aluminum smelting operate at a financial loss. Agricultural production has been increasing at 2-3 percent annually over the past four years, not equal to population and income growth, so the food deficit is growing. As a result of the above, and despite Egypt's increasing reliance on external aid, gross domestic product has been expanding at a slower rate than in the period 1974 to 1982, which averaged about 9 percent per annum. From 1983 to 1985, this rate has been about 4 percent.

Balance of Payments: The overall balance of payments has moved from a surplus position in 1982/83 ($890 million) and 1983/84 ($150 million) to a significant deficit position of approximately $1.3 billion in 1984/85. This trend has persisted despite large flows of international economic assistance of $1.8 billion in 1982/83, $2.0 billion in 1983/84, and $2.0 billion in 1984/85, coupled with an increase in arrears [de facto rescheduling] of payments on some debt obligations. The major cause of this imbalance is the leveling of export earnings due to an estimated decline in workers' remittances, petroleum exports, Suez Canal tolls and agricultural exports of several hundred million dollars. Only tourism and non-petroleum export earnings improved slightly. Imports have increased by about $2 billion over 1982/83 levels. Egypt's external debt (public and publicly guaranteed) is at the unmanageable level of $32.5 billion in 1984/85, and could be considerably higher after the government completes its study of the debt situation. Debt servicing is an estimated $4.1 billion, or 32 percent of the country's foreign exchange earnings. This debt servicing represents a growing burden to the economy.

Fiscal and Monetary Conditions: The budget deficit has continued to increase from LE 5.1 billion in 1983/84 to LE 5.4 billion in 1984/85. This represents 30 percent of expenditures, down from 32 percent last year. Nearly one quarter of this deficit is financed from external sources. Budgeted subsidies, although still high at over LE 2 billion, have been reduced by LE 300 million since last year. The 1985/86 budget assumed an optimistic revenue increase to LE 15.0 billion, with a resulting decrease in the deficit to LE 4.9 billion. Inflation continues at a rate approaching 20 percent.

Current Economic Policies: The Government of Egypt has publicly announced its strategy to move the economy out of its current stagnant and deficit position. The major policy guidelines are as follows:

- Reduce imports for non-productive purposes through tariff increases and other restrictions. This will reduce both the balance of payments and budget deficits.

- Promote real economic productivity in both the public and private sectors through reduction of subsidies and elimination of non-profitable operations.

- Increase the efficiency of tax collections.

- Increase the price of energy. (Much progress has been made in this field in the last two years, with significant gasoline price increases of over 30 percent and similar increases in electric rates. These prices are still well below world market levels, however.)

- Eliminate redundant workers in public sector enterprises.

While these measures alone cannot solve all of Egypt's economic problems, A.I.D. believes that, if well implemented, they can go a long way toward improving productivity and improving the country's public finance situation. The USAID Mission in Cairo will monitor progress in these and other areas of policy reform in close consultation with the Egyptian Government. The Government has set quantitative targets for most of its reform programs which are in line with some of the recommendations of the International Monetary Fund (IMF), World Bank and A.I.D.

A.I.D. ASSISTANCE STRATEGY

The past decade has marked a shift of the Egyptian economy from one that was inward looking and almost completely public-sector dominated to one open to international investment and more favorable to private sector initiatives. The A.I.D. program has also evolved in accord with Egypt's needs and economic orientation by:

-- continuing to encourage, support, and respond to specific Government of Egypt policy changes, particularly in the area of economic reforms. A.I.D. will direct its investments to sectors where significant policy reforms are made.

-- promoting a favorable climate for private investment, both domestic and foreign, channels resources increasingly through Egypt's private sector, and encourages reliance on free-market pricing.

U.S. assistance in the 1970's centered on the immediate needs to replace or repair infrastructure damaged by war or neglected as a result of Egypt's extraordinary defense expenditures. It also provided assistance to Egypt's ailing public sector industries and financed crucial commodity imports to sustain the Egyptian economy during this period of recovery.

In the 1980's the emphasis on infrastructure has evolved into a program to develop new, rather than repair existing, infrastructure. Support for the balance of payments continues as a key objective of the development strategy. Cash transfers have become a prominent feature of the program in recent years, and commodity imports are being channeled increasingly to the private sector. Finally, in the 1980's A.I.D. has given increased program emphasis to longer-term investments in the development of human resources and productive technologies

Sectoral Programs:

The U.S. program of economic assistance to Egypt has four major emphases:

- Balance of payments support to promote stability and growth while the Egyptian Government goes through the difficult process of economic policy reform;

- development of economic infrastructure;

- improvement of productivity in private sector agriculture and industry;

and

- development of human resources.

To promote stability and fuel overall economic growth, annual cash transfers have joined the Commodity Import Program (CIP) and Food For Peace Title I concessional sales as the principal balance of payments tools. These programs provide direct support of near-term economic stability and will be increasingly shaped to play a role in attaining the Mission's longer-term productivity objectives. While the A.I.D. strategy since 1975 has been to support short-term economic stability, the United States and the Government of Egypt (GOE) recognize that policy changes will be required to ensure self-sustaining growth and stability over the longer term. The two governments have begun a policy dialogue to discuss what those policy changes should be and the rate at which they should occur. The cash transfer and PL 480 programs support that dialogue. PL-480 will be gradually reduced to encourage the Egyptians to meet more of their food needs through local production. And A.I.D.'s goal is to reduce the public sector C.I.P. as it increasingly channels U.S. support for commodity imports through private sector projects. The overall level of commodity imports is expected to hold steady at $200 million annually.

To lay the foundation for increased production and facilitate the delivery of community services, A.I.D. will continue to finance the expansion of Egypt's economic infrastructure. This program will concentrate on water and wastewater systems (the highest priority in the Egyptian Five Year Plan) and on electricity generation and distribution. In conjunction with the infrastructure activities, A.I.D. will provide Egyptian institutions with technical assistance and training to strengthen their capabilities to maintain and operate the infrastructure. At the community level, A.I.D. will continue to support the efforts of village and urban communities to improve local infrastructure through the Government's decentralization program. In this area, A.I.D. and the GOE will focus on generating adequate revenues to sustain local development.

To promote gains in industrial and agricultural productivity, A.I.D. will encourage GOE policy changes, promote private sector responses to economic needs, and assist the development and dissemination of productive technologies. A.I.D. will not provide further project financing for public sector industries.

Among public policies, state management of the economy, an unresponsive financial system, government pricing, and inadequate maintenance budgets contribute to present low levels of productivity. A.I.D. addresses these problems through a serious policy dialogue with the senior Egyptian Government leaders. At the project level, A.I.D. will continue to support

activities that address these policy problems to improve productivity in industry and agriculture.

A.I.D. will increase support to Egypt's private sector, because private enterprises are more efficient than government agencies at the production and distribution of most goods and many services. The program will include short and medium term credit to help entrepreneurs finance imports of raw materials and capital equipment. It will also provide support to small scale enterprises, credit and extension services for small farmers, support for increased private marketing of agricultural inputs and outputs, and technical assistance and feasibility studies for private investments. Through these programs, A.I.D. will support liberalization of the economy and encourage a more balanced mix between the public and private sectors.

A.I.D. will also support private sector productivity gains through improved technologies. Support to the Egyptian research and development community and in resource planning and management will increase productive efficiency economy-wide in the medium and long term. In the agriculture sector, A.I.D. will support research and extension activities to continue the development of improved technologies and to facilitate the adoption by farmers of both new and existing technologies.

To improve the living conditions of the Egyptian people and to improve their productivity at work, U.S. assistance will continue to support the development of human resources. In health, A.I.D. will focus on improving child survival rates, developing private health services on a cost-recovery basis, and developing a program to control schistosomiasis. In population, A.I.D. will support Egyptian public and private programs to spread modern family planning methods. In education, A.I.D. resources will continue to build rural primary schools and to upgrade professional capabilities through training programs in the United States and in Egypt.

PROGRAM MANAGEMENT

In FY 1985 program implementation continued to accelerate. ESF expenditures totalled a record $1,270 million, including a $250 million supplemental cash transfer. Contributing to this record was the fact that the $102 million FY 1984 cash transfer was not actually disbursed until early in FY 1985. Total expenditures, including PL-480, totalled $1,508.5 million. For the third consecutive year the pipeline of obligated but unexpended funds fell, from a peak of $2.7 billion at the end of FY 1982 to $2.5 billion a year later, $2.4 billion at the end of FY 1984 and $2.2 billion at the end of FY 1985. The Private Sector Production Credit (263-0147) project doubled its expenditures in FY 1985, and the power generation, health, and population sectors registered sizable gains in expenditures. But more aggressive monitoring by A.I.D. staff across the board and the maturing of the program as a whole are the basic reasons for continued improvement in the pace of implementation.

Performance in FY 1986 and 1987 should remain strong. Total expenditures will have peaked in FY 1985, due largely to the disbursement of three cash grants totalling $452 million -- one obligated in FY 1984 and two (including $250 million in supplemental appropriations) obligated in FY 1985. Project expenditures should exceed obligations in both FY 1986 and 1987. A.I.D. expects that projects in agriculture, water and sewerage, training, and health will increase expenditures significantly in FY 1986. In FY 1987 the electrical power, water and sewerage, and private sector industry programs will reach their peak implementation phases, and the decentralization program will continue to maintain high disbursement rates while developing local infrastructure and institutional capacities.

Consolidating the program into fewer projects and programs is enabling A.I.D. to direct management attention to implementation. This consolidation also increases the impact of the program in key sectors, and reduces staff and management costs. A variety of projects in the governorates have already been brought together under the umbrella of the Local Development/Decentralization program. Three training projects were combined into one new project in FY 1985. Private sector credit projects will be consolidated in FY 1986. The infrastructure, health, and agriculture portfolios will also be narrowed to focus on fewer, key problems. The A.I.D. project portfolio has decreased from 82 active projects at the end of FY 1983 to 71 at the close of FY 85. That trend is expected to continue to 57 projects in FY 1986 and about 41 by the end of FY 1987.

Another important step toward improved and more flexible program administration was taken late in FY 1985 when, exercising the current deobligation/reobligation authority, A.I.D. and the GOE deobligated $30.4 million from projects and the CIP. This action reflected the commitment of both governments to improve program implementation. It also permitted the orderly closing of several old projects. This authority has been an important management tool by which the Ministry of Planning and International Cooperation (MPIC) and A.I.D. have been able to take corrective action on slow-moving activities and channel resources into higher priority areas; i.e., the new Private Enterprise Credit Project (263-0201).

A.I.D. emphasizes evaluation as a tool for improved program management. The annual evaluation planning process gives priority to pilot and problem projects and to activities particularly relevant to future programming. A.I.D. will continue to use sector-wide evaluations when appropriate to assess its overall experience in key sectors and to make recommendations to

increase project effectiveness. In 1986, A.I.D. plans to undertake an Electricity Sector Assessment, to determine the aggregate impact and recurring cost implications of AID's electricity projects and to provide directions for future activity in this sector. A.I.D. also plans to increase emphasis in the design of new projects on built-in monitoring and evaluation systems that provide continuous feedback on project progress and impact. The recent establishment of a new Office of Planning and Evaluation should facilitate incorporation of evaluation lessons learned into the design of projects and redesign of ongoing projects.

Recent evaluations have assisted A.I.D. and the GOE in resolving specific implementation problems. Aquaculture (263-0064), for example, had a history of implementation problems causing construction to fall seriously behind schedule. On the recommendation of the 1985 project evaluation, several of these problems are being remedied through the provision of additional technical assistance in management and engineering. The 1984 Basic Education (263-0139) evaluation revealed that certain project-funded school equipment items were not properly used. The Ministry of Education subsequently took corrective action to ensure appropriate utilization of project-funded equipment. Evaluation recommendations have also led to modifications in project designs and/or implementation plans to improve project effectiveness. The 1985 evaluation of the Control of Diarrheal Diseases (263-0137) project made the surprising recommendation that the highly successful mass media campaign be temporarily discontinued. In the evaluator's assessment, the campaign had been so successful that demand for oral rehydration salts (ORS) had outstripped existing capacity to provide oral rehydration supplies and services. As a result of the evaluation, ORS production was increased, training of additional health personnel in OR therapy was accelerated, and the media program was briefly suspended until supply of the salts caught up with demand.

Finally, recent evaluations have played a key role in shaping new activities. The design of Local Development II (LD II) (263-0182), the "second-generation" decentralization program, seeks to rectify problems identified during evaluations of the Decentralization Sector Support I (DSS I) (263-0161) program. Every evaluation of DSS I projects, for example, identified inadequate planning and budgeting for operations and maintenance of project-financed infrastructure as a major problem. Consequently, LD II now gives as much emphasis to operating and maintaining completed infrastructure projects as it does to developing local government capacity to plan and to implement new projects. LD II provides for a substantial evaluation component, including development of a monitoring and evaluation system to enable project management to track progress in both physical and institutional indicators, as well as to identify problems, on an ongoing basis. The design of the recently approved institutional support project in the water and wastewater sector draws extensively on findings and recommendations of the 1985 Water and Wastewater Assessment. This Assessment was a new approach to evaluation in A.I.D., in that it reviewed all of A.I.D.'s substantial investments in the sector and explored sector-wide issues, rather than evaluating individual projects within the

sector. The Assessment reinforced A.I.D.'s growing perception of the need to complement capital investments in the sector with improved institutional and management capacity to operate and to maintain them. The project incorporates specific approaches recommended by the evaluation for training in O&M and for developing a policy planning capability in GOE institutions.

Improvement of program management is augmented by the audit program of the Regional Inspector General located in Cairo and by audits of host country contracts performed by non-federal auditors. During FY 1985 RIG audited nine projects and made 38 recommendations. These recommendations, now being implemented, will result in accounting for several million dollars of equipment and supplies purchased with project funds, recovery of questioned costs, liquidation of outstanding advances, establishment of proper accounting systems for A.I.D. funds in host government agencies, improved utilization of vehicles and equipment, and implementation of A.I.D.'s contract close-out procedures. A.I.D. has recently launched a $1.5 million program to audit host country contracts between US contractors and the Government of Egypt worth $400 million. These audits will be conducted by a major United States accounting firm, and their results are scheduled for implementation by September, 1986.

A.I.D. PROGRAM (FY 1985-1986)

In FY 1985, A.I.D. obligated $1,303.2 million in the Egypt program, $1,065 million in ESF (including $250 million in supplemental appropriations as part of a two-year $500 million supplemental) and $238.2 million under PL 480. Obligations of $1,251.3 million is planned for FY 1986, $1,031.4 million in ESF (including $250 million of 1985 supplemental funding and $1.4 million no year funds deobligated in FY 1985) and $219.9 million in PL-480 assistance. In addition, $28.9 million deobligated from prior years' programs will be reobligated in FY 1986. The program continues its concentration in four broad areas: balance of payments support, economic infrastructure, agricultural and industrial production, and human resources development.

Balance of Payments:

Sixty percent of U.S. economic assistance to Egypt in FY 1985 was provided under the CIP ($200 million), cash transfer ($350 million) and PL 480 Title I ($225 million) programs. Seventy percent is planned for FY 1986. A combination of CIP and cash grants totalling $504 million will provide foreign exchange relief. In FY 1986, the PL-480 Title I program will decline moderately to $213 million.

A.I.D. and the Egyptian Government will continue efforts to expand the role of the CIP program beyond traditional balance of payments support to include support of the capital needs of the GOE development budget. A.I.D. will also attempt to maximize the development impact of this program by ensuring that commodity selection criteria, recently developed by the Egyptian Government to steer CIP allocations to more developmentally significant commodities, are applied. The program now provides funding for

two distinct categories of commodities: (1) grains and industrial raw materials, and (2) capital goods. The grains and raw materials group includes such items as corn, tallow, sulphur, coking coal, tobacco, wood pulp, polyester fiber, tinplate and industrial chemicals. Capital goods include machinery, equipment, spare parts, and other such items to modernize and enhance the efficiency and productivity of manufacturing and commercial ventures. The recent CIP evaluation has also provided recommendations on appropriateness of imports, efficiency of operations, and information systems to improve program management and development impact. For FY 1985 $200 million was provided through the public sector CIP. A.I.D. plans a reduction in public sector CIP to $150 million for FY 1986 to continue the shift in commodity imports to private sector programs (described below).

A.I.D. will provide a total of $710.1 million in cash grants in FYs 1985 and 1986. Congress provided $500 million of this amount through a supplemental appropriation for the two-year period. The cash grant mechanism allows quick disbursement to support immediate balance of payments requirements.

The PL-480 Title I program provided $225 million of wheat and wheat flour to Egypt in FY 1985, $213 million is planned for FY 1986. The "self-help" provisions of the Title I Sales Agreement include GOE intentions to improve public policies and programs to increase agricultural production. Under the 1985 agreement, the GOE has continued to address such important issues as farm prices and subsidies and input pricing and distribution, and it has begun to emphasize the introduction of improved agricultural technologies. The Government has adhered to its agreement that, starting in FY 1984, it would engage in a yearly dialogue with the object of improving price incentives to encourage the Egyptian farmer. Price increases for many important crops have been significant in recent years. The GOE raised procurement prices for cotton, rice, and wheat, for example, by 28 percent, 18 percent, and 38 percent during 1985. Only the price of wheat, however, seems likely to reach world price levels by the Government's target year of 1987.

Infrastructure:

A.I.D. obligated $365 million in FY 1985 and plans to obligate $301 million in FY 1986 for the rehabilitation, modernization, and expansion of Egypt's capital infrastructure base. These amounts include the decentralization program, which finances community infrastructure.

The largest component of this infrastructure program is the rehabilitation and expansion of water and wastewater systems, primarily in Cairo and Alexandria. A.I.D. has closely monitored GOE performance in policy reform and institution building in this sector over the past year and a half to ensure conformance with the terms of the Memorandum of Understanding (MOU) signed by Egypt and the United States in January 1984. The MOU established the intention of A.I.D. to provide substantial support for water and sewerage systems if the GOE makes satisfactory progress in policy reform

and institution building to ensure a continuing capacity to manage, operate, maintain, replace, and expand water systems. A.I.D. provided $200 million in FY 1985 following its assessment of satisfactory performance by the GOE in the areas of water tariffs and operations and maintenance for water and wastewater systems. Of this total, $195 million continued funding for the $816 million Cairo Sewerage II (263-0173) project, begun in FY 1984. The remaining $5 million provided the first tranche of funding for the Water and Wastewater Institutional Development (263-0176) project, a five-year initiative aimed at improving management and maintenance of these large investments. Later in FY 1985 $30 million in additional funding was provided through the Provincial Cities Development (263-0161.3) project for improvement of the water and sewerage systems of three cities in or near the lower Nile Valley. A.I.D. will provide another $116.6 million in FY 1986: $66.6 million for the Cairo Sewerage II project (263-0173) and a further $50 million to continue work in the three provincial cities (263-0161.3). The decentralization program (discussed below) also supports smaller water supply and wastewater projects at the village and neighborhood levels.

To date, over a million Cairo residents are benefitting from significantly reduced flooding as a result of the Cairo Sewerage (263-0091) project. A.I.D.-financed water and wastewater activities in the provincial cities have strengthened the local private sector's capacity to design and construct wastewater infrastructure and have improved the administrative practices and contracting procedures of local water and wastewater authorities.

In the energy sector, A.I.D. provided $34.8 million in FY 1985 for construction of a fourth turbine generation unit at the Shoubrah El Kheima Thermal Power Plant (263-0030) and $21.2 million to continue expansion and rehabilitation of the electrical distribution systems of Cairo, Alexandria and two provincial cities (263-0033). In FY 1986, A.I.D. will provide $20.2 million to complete construction of the fourth generating unit at the Shoubrah Power Plant (263-0030), $15 million in final funding to complete replacement of the turbine runners of the High Dam Hydroelectric Power Station at Aswan (263-0160), and $60 million for construction of a 90 MW combined cycle add-on plant at the Talkha (263-0196) gas turbine power plant. If the GOE continues the satisfactory progress made over the past year in raising electricity tariffs toward world market levels, A.I.D. will consider further investments in power generation in the coming years.

The Local Government/Decentralization program is a key element of the A.I.D. infrastructure program. It encompasses both economic and social infrastructure. The program provides partial funding for community investments in infrastructure (potable water, sewerage, rural access roads, schools, health clinics, etc.). It also supports local enterprise activities and indigenous PVO programs benefiting low income people. These small projects are helping local officials learn to select, design, implement, and maintain public investments. A.I.D. provided a total of $79 million in FY 1985, $18 million to complete the Decentralization I (263-0161) program and $61 million to initiate phase II (263-0182). The program has provided improved services and income producing activities to

more than 35 million Egyptians through more than 6,000 completed or ongoing subprojects. By the end of FY 1985, 1,910 projects had built or expanded village water systems for rural Egyptians, more than 3,000 kms of feeder roads had been built, classrooms serving 60,000 children had been constructed, and local Private Voluntary Organizations (PVOs) had equipped nearly 300 clinics. Village councils have received 890 loans for productive activities, with an increasing proportion of loans passed directly to small private businesses. The phase II program will continue support for the planning and provision of basic services by locally elected councils, and it will place increased emphasis on mobilizing local resources to ensure adequate financing of operations and maintenance and on improvement of the climate for development of private enterprise. A.I.D. plans $95 million in support for the decentralization program (263-0182) in FY 1986.

Agricultural and Industrial Productivity:

United States assistance to Egyptian agriculture totalled $50.4 million in FY 1985 and will increase to $70 million in FY 1986. As these levels increase, A.I.D. is consolidating the existing agriculture program to fewer projects and sharpening its focus to address major policy issues more directly. These issues include movement toward free market pricing for all agricultural commodities, development of an appropriate water conservation scheme, and an increased role for the private sector in the marketing of agricultural inputs and outputs. In FY 1985 A.I.D. programmed $5.4 million to complete the ongoing Major Cereals Improvement (263-0070) project, $15 million to continue the Irrigation Management Systems (263-0132) project and $30 million to begin a long term National Agricultural Research (263-0152) program. Additionally, A.I.D. and the GOE plan to consolidate five ongoing agricultural projects in FY 1985 and 1986 and to continue successful activities under three basic programs - research and extension, agricultural credit, and irrigation. The program will continue to benefit from the lessons of recent experience. For example, recommendations from the evaluation of the Rice Research and Training (263-0027) project have led to in-country training better tailored to trainee needs and improved inventory control of project-funded commodities.

Under A.I.D. projects to date, over 52,000 small farmers on 100,000 acres have demonstrated improved rice, wheat, and major cultivation technologies to millions of their farming neighbors. Acreage of rice, wheat, and maize under improved practices has increased substantially, and increases in yields in project areas have ranged between 52 and 84 percent over the national average yields. In three governorates, 41,000 farmers have received assistance through a combination of credit and extension. Over 3,000 structures have been built in five directorates to help control irrigation water and improve access to fields. Also, consistent with the "self help" reforms included in the PL 480 Title I Program, in FY 1985 the GOE increased by about one third prices for wheat, winter onions, and groundnuts and announced a 28 percent increase in the average cotton procurement price and a 28 percent increase in the procurement price for rice.

In FY 1986 A.I.D. will obligate $15 million and $20 million respectively to continue the national agricultural research and irrigation programs (263-0152, 263-0132), and $35 million to begin a new Agricultural Production Credit project (263-0202). This new project expands and builds on the success of the innovative Small Farmer Production (263-0079) project. Activities under these projects will continue policy dialogue with the GOE on reform of farm output and input prices, in tandem with the PL 480 self-help program. They will also broaden the role of the private sector in the marketing of agricultural crops and the distribution of inputs and extension services to farmers, strengthen the effectiveness of research and technology generation and extension, improve data collection and use, improve efficiency of irrigation, and continue and expand support for small farm production and credit.

A.I.D.'s assistance to Egyptian industry continues to emphasize the private sector. In FY 1985 an amendment to the ongoing Production Credit project (263-0147) provided an additional $20 million in short-term foreign exchange credits to finance imports from U.S. suppliers for Egyptian private sector firms. In response to improved GOE and participating bank performance in establishing sound medium term credit facilities for productive private investments, A.I.D. provided $22.2 million in FY 1985 for foreign exchange credits through the Private Investment Encouragement Fund (263-0097). In FY 1986, $3 million will support Private Sector Feasibility Studies (263-0112) to encourage increased local and external private industrial investments. The decision to add funding to this activity was based in part on 1984 evaluation findings which indicated that the availability of these services helped to create a climate conducive to U.S. investment. In FY 1986 A.I.D. will provide $80 million (including the $50 million reduction from the public sector CIP program) to initiate the Private Enterprise Credit (263-0201) project, a major new umbrella credit program that will incorporate the existing short-term foreign exchange credit and medium-term production credit programs and provide start-up support for a small-scale industry program. During FY 86 the medium term credit component is expected to provide extensive credit to new feeder businesses in the automotive industry.

A.I.D. cross sectoral assistance in science and technology totalled $11 million in FY 1985 and will rise to $18 million in FY 1986. The program includes assessment of mineral, petroleum, and groundwater resources (263-0105), for which $9 million was provided in FY 1985 and a final $7 million will be provided in FY 1986. A.I.D. provided $2 million in FY 1985 for planning for energy policies and development of renewable energy resources (263-0123) and will complete funding for this program with $8 million in FY 1986. In FY 1986 $3 million will fund a new umbrella project (263-0140), which will include all new S&T initiatives. Its major components will be critical childhood diseases, land use, energy conservation, and a research grant program focused on key development problems.

Human Resources:

A.I.D.-financed programs in education, training, population, health, and nutrition were funded at $54.6 million in FY 1985 and will be increased to $77.9 million in FY 1986.

The Technology Transfer and Manpower Development (263-0026) and Peace Fellowships (263-0110) training programs to date have improved the technical and management skills of some 1,900 Egyptian administrators and technicians and provided over 1,000 fellowships to Egyptian leaders for U.S. study in disciplines critical to Egypt's economic growth. In FY 1985 funding of $12 million will continue these activities until they can be incorporated into the new Development Training (263-0125) project. This project received start-up funding of $4 million in FY 1985 and will consolidate the A.I.D. training activities into a single project that improves coordination and cost effectiveness of training. A final $3 million was provided for the University Linkages (263-0118) project in FY 1985 to continue support for improvement of Egypt's applied research capacity through financing of joint Egyptian/US applied research subprojects. In FY 1986, A.I.D. will obligate $38 million for education and training, $18 million to continue the new Development Training project and $20 million to continue the highly successful and visible Basic Education (263-0139) project, which is building primary schools in rural Egypt. Under the Basic Education program, 200 primary schools have been built, another 200 are under construction, and 200 more are in the planning stages. The project has equipped hundreds more. This project has substantially improved access to basic education, particularly for girls.

A.I.D. provided $6 million in FY 1985 and plans $18 million in FY 1986 to support development of a GOE strategy and program to deliver modern family planning services nationwide (263-0144). The GOE made initial progress toward developing a more effective strategy and program with the issuance in January 1985 of presidential decrees establishing a National Population Council (NPC) to coordinate population family planning activities in the country and appointing a highly capable and committed Secretary General to head it. Still, considerably more government commitment will be necessary to deal effectively with Egypt's population problem. There have been some encouraging signs of progress, however. Between 1980 and 1985 the percentage of Egyptian couples of reproductive age using modern contraception increased from 24 to 28 percent. Also encouraging was a 26 percent increase during the last year in the couple years of contraceptive protection provided through an A.I.D.-supported commercial retail sales program. The bulk of FY 1985 and 1986 funding will support NPC efforts to develop appropriate family planning policies and strategies, design and implementation of service delivery projects, and importation of contraceptive commodities.

A.I.D. resources in the health sector are currently shifting from an emphasis on improving health delivery systems to a narrower emphasis on

reducing the unacceptably high mortality and morbidity caused by largely preventable childhood diseases and excess fertility. In FY 1985, A.I.D. provided $13.4 million in final funding for existing projects (263-0065, 263-0136) focused on improving delivery of health services generally. To improve implementation of rural health delivery, the Ministry of Health accepted evaluation recommendations to make its line offices, rather than the project unit, responsible for carrying out project interventions and to institutionalize the project unit as an R&D unit for health service delivery. A.I.D. obligated $3 million in FY 1985 to begin the $73 million Child Survival project (263-0203) which will focus preventive health measures on four major causes of morbidity and mortality among young children and their mothers. This project will receive another $15 million in FY 1986. In FY 1985 work also began to develop a major new program to increase participation of the private sector in providing health care services. The existing diarrheal disease control (263-0137) project will continue implementation through FYs 1985 and 1986. Since introduction of the oral rehydration therapy (ORT) program under this project, infant mortality rates in the Alexandria Governorate have decreased during the high diarrheal season (May to August) from 30 per thousand to 20 per thousand.

The PL 480 Title II program addresses nutritional deficiencies of children and their mothers through the distribution of food by CARE and CRS. In FY 1985 1.2 million children received nutritious lunches under a School Lunch Program; 900 thousand mothers and infants received instant corn-soy milk, milk powder and vegetable oil in maternal child health centers throughout Egypt; and 24 thousand children attending day care centers and orphanages and 67 thousand Bedouins in the Sinai received dietary supplements of milk powder, bulgur wheat, vegetable oil and wheat flour. The Title II program in Egypt was funded at $ 13.2 million in FY 1985, and $6.9 million is planned for FY 1986. The Title II program began a gradual phase out in FY 1985 which will be completed in FY 1989.

REQUESTED YEAR PROGRAM (FY 1987)

A.I.D. requests $815 million in ESF funds and $189.9 million in PL 480 commodities for FY 1987 economic assistance to Egypt.

Balance of Payments:

C.I.P. funding of $100 million is requested to finance U.S. imports for the public sector in such categories as machinery, equipment, spare parts, industrial raw materials, grains, and semi-finished goods needed to increase domestic production and maintain essential public services. This funding level represents a $50 million reduction from FY 1986 in public sector support under the C.I.P. program as A.I.D. continues the shift to more private sector assistance (through the Private Enterprise Credit Project 263-0201 - see below). A cash transfer of $115 million is also requested for balance of payments support.

A.I.D. will provide $185 million in PL-480 Title I resources to fund approximately 1.4 million metric tons of wheat and wheat flour (equivalent) against estimated import requirements of 7.24 million tons. Self help measures will continue to focus on key constraints to increased agricultural production such as the present structure of producer prices and farm production incentives, inappropriate agricultural input subsidies, and inadequate participation of the private sector in marketing and distribution of inputs.

Infrastructure:

A.I.D. requests $297 million to assist the Government of Egypt to continue to rehabilitate, modernize, and expand the country's capital infrastructure base. This request encompasses: (1) $167 million for continuing water and sewerage projects, which includes institutional development support (263-0173, 263-0174 and 263-0176); (2) $85 million to continue the development of local infrastructure (263-0182); (3) $25 million for the promotion of popular participation in the local decision-making process relevant to infrastructure projects through the government's decentralization program (263-0161); and (4) $20 million to complete construction of the combined cycle addition to the power plant at Talkha (263-0196).

Agriculture and Industrial Productivity

To promote increased agricultural production, A.I.D. is requesting $100 million in FY 1987. This request will provide $20 million each to two ongoing projects, for Irrigation Management Systems (263-0132) and National Agricultural Research (263-0152); $40 million to the Agricultural Production Credit Project (263-0202) scheduled for implementation in FY 1986; and $20 million for a new nitrogen fertilizer manufacturing plant (263-0186) planned to begin in FY 1987. Final plans for the fertilizer plant will be predicated on the Egyptian Government's agreement to reduce fertilizer subsidies, equity in the plant for the private sector, and private sector particpation in the distribution and marketing of the fertilizer.

Another $115 million is being requested for the Private Enterprise Credit Project (263-0201) to be initiated in FY 1986 which will be targeted solely for private sector development. Most of the funds in this project are used for commodity imports. In FY 1986, funding for this project included $50 million that would have otherwise supported the public sector C.I.P. before we began our shift of C.I.P. funds to the private sector.

Selected ongoing cross-sectoral programs in science and technology will be continued under the S&T for Development (263-0140) project with $10 million in U.S. assistance. With this funding USAID will assist the GOE to mobilize the Egyptian science and technology community for the purpose of pinpointing critical development problems and structuring selected

comprehensive S&T projects to develop both technological solutions and the means for their practical application. In addition, $5 million will fund the Technical Cooperation and Feasibility Studies Project (263-0102). This assistance will finance further feasibility and technical studies, general and sector studies, pre-project and project design activities, and evaluations and sector assessments.

Human Resources:

A.I.D. requests $73 million for human resources development in FY 1987, with an additional input of $4.9 million from PL 480 Title II funds.

Education and training programs will require $43 million: $18 million for continuation of the Development Training Project (263-0125) and $25 million to continue successful activities implemented under the Basic Education Project (263-0139), which includes the provision of instructional materials and construction of schools.

The U.S.-funded health and population programs will require $30 million in FY 1987. This request includes $10 million to continue the Child Survival Project (263-0203), $5 million to begin funding the Private Sector Health Project (263-0170), and $15 million to continue support for the expansion of family planning services. Also, $4.9 million in PL 480 Title II resources is planned for PVO feeding programs (263-0170).

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

PROGRAM: EGYPT

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND												
COMMODITY IMPORT PROGRAM VII	L	263-K052	79	79	250,000	248,837	250,000	247,374	---	500	---	---
COMMODITY IMPORT PROGRAM XII	L	263-K054	80	80	250,000	249,780	250,000	245,623	---	800	---	---
COMMODITY IMPORT PROGRAM	G	263-K603	81	81	230,000	227,084	230,000	193,860	---	17,000	---	---
COMMODITY IMPORT PROGRAM	G	263-K604	82	82	350,000	345,123	350,000	248,442	---	50,000	---	---
COMMODITY IMPORT PROGRAM	G	263-K606	83	83	301,055	301,055	301,055	126,983	---	50,000	---	5,000
COMMODITY IMPORT PROGRAM	G	263-K607	84	84	300,000	300,000	300,000	---	---	75,000	---	70,000
CASH TRANSFER	G	263-K608	84	84	---	---	101,894	---	---	---	---	---
CASH TRANSFER	• G	263-K61A	87	87	---	115,000	---	---	---	---	115,000	115,000
COMMODITY IMPORT PROGRAM (PUB SEC)	* G	263-K61B	87	87	---	100,000	---	---	---	---	100,000	---
COMMODITY IMPORT PROGRAM	G	263-K610	85	85	200,000	200,000	---	---	---	56,700	---	60,000
SUPPLEMENTAL CASH TRANSFER	G	263-K611	85	86	500,000	500,000	---	---	250,000	250,000	---	---
GOVERNMENT COMMODITY IMPORT PROGRAM	G	263-K612	86	86	---	150,000	---	---	143,552	---	---	50,000
CASH TRANSFER	G	263-K613	86	86	---	115,000	---	---	110,059	110,059	---	---
ISMAILIA THERMAL POWER PLANT	G	263-0009	76	83	254,000	250,000	250,000	153,808	---	22,448	---	9,753
MAHALLA TEXTILE PLANT REHABILITATION	L	263-0010	76	76	93,000	91,020	93,000	91,020	---	---	---	---
SUEZ CEMENT PLANT	G	263-0012	76	86	100,000	105,000	100,000	99,882	5,000	3,000	---	2,117
STRENGTHENING RURAL HEALTH DELIVERY	G	263-0015	76	84	14,900	13,900	14,900	8,186	---	4,393	---	---
APPLIED SCIENCE AND TECHNOLOGY RESEARCH	G	263-0016	77	80	24,400	22,960	24,400	14,242	---	3,600	---	1,200

*Refers to the planned project summary sheet

CLevel of effort activity

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

PROGRAM: EGYPT

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
WATER USE AND MANAGEMENT	G	263-0017	76	81	13,000	12,929	13,000	12,860	---	---	---	---
DEVELOPMENT INDUSTRIAL BANK I	L	263-0018	76	76	32,000	30,176	32,000	30,175	---	---	---	---
PVC PIPE DRAINAGE	L	263-0019	76	76	20,025	19,211	20,025	16,029	---	25	---	---
NATIONAL ENERGY CONTROL CENTER	G	263-0023	76	80	2,500	2,500	2,500	445	---	400	---	999
NATIONAL ENERGY CONTROL CENTER	L	263-0023	76	80	41,000	41,000	41,000	35,975	---	2,113	---	---
TECHNOLOGY TRANSFER AND MANPOWER DEV III	G	263-0026	77	85	40,500	40,500	34,500	28,582	---	4,377	---	5,018
RICE RESEARCH AND TRAINING	G	263-0027	77	81	21,767	21,267	21,767	8,793	---	5,716	---	---
GRAIN SILOS STORAGE	G	263-0028	75	83	13,500	9,664	13,500	5,017	---	1,154	---	---
GRAIN SILOS STORAGE	L	263-0028	75	83	44,275	43,354	44,275	42,864	---	132	---	---
FAMILY PLANNING	G	263-0029	77	85	67,400	67,400	67,400	51,889	---	8,723	---	---
SHOUBRA EL KHEIMA THERMAL POWER PLANT	G	263-0030	79	86	263,000	263,000	208,000	160,650	20,183	13,176	---	40,000
AGRICULTURAL MECHANIZATION	G	263-0031	79	80	40,000	39,100	40,000	25,122	---	9,835	---	---
URBAN ELECTRIC DISTRIBUTION	G	263-0033	77	85	51,188	51,188	30,000	3,599	---	4,530	---	16,289
URBAN ELECTRIC DISTRIBUTION	L	263-0033	77	85	46,012	46,012	46,012	40,990	---	566	---	---
CANAL MAINTENANCE	L	263-0035	77	79	25,000	24,629	25,000	24,629	---	---	---	---
GRAIN TOF STORAGE AND DISTRIBUTION	L	263-0037	77	82	37,000	35,471	37,000	35,471	---	---	---	---
CAIRO WATER SUPPLY	G	263-0038	77	82	61,400	61,400	61,400	29,701	---	13,314	---	---
CAIRO WATER SUPPLY	L	263-0038	77	82	30,000	30,000	30,000	29,623	---	377	---	---
IRRIGATION PUMPING	G	263-0040	77	80	8,000	7,787	8,000	7,612	---	---	---	---

*Refers to the planned project summary sheet

[C] Level of effort activity

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

PROGRAM: EGYPT

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURAL DEVELOPMENT SYSTEMS	G	263-0041	77	83	14,900	14,900	14,900	13,598	---	979	---	---
TECHNICAL AND FEASIBILITY STUDIES IV	G	263-0042	78	81	31,000	28,700	31,000	23,244	---	3,795	---	---
DEVELOPMENT INDUSTRIAL BANK II	G	263-0045	78	78	2,000	1,583	2,000	1,111	---	216	---	---
SUEZ PORT DEVELOPMENT	L	263-0047	78	78	11,321	10,204	11,321	7,751	---	20	---	---
CANAL CITIES WATER AND SEWERAGE	G	263-0048	78	83	109,000	109,000	109,000	43,638	---	33,720	---	3,427
CANAL CITIES WATER AND SEWERAGE	L	263-0048	78	83	60,000	60,000	60,000	59,384	---	---	---	---
QUATTAMIA CEMENT PLANT	G	263-0052	86	86	---	5,000	---	---	5,000	4,100	---	900
QUATTAMIA CEMENT PLANT	L	263-0052	78	86	95,000	95,000	95,000	85,683	---	2,135	---	---
DEVELOPMENT PLANNING STUDIES	G	263-0061	78	84	22,800	22,800	22,800	15,614	---	2,000	---	2,132
AQUACULTURE DEVELOPMENT	G	263-0064	78	80	27,500	23,400	27,500	10,399	---	10,987	---	---
URBAN LOW-COST HEALTH DELIVERY	G	263-0065	80	85	45,553	45,553	37,253	12,464	---	16,303	---	10,381
HOUSING AND COMMUNITY UPGRADING	G	263-0066	78	81	80,000	80,000	80,000	34,983	---	17,817	---	11,430
MAJOR CEREALS IMPROVEMENT SYSTEM	G	263-0070	79	80	52,400	52,400	47,000	36,992	---	5,795	---	---
PORT SAID SALINES PLANT	G	263-0072	77	77	13,000	12,746	13,000	12,046	---	---	---	---
TELECOMMUNICATIONS II	G	263-0075	79	79	80,000	80,000	80,000	67,220	---	---	---	---
SMALL FARMER PRODUCTION	G	263-0079	79	84	49,000	49,000	49,000	19,306	---	10,660	---	10,734
ALEXANDRIA SEWAGE I	L	263-0089	77	77	---	---	15,000	14,762	---	---	---	---
INDUSTRIAL PRODUCTIVITY IMPROVEMENT	G	263-0090	80	81	39,000	39,000	39,000	13,083	---	12,896	---	5,602
CAIRO SEWAGE	G	263-0091	78	81	129,000	129,000	129,000	62,736	---	27,423	---	8,700

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

PROGRAM: EGYPT

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURAL COOPERATIVE MARKETING	G	263-0095	79	79	4,842	4,724	4,842	4,724	---	---	---	---
SMALL SCALE AGRICULTURE ACTIVITIES	G	263-0096	79	79	1,700	1,608	1,700	1,608	---	---	---	---
PRIVATE INVESTMENT ENCOURAGEMENT FUND	G	263-0097	79	79	33,000	33,000	10,805	805	---	15,000	---	17,195
ALEXANDRIA WASTEWATER SYS. EXPANSION II	G	263-0100	79	84	198,700	198,621	198,621	31,112	---	46,608	---	70,680
INDUSTRIAL PRODUCTION	G	263-0101	78	81	83,555	83,555	83,555	21,936	---	20,029	---	19,917
INDUSTRIAL PRODUCTION	L	263-0101	78	81	46,445	46,445	46,445	9,040	---	16,894	---	8,000
TECH CO-OP AND FEASIBILITY STUDIES	G	263-0102	83	88	30,000	30,000	15,000	98	5,000	3,944	5,000	3,000
MINERAL, PETROLEUM & GROUNDWATER ASSESS.	G	263-0105	80	85	37,200	36,700	20,700	8,311	---	7,000	---	11,880
PEACE FELLOWSHIPS PROGRAM	G	263-0110	80	85	60,000	60,000	54,000	33,313	---	8,370	---	5,700
PRIVATE SECTOR FEASIBILITY STUDIES	G	263-0112	79	86	5,000	8,000	5,000	2,353	3,000	1,260	---	1,224
VEHICLE MAINTENANCE TRAINING	G	263-0114	80	80	4,500	4,356	4,500	4,191	---	---	---	---
TAX ADMINISTRATION	G	263-0115	80	83	3,700	3,700	3,700	1,660	---	445	---	250
AGRICULTURAL MANAGEMENT DEVELOPMENT	G	263-0116	80	80	5,000	4,100	5,000	2,616	---	931	---	---
TELECOMMUNICATIONS III	G	263-0117	80	82	122,000	122,000	122,000	31,740	---	27,765	---	7,010
UNIVERSITY LINKAGES	G	263-0118	80	85	27,500	20,500	17,500	8,559	---	4,230	---	1,850
ENERGY POLICY AND RENEWABLE ENERGY FIELD	G	263-0123	82	88	32,600	32,600	12,300	780	8,000	5,223	---	9,740
DEVELOPMENT TRAINING	G	263-0125	85	90	109,000	109,000	---	---	18,000	4,850	18,000	17,800
IRRIGATION MANAGEMENT SYSTEMS	G	263-0132	81	88	139,480	139,480	58,000	23,455	20,000	25,018	20,000	32,044

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

PROGRAM: EGYPT

CP 87

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SUEZ COMMUNITY HEALTH PERSONNEL TRAINING	G	263-0136	80	85	17,100	15,900	10,800	7,278	---	4,725	---	3,965
CONTROL OF DIARRHEAL DISEASES	G	263-0137	81	81	26,000	26,000	26,000	4,246	---	6,485	---	5,350
BASIC EDUCATION	G	263-0139	81	89	85,000	178,000	85,000	29,800	20,000	20,238	25,000	35,524
SCIENCE AND TECHNOLOGY FOR DEVELOPMENT	G	263-0140	86	91	131,600	131,600	---	---	3,000	---	10,000	4,100
AG DATA COLLECTION AND ANALYSIS	G	263-0142	80	80	5,000	4,892	5,000	1,214	---	3,309	---	---
POPULATION	G	263-0144	83	90	102,600	102,600	20,000	1,858	18,000	9,087	15,000	16,706
PRIVATE SECTOR PRODUCTION CREDIT	G	263-0147	82	85	88,000	88,000	68,000	22,902	---	21,542	---	---
NATIONAL AG RESEARCH PROGRAM	G	263-0152	85	90	30,000	130,000	---	---	15,000	1,170	20,000	7,400
BUSINESS SUPPORT AND INVESTMENT	G	263-0159	83	83	9,100	9,100	9,100	303	---	640	---	550
REHAB AND MODERN OF ASWAN HIGH DAM	G	263-0160	82	86	100,000	100,000	35,000	14,525	15,000	9,907	---	8,397
DECENTRALIZATION PAAD	G	263-0161	78	87	560,200	560,200	462,200	329,181	50,000	60,323	25,000	62,670
SAFAGA GRAIN SILOS COMPLEX	G	263-0165	82	82	80,000	71,310	80,000	24,106	---	15,325	---	12,003
PRIVATE HEALTH SECTOR INITIATIVES	* G	263-0170	87	90	---	50,000	---	---	---	---	5,000	500
CAIRO SEWERAGE II	G	263-0173	84	90	360,300	816,000	165,300	---	66,567	40,600	120,000	86,196
CANAL CITIES WATER & SEWERAGE II	* G	263-0174	87	90	---	360,000	---	---	---	---	37,000	---
WATER/WASTEWATER INSTITUTIONAL DEV	G	263-0176	85	87	15,000	15,000	---	---	---	1,000	10,000	2,750
LOCAL DEVELOPMENT II	G	263-0182	85	90	61,000	550,000	---	---	95,000	19,540	85,000	66,200
FERTILIZER SUPPLY	• G	263-0186	87	89	---	90,000	---	---	---	---	20,000	---

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[C]Level of effort activity

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

PROGRAM: EGYPT

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TALKHA COMBINED CYCLE	G	263-0196	86	87	---	80,000	---	---	60,000	500	20,000	48,000
PRIVATE ENTERPRISE CREDIT (CIP)	G	263-0201	86	91	---	235,000	---	---	51,021	3,000	115,000	43,000
AGRICULTURAL PRODUCTION CREDIT	G	263-0202	86	90	---	120,000	---	---	35,000	---	40,000	40,000
CHILD SURVIVAL	G	263-0203	85	90	72,942	72,942	---	---	15,000	500	10,000	1,000
TOTAL FOR ACCOUNT					7,274,460	9,784,566	5,583,470	3,175,174	1,031,382	1,262,742	815,000	1,079,283
GRANTS					6,193,382	8,713,427	4,487,392	2,158,781	1,031,382	1,239,180	815,000	1,071,283
LOANS					1,081,078	1,071,139	1,096,078	1,016,393	---	23,562	---	8,000
TOTAL FOR COUNTRY					7,274,460	9,784,566	5,583,470	3,175,174	1,031,382	1,262,742	815,000	1,079,283
GRANTS					6,193,382	8,713,427	4,487,392	2,158,781	1,031,382	1,239,180	815,000	1,071,283
LOANS					1,081,078	1,071,139	1,096,078	1,016,393	---	23,562	---	8,000

•Refers to the planned project summary sheet

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PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Cash Transfer	ESF			FY 1987 $ 115,000	Life of Project Funding $ 115,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
263-K61A	[X] NEW				FY 1987	FY 1987	FY 1987
[X] GRANT [ ] LOAN	[ ] CONTINUING						

Purpose: To provide immediately available foreign exchange resources to support Egyptian efforts to stabilize their economy and promote economic growth.

Background: Egypt's foreign exchange earnings result primarily from petroleum exports, workers' remittances, Suez Canal revenues and tourism. With earnings from these sectors stagnant in Egypt's 1984/85 Fiscal Year, the country's trade and current account deficits rose to $8.4 billion and $3.1 billion, respectively. To address this problem, A.I.D. began a cash transfer program in FY 1984, converting $100 million in unused project funds to cash for the Egyptian Government. In FY 1985 a total of $350 million in new cash transfers was provided, including $250 million made available through a two year $500 million supplemental appropriation of the U.S. Congress. In FY 86 an additional $365 million is being provided including the $250 million balance of the supplemental appropriation.

Activity Description: Egypt has insufficient foreign exchange earnings to finance all of the goods and services needed to revitalize its economy and to help improve the daily life of its poor. By providing quick disbursing foreign exchange resources, the Egyptian Government will be able to cushion the adjustment burden on Egypt's populace as it pursues a vigorous economic reform program.

Relation of Project to A.I.D.'s Country Strategy: In providing this cash assistance to ease Egypt's adjustment burden, the United States demonstrates its continued support of moderate Egyptian leadership and helps assure domestic stability and development through an economic reform program.

Beneficiaries: The Egyptian people will benefit from the imports made possible as a result of this assistance as well as from the long-term economic growth made possible by the GOE's current economic reform program.

Host-Country and Other Donors: Arab financing, which constituted a large portion of Egyptian concessional assistance up until the signing of the Camp David Accords, largely ended in 1977 and has not been renewed. Egypt, however, is receiving economic assistance from a number of other bilateral donors and the World Bank, totalling approximately $1.0 billion per year.

Major Outputs:	All years
Improved GOE capacity for economic reform	X

A.I.D. Financed Inputs	LOP ($000)
U.S. dollar foreign exchange	$115,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	115,000	0	115,000

Principal Contractors or Agencies

PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Commodity Import Program	ESF			FY 1987 $ 100,000	Life of Project Funding $ 100,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
263-K61B [X] GRANT [ ] LOAN	[X] NEW [ ] CONTINUING				FY 1987	FY 1987	FY 1990

Purpose: To finance U.S. imports such as machinery, equipment, spare parts, industrial raw materials, semi-finished goods, and consumables needed to increase domestic production and maintain essential public services.

Background: The Commodity Import Program (CIP) was designed to assist Egypt in meeting its post-war (1973) balance of payments deficit and to improve the country's foreign exchange position. Since inception of the CIP in FY 1975, the Government of Egypt (GOE) has purchased $3 billion worth of U.S. imports for production items and consumables. Food imports have also alleviated pressing food needs of the Egyptian population. The CIP supplements discrete A.I.D. projects and finances imports essential to the industrial and agricultural sectors and to the development of infrastructure and social services. In addition, significant funds have been used to finance capital equipment and replacement elements for a broad grouping of public sector organizations.

In FY 1984, A.I.D. decided to begin a phased reduction of the CIP program in FY 1985 to shift commodity imports to A.I.D. sponsored private sector programs. Accordingly, CIP levels were reduced from $300 million in FY 1984 to $200 million in FY 1985 and to $150 million in FY 1986.

Project Description: The planned FY 87 program at $100 million continues a planned phased reduction in the Commodity Import Program as stated above. At the same time, however, A.I.D.'s private sector credit programs are financing increasing shares of commodity imports from the United States, so the overall level will remain at $200 million per year. Transactions under the Trade Financing Facility (TFF) continue to be eligible for CIP financing. The TFF continues to encourage Egyptian purchasers to use U.S. suppliers by matching more favorable mixed credit financing packages offered by non-U.S. suppliers for international tenders, in situations where the U.S. suppliers are the lowest bidders.

Relationship to A.I.D. Country Strategy: By continuing the use of the Commodity Import Program, the United States demonstrates its active support of moderate Egyptian leadership while helping to ensure domestic stability and development by encouraging increased production, employment, and the availability of basic goods. The program will continue to finance capital goods and repair/maintenance parts to further increase industrial productivity, a key goal of A.I.D.'s country strategy.

Beneficiaries: The commodities imported under this program affect the lives of a significant portion of Egyptian consumers and users of public services.

Host Country and Other Donor Support: Previously, Belgium, Finland, the Netherlands, Jordan, France, and West Germany have provided similar assistance for commodity imports. Currently, however, the United States is the only country funding a Commodity Import Program.

Major Outputs	All years
Increased domestic production for Egypt	X

A.I.D. Financed Inputs	LOP ($000)
Grant to finance purchase of U.S. commodities	$100,000

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1987	100,000	0	100,000	

PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Health Sector	ESF			FY 1987 $5,000	Life of Project Funding $50,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
263-0170	☐ NEW				FY 1987	FY 1990	FY 1992
☒ GRANT ☐ LOAN	☐ CONTINUING						

Purpose: To establish a rational financial footing for the health sector, including more cost-effective investment in the provision of health services to the public on a cost recovery basis.

Background: Mortality and morbidity in Egypt, particularly among young children and their mothers, are exceptionally high for a country at Egypt's level of social and economic development. This results largely from preventable diseases, such as waterborne diseases, and a high rate of malnutrition among children of weaning age. The Government of Egypt (GOE) has clearly stated its intentions to move more aggressively in the future to implement preventive health measures to combat major childhood diseases and malnutrition. A.I.D. is undertaking a major shift in strategy in the health sector, moving from an emphasis on improving health delivery systems generally to emphasis on the reduction of unacceptably high mortality and morbidity by supporting a range of child survival interventions and expanding cost effective health services. As a part of this new emphasis, A.I.D. is seeking to increase participation of the private sector and the autonomous public sector in providing health services.

Project Description: The Ministry of Health (MOH), which is charged with the promotion and protection of the public's health, is underfinanced and overextended. This project will expand the potentially important role of private and autonomous public sector medical care in Egypt. The project will support private and autonomous public sector financing and improve non-government curative health delivery systems, enabling the MOH to conserve more of its scarce resources for preventive health activities involving primary health care, particularly child survival programs. Funds will be used to provide capital and technical assistance to groups such as the Health Insurance Organization, Curative Care Organization, Medical Syndicate's Medical Professions Corporation for Investment, group health maintenance organization practices, and private practices.

Relationship to A.I.D. Country Strategy: The project supports A.I.D.'s country strategy emphasis on improving the physical quality of life of the Egyptian people and improving their productivity in the workplace. It will contribute to achieving the current health sector strategy objective of reducing the unacceptably high mortality and morbidity caused by largely preventable childhood diseases and excess fertility.

Beneficiaries: The target groups for this project will cover a broad spectrum of the Egyptian population, including the middle class and poorer groups as well. Studies have shown that the general public in Egypt, including the poor, is willing to pay for health services.

Host Country and Other Donor Support: No other donor is promoting the development of the private health sector in Egypt. The possible future involvement of other donors, as well as GOE commitment to the private sector, will be fully explored during the design of this project.

Major Outputs:	All Years
Self-sustaining curative health care facilities	X

A.I.D. Financed Inputs:	LOP ($000)
Technical Assistance	$10,000
Training	1,500
Commodities	20,000
Other	18,500
Total	$50,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	5,000	45,000	50,000

Principal Contractors or Agencies

PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Canal Cities Water and Sewerage II	ESF			FY 1987 $ 37,000	Life of Project Funding $ 360,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
263-0174	[X] NEW				FY 1987	FY 1990	FY 1992
[X] GRANT [ ] LOAN	[ ] CONTINUING						

Purpose: To improve water and wastewater systems in the Canal Cities and ensure that the systems are properly operated and maintained.

Background: Over 55% of Egypt's population will be urban by the year 2000. Since 1975, A.I.D. has obligated more than 60% of its entire portfolio to urban projects and activities benefitting urban areas. Over the 1983-1987 period, the Government of Egypt (GOE) has called for a national investment of $3.4 billion Egyptian Pounds for the improvement of such services -- about a 250% increase over the 1977-1982 investment level. Both existing and proposed Canal Cities Water and Sewerage Projects will address the high-priority water and wastewater system needs in the three Canal Cities of Ismailia, Port Said and Suez. These three cities are among the most rapidly developing urban areas in Egypt and represent the second level of strategic urban centers in the country.

Project Description: The current Canal Cities Water and Sewerage project finances the most urgently needed improvements to water treatment plants, water distribution systems and wastewater collection systems in the cities of Ismailia, Port Said and Suez. Thus, when these phase I activities are completed, the wastewater will be transported to a single location in each city. This phase II project proposes to construct wastewater treatment plants in the three cities. In addition, the proposed project will respond to urgent raw water supply needs of Port Said by either expanding the pipelines and supporting pumping facilities from Quantara to Port Said. This new project will also strengthen the institutional capacity of the three Governorates and the Suez Canal Authority in operating and maintaining water and wastewater systems.

Relationship to A.I.D. Country Strategy: This project directly supports A.I.D.'s sector goal of improving the delivery of water and wastewater services to Egypt's urban populations.

Beneficiaries: Urban population growth in Ismailia, Port Said and Suez has accelerated rapidly since 1974 due to the Suez Canal reopening. The population of these three cities is projected to grow to 2.5 million by the year 2000. All of these residents and numerous commercial, tourist and industrial establishments will directly benefit from operational water and wastewater systems.

Host Country and other donors: The GOE's contribution will be an equivalent of $473 million in local currency.

Major Outputs	All years
1. Expanded piplines and pumping facilities	X
2. Three treatment plants;	3
3. Increased institutional capacity to operate and maintain these facilities	X

A.I.D. Financed Inputs:	LOP ($000)
U.S. Technical Services	$ 48,000
Construction	264,000
Training and Institutional Development	8,000
Contingencies	40,000
Total	$360,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	37,000	323,000	360,000

Principal Contractors or Agencies

PROGRAM: EGYPT

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Fertilizer Supply	ESF			FY 1987 $ 20,000	Life of Project Funding $ 90,000

Number	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
263-0186 [X] GRANT [ ] LOAN	[ ] CONTINUING				FY 1987	FY 1989	FY 1992

Purpose: To construct a modern nitrogen fertilizer plant to increase availability to small farmers and to improve the fertilizer distribution system.

Background: Egypt's consumption of nitrogen fertilizers has rapidly increased over the past ten years to 700,000 metric tons per year. With no new plants under construction and uneconomic plants in Suez, Aswan and Helwan scheduled to be phased out by 1990, Egypt will move from a near balance in the supply and demand for nitrogen fertilizer to a projected deficit of about 525,000 MT (30%) in 1990. Phasing out uneconomic plants will reduce present production capacity by approximately 175,000 MT (25%). The Government of Egypt (GOE) needs to plan and implement projects to increase fertilizer production to meet present and future demands, and to expand and rehabilitate existing fertilizer plants. A.I.D. is financing a study to determine the most economically advantageous location for a second plant at four potential sites in Upper Egypt: Aswan, Assiut, Qena and Safaga.

Project Description: A.I.D. plans to provide $90 million to cover a portion of the capital costs of a new nitrogen fertilizer production plant producing approximately 1,000 tons of ammonia per day. This is one of two plants needed to meet Egypt's future nitrogen fertilizer requirements. Total foreign exchange costs for the complex are estimated at $300 million. A.I.D. support to the nitrogen fertilizer industry depends on the development of a policy environment favorable to self-sustained performance of the industry.

Relationship to A.I.D. Country Strategy: An objective of the FY 1986 Country Development Strategy Statement is to move Egypt's public sector industry more rapidly toward a market economy through rational price policies and greater managerial autonomy. The country strategy also stresses increasing agricultural productivity through increased use of improved (e.g. fertilizer intensive) farm technologies.

Beneficiaries: The major beneficiaries of the project will be Egypt's small farmers who will have reliable supplies of nitrogen fertilizer at stable prices well into the 1990's. Egyptians in general will also benefit from more efficient use of the country's natural gas reserves and the foreign exchange savings resulting from reduced nitrogen fertilizer import requirements.

Host Country and other Donors: The GOE and local private investors will finance local currency costs of the complex amounting to LE 270 million. The balance of foreign exchange costs, estimated to be $210 million, would be met by other international donors (i.e. Japan, World Bank).

Major Outputs:	All Years
1. A new efficient fertilizer plant	1
2. Price levels and future pricing policies that correspond to world market values	X
3. Increased private sector investment with considerable autonomy to adjust production levels, worker compensation and staffing	X
4. Modified pricing and distribution system which will reduce/eliminate subsidies on fertilizers, and encourage development of private distribution and marketing.	X

A.I.D. Financed Inputs	(LOP $000)
Grant to GOE to help finance a new nitrogen fertilizer production plant	$90,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	20,000	70,000	90,000

Principal Contractors or Agencies

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (882) FIJI

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 700

PER CAPITA GNP..... (DOLLARS;1983) 1,790

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

ANNUAL RATE OF INFLATION (.- .) . %

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1977) 3.7%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 67.0	MALE 65.3	FEMALE 68.6
(1970)	TOTAL 61.2	MALE 59.8	FEMALE 62.7

ADULT LITERACY RATE (1976) TOTAL 79% MALE 84% FEMALE 74%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (.- .) . %

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

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 221

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE:	.%	(.)
CASH:	.%	(.)

MAJOR AGRICULTURAL EXPORTS:(.). . .. ..

MAJOR AGRICULTURAL IMPORTS:(.) . .. ..

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1976) 44%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1980) 274 (81) 308 (82) 285

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1980) 311 (81) 354 (82) 341

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1980) -36 (81) -46 (82) -56

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1980) 3.3% (81) 3.2% (82) 4.4%
AS % OF GNP..... (1980) 0.9% (81) 0.9% (82) 1.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 127 (83) 116 (84) 118
EQUIVALENT TO 2.5 MONTHS OF IMPORTS (1984)

FOREIGN TRADE

MAJOR EXPORTS(.) . .

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 27 (1983) 20 (1984) 25
AS % OF TOTAL EXPORTS (1982) 12% (1983) 10% (1984) 11%

MAJOR IMPORTS(.) . .

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982) 19 (1983) 19 (1984) 18
AS % OF TOTAL IMPORTS (1982) 5% (1983) 5% (1984) 5%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -188(83) -204(84) -162

TRADING PARTNERS: AUSTRALIA ,UNITED KINGDOM ,NEW ZEALAND

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 30.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 38
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 17.3%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.3% (1978) 2.0% (1985) 2.0%

POPULATION IN URBAN AREAS.....(1970) 35% (1985) 46%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 31

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978) 38.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 37.1% (15-64YRS) 60.0% (65+ YRS) 2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 23

PEOPLE PER PHYSICIAN..... (1980) 2,232

MAJOR CAUSES OF
DISEASE (1981) INFLUENZA ,INTESTINAL INFEC,GONORRHEA
DEATH.. (1978) SENILITY ,HEART DISEASE ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 106%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 77%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1981)	TOTAL 117	MALE 118	FEMALE 116	
SECONDARY..... (1981)	TOTAL 48.7	MALE 37.7	FEMALE 36.7	
POST SECONDARY.. (1981)	TOTAL 2.4	MALE 3.8	FEMALE 1.0	

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

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

COUNTRY FIJI

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. A.I.D. and Predecessor Agencies	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	-	-	-	-	-	-	-
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

FY 1983	FY 1984	FY 1985	FY 1946-85

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	2.0	2.0	11.0
Australia	15.7	9.6	67.5
United Kingdom	4.1	4.2	45.8
New Zealand	3.0	3.5	25.8
Japan	3.8	2.1	12.7
Other	3.1	2.4	11.1
Total	31.7	23.8	173.9

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

FIJI

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
1985								
Loans								
Grants								
Total								
1986								
Loans								
Grants	1,357	-	-	400	-	-	957	-
Total	1,357			400			957	
1987								
Loans								
Grants	1,500	-	-	-	-	-	1,500	-
Total	1,500						1,500	

FY 1987 PROGRAM HIGHLIGHTS

- Programs in the agricultural, health and/or development administration sectors with the Government of Fiji which are being designed during FY 1986 with the establishment of a bilateral assistance program, $1,500,000

FIJI

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans		--	--
Grants		500	1,300
Total AID		500	1,300
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480		--	--
Total AID and P.L. 480		500	1,300

** 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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

FIJI

Development Overview

Fiji consists of a group of over 300 islands in the South Pacific, with a population of 670,000. It gained independence from Great Britain in 1970. Although Fiji's World Bank-reported per capita Gross National Product ($1,990) is high, its economy is not highly industrialized. Additionally, this figure is skewed by the presence of a rather large, well-paid, urban-based, expatriate population, and does not accurately reflect actual rural population income status. Over 60 percent of the population is rural, with about 45% of the labor force engaged in farming (much of it subsistence), forestry and fishing. Fiji relies heavily on sugar exports to hold down its trade deficit ($208 million in 1984). Tourism is also a large source of foreign exchange. Fiji continues to depend on agricultural production to promote economic growth and to provide a livelihood for significant segments of its population.

As a newly-independent nation, Fiji's development concerns include insufficient numbers of mid- and upper-level managers, and a recurrent "brain drain" of its better-educated citizens to other countries. Only 18% of the population finish secondary school, and only 3% obtain a college degree. Agriculture and health problems affect population "pockets" throughout the island nation, and Government response is often slowed by logistical difficulties. Considerable portions of Fiji are also subject to such periodic natural disasters as cyclones and droughts.

Fiji's most pressing economic concern over the next several years is lack of diversification of its economic base. Sugar continues to account for half of Fiji's agricultural output, a third of industrial output and two-thirds of merchandise exports. But with declining world sugar prices over the past four years, real incomes earned from sugar in 1984 were only half of their 1977 levels. This year the United States reduced its sugar quota for Fiji by almost one-third. Tourism has been the main new source of income, although 50% of the tourism dollar finances imports.

U.S. Interests and Objectives

Our primary foreign policy objective is to maintain Fiji's role as a moderate and influential pro-U.S. force in the South Pacific. This objective is derived from a number of core U.S. interests: (1) preventing the Soviet Union from gaining a permanent foothold in the South Pacific; (2) maintaining access to the region's ports for U.S. warships and aircraft; (3) preserving access to the region's fisheries resources; and (4) ensuring continued support for U.S. positions in regional and international fora.

FIJI

Fiji consistently has been the strongest and most influential island state advocate of U.S. interests in the region and globally. On issues ranging from the KAL massacre to the rescue operation in Grenada, Fiji has spoken out publicly in support of U.S. positions and urged its island neighbors to do likewise. The government of Prime Minister Mara opposed Soviet efforts to penetrate the region and refused a financially attractive Soviet fisheries agreement offer. Fiji welcomes U.S. warships to its ports and has questioned the wisdom of New Zealand's anti-nuclear policies in regional fora. The Mara Government provides combat battalions to UNIFIL (Lebanon) and the MFO (Sinai) in support of U.S. Mid-East peace initiatives.

A.I.D. Development Strategy

In February 1984, A.I.D. established a task force to make recommendations on how best to focus its development strategy in the South Pacific. As a result, a study team was sent to the South Pacific in October 1984. The report suggested a strong political rationale and, to a lesser degree, a developmental basis for a bilateral assistance program for Fiji. Basic themes for A.I.D. project assistance to the South Pacific (including Fiji) focus assistance primarily on the agriculture and health sectors, with secondary emphases on development administration and private enterprise development.

A bilateral economic assistance strategy is being formulated, with assistance expected to begin in FY 1986.

A.I.D. Program (FY 1986-1987)

Bilateral assistance agreement discussions with the Government of Fiji, delayed by recent Fijian Cabinet changes, are underway. An agreement is necessary before a mutually acceptable economic development assistance program can be negotiated. Economic Support Funds are being requested for the Fiji assistance program. In FY 1986 only, ESF is being supplemented by a smaller Development Assistance component.

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

PROGRAM: FIJI

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
HEALTH												
FIJI DEVELOPMENT PROGRAM	G	882-0101	86	87	---	400	---	---	400	100	---	---
TOTAL FOR ACCOUNT					---	400	---	---	400	100	---	---
GRANTS					---	400	---	---	400	100	---	---
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
FIJI DEVELOPMENT PROGRAM	G	882-0101	86	87	---	2,500	---	---	957	300	1,500	1,000
TOTAL FOR ACCOUNT					---	2,500	---	---	957	300	1,500	1,000
GRANTS					---	2,500	---	---	957	300	1,500	1,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					---	2,900	---	---	1,357	400	1,500	1,000
GRANTS					---	2,900	---	---	1,357	400	1,500	1,000
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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (386) INDIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 767,681

PER CAPITA GNP..... (DOLLARS,1983) 260

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 1.5%

ANNUAL RATE OF INFLATION (1973-83) 7.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976) 7.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 56.0	MALE 56.4	FEMALE 55.6
(1970)	TOTAL 47.3	MALE 47.9	FEMALE 46.6

ADULT LITERACY RATE (1981) TOTAL 41% MALE 55% FEMALE 26%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 0.7%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 36%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 396

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE ,WHEAT ,MILLET	51%	(1984)
CASH: SUGARCANE ,PEANUTS ,COTTON	11%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) TEA ,FISH ,COFFEE

MAJOR AGRICULTURAL IMPORTS:(1984) VEGETABLE OILS ,WHEAT ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1981) 71%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1982) 28,024 (83) 31,755 (84) 35,253

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1982) 29,582 (83) 36,285 (84) 37,015

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1982) -1,558 (83) -4,530 (84) -1,762

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1980) 16.6% (81) 22.6% (82) 27.6%
AS % OF GNP..... (1980) 3.0% (81) 3.3% (82) 3.3%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 4,549 (83) 5,152 (84) 6,026
EQUIVALENT TO 2.7 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(1984)PEARLS, PREC. S,ENGINEERING GDS,GARMENTS

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982)1,384 (1983)2,122 (1984)2,488
AS % OF TOTAL EXPORTS (1980) 15% (1981) 17% (1982) 17%

MAJOR IMPORTS(1984)PETROLEUM ,NON-ELEC MACHIN,PEARLS,PRECIOUS

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982)1,758 (1983)2,011 (1984)1,727
AS % OF TOTAL IMPORTS (1980) 17% (1981) 16% (1982) 14%

TRADE BALANCE($ MILLIONS, U.S.)(1983) -5,658(84) -5,713(85)-4,360

TRADING PARTNERS: UNITED STATES ,JAPAN ,UNITED KINGDOM

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 11.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 1,324
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 10.3%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.3% (1978) 2.1% (1985) 2.1%

POPULATION IN URBAN AREAS.....(1970) 20% (1985) 25%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 39 (1985) 33

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 22.6%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 39.2% (15-64YRS) 56.8% (65+ YRS) 4.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 101

PEOPLE PER PHYSICIAN..... (1980) 3,640

MAJOR CAUSES OF
DISEASE (1981) AMOEBIASIS ,INFLUENZA ,TUBERCULOSIS
DEATH.. (1969) ENTERIC DISEASE ,ACUTE RESP. INFE,DYSENTERY

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1980) 87%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 41%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.....	(1980)	TOTAL	69.3	MALE	81.7	FEMALE	55.8
SECONDARY.....	(1980)	TOTAL	30.6	MALE	40.2	FEMALE	20.3
POST SECONDARY..	(1978)	TOTAL	6.2	MALE	9.1	FEMALE	3.2

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 94.4%

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

COUNTRY INDIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	221.5	275.1	221.8	209.5	213.3	11041.9	5365.2	5676.7
Loans	79.0	93.6	79.0	64.4	61.5	7552.0	5365.2	2186.8
Grants	142.5	181.5	142.8	145.1	151.8	3489.9	-	3489.9
a. A.I.D. and Predecessor Agencies	103.2	104.5	98.5	89.0	87.5	4440.8	2399.2	2041.6
Loans	79.0	93.6	79.0	64.4	61.5	3868.3	2399.2	1469.1
Grants	24.2	10.9	19.5	24.6	26.0	572.5	-	572.5
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	118.3	170.6	123.3	120.5	125.8	6254.4	2756.9	3497.5
Loans	-	-	-	-	-	3382.8	2756.9	625.9
Grants	118.3	170.6	123.3	120.5	125.8	2871.6	-	2871.6
Title I - Total Sales Agreements	-	-	-	-	-	4174.5	2756.9	1417.6
Repayable in U.S. Dollars - Loans	-	-	-	-	-	657.7	229.2	428.5
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3516.8	2527.7	989.1
Title II - Total Grants	118.3	170.6	123.3	120.5	125.8	2079.9	-	2079.9
Emerg. Relief, Econ. Develop. & World Food Program	44.3	14.6	10.6	21.0	10.7	395.0	-	395.0
Voluntary Relief Agencies	74.0	156.0	112.7	99.5	115.1	1684.9	-	1684.9
c. Other Economic Assistance	-	-	-	-	-	346.7	209.1	137.6
Loans	-	-	-	-	-	300.9	209.1	91.8
Grants	-	-	-	-	-	45.8	-	45.8
Peace Corps	-	-	-	-	-	45.2	-	45.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.6	-	0.6
II. MILITARY ASSISTANCE – TOTAL	0.3	*	0.1	0.1	0.1	146.7	60.0	86.7
Credits or Loans	-	-	-	-	-	27.3	60.0	32.7-
Grants	0.3	*	0.1	0.1	0.1	119.4	-	119.4
a. MAP Grants	-	-	-	-	-	90.4	-	90.4
b. Credit Financing - FMS	-	-	-	-	-	27.3	60.0	32.7-
c. Military Assistance Service-Funded (MASF) Grants	0.3	*	0.1	0.1	0.1	7.0	-	7.0
d. Transfers from Excess Stocks	-	-	-	-	-	22.0	-	22.0
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	221.8	275.1	221.9	209.6	213.4	11188.6	5425.2	5763.4
Loans	79.0	93.6	79.0	64.4	61.5	7579.3	5425.2	2154.1
Grants	142.8	181.5	142.9	145.2	151.9	3609.3	-	3609.3
Other U.S. Government Loans and Grants	35.0	79.5	29.6	6.8	-	704.8	798.2	93.4-
a. Export-Import Bank Loans	35.0	79.5	29.1	6.4	-	698.8	792.3	93.5-
b. All Other Loans	-	-	0.5	0.4	-	6.0	5.9	0.1

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	2179.0	2789.4	2522.0	23284.8
IBRD	1087.9	1721.4	1674.0	8925.3
IFC	15.2	43.7	34.7	324.6
IDA	1063.0	1001.0	672.9	13328.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	12.9	23.3	0.0	244.5
OTHER-UN	0.0	0.0	140.4	462.0
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	138.0	134.0	1,085.0
United Kingdom	94.9	193.6	1,384.0
Germany, Fed. Rep.	184.3	186.3	1,100.3
Netherlands	69.6	80.3	643.1
Japan	86.0	178.9	625.3
Other	198.8	228.2	1,380.1
Total	771.6	1,001.3	6,217.8

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

CY 1982	CY 1983	CY 1978-83
39.3	N.A.	558.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	140	-	3,220
Eastern Europe	-	-	455
Total	140	-	3,675

INDIA

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 *
1985								
Loans	59,300	37,500	18,000	3,800	-	-	-	-
Grants	25,700	16,100	2,900	2,700	-	4,000	-	-
Total	85,000	53,600	20,900	6,500		4,000		
1986								
Loans	38,900	38,900	-	-	-	-	-	-
Grants	36,100	12,300	-	12,700	-	5,100	-	6,000
Total	75,000	51,200		12,700		5,100		6,000
1987								
Loans	45,600	45,600	-	-	-	-	-	
Grants	26,400	15,000	-	6,000	1,400	4,000	-	-
Total	72,000	60,600		6,000	1,400	4,000		

*Child Survival Funds

FY 1987
PROGRAM HIGHLIGHTS

- Agricultural modernization, including improved irrigation, $16.0 million.
- Renewable resources management and development, primarily through technology transfer in forestry, fuelwood and conservation, $28.0 million.
- Population control and child survival through programs in biomedical research, immunization, oral rehydration therapy and child spacing, $8.0 million.
- Technology research and development--through agricultural research and education, skills training, and institutional development, research management and technology development of private enterprises, $23.0 million.
- PL 480 Title II commodity support for PVO programs in improved cooperative development, rural development, supplementary nutrition, and health education, $80.5 million.

INDIA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	33,709	58,583	59,300
Grants	15,509	34,534	30,000
Total AID	49,218	93,117	89,300
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	90,767	80,377	80,459
Total P.L. 480	90,767	80,377	80,459
Total AID and P.L. 480	139,985	173,494	169,759

**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	FY1985 (Actual)		FY1986 (Estimated)		FY 1987 (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	301,875	90,767	282,925	80,377	270,112	80,459
Government - to - Government	-	-	-	-	-	-
Title II Total	301,875	90,767	282,925	80,377	270,112	80,459
Total P.L. 480	301,875	90,767	282,925	80,377	270,112	80,459

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

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	23.3	25	25
PASA[b]	-	-	-
TOTAL	23.3	25	25

[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
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	122	122	-	442	442	-	457	457
Regional[e]	-	-		-	2	2	-	2	2
TOTAL		122	122		444	444	-	459	459

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	6	6	-	10	10	-	15	15
Regional[e]	-	1	1	-	2	2	-	2	2
TOTAL		7	7		12	12		17	17

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

INDIA

Development Overview

Behind the name "India" stands a vast subcontinent; one-sixth of the world's population on one-fortieth of its land; 22 states and nine territories; and home to fifteen major languages.

India reflects a very real dichotomy in Asian development, ranking nineteenth in world industrial production and twelfth in GNP; yet characterized by a large and growing rural population dependent primarily on agriculture for employment and income.

Thanks to policy decisions taken and reinforced since the 1960's, India has achieved nominal food self- sufficiency. Most Indian agriculture remains rainfed, however. So, despite the remarkable achievements of the Green

INDIA

A.I.D. Development Strategy

A.I.D. supports India's long standing development objectives with a program which emphasizes self-sustaining and equitable economic growth.

To have a significant impact on economic growth, India must accelerate the pace of agricultural development and reduce the population growth rate sufficient to produce real growth in per capita agricultural incomes. India must support this strategy with a dynamic employment-oriented industrial policy.

A.I.D. believes it can have the greatest long term impact on these goals by supporting activities which improve agricultural productivity and rural incomes, and expand and improve the quality of family planning, nutrition and health programs through the relevant application of science and technology. Throughout the program is an emphasis on alternatives to government-led solutions, and expanded involvement of the private sector and local institutions.

A.I.D. Program (FYs 1985-86)

The program consists of 23 projects approved after the resumption of an active development assistance program in FY 1978. A.I.D also supports a Housing Guaranty program. India receives the Agency's largest commitment of regular PL 480 Title II resources.

A. Food Production and Rural Employment

During the 1950's and 1960's A.I.D. contributed effectively and substantially to India's agricultural modernization. Higher crop yields--principally wheat--and the establishment of the agricultural university system are hallmarks of A.I.D.'s early involvement. A.I.D's current program in agriculture focuses on agricultural research, efficiency of irrigation, and with PL 480 Title II support, rural works and oilseed growers' cooperatives.

A.I.D.'s Irrigation Management and Training project (386-0484), approved in FY 1983, is the centerpiece of multiproject assistance in irrigation. The project is helping to strengthen Water and Land Management Institutes in several states, using a multi-disciplinary approach and direct farmer participation. The FY 1984 Hill Areas Land and Water Development project (386-0489), in addition to financing construction, provides funding for studies of appropriate management systems, involvement of farmer organizations and appropriate technology for small-flow, lift, and watershed management systems. The Rajasthan Medium Irrigation project (386-0467), nearing completion, includes nine sub-projects which will put 57,000 hectares under irrigation for the first time. The Madhya Pradesh Minor Irrigation project (386-0483) is adapting improved design criteria on 40 small-scale systems totaling about 24,000 hectares. The

Maharashtra Minor Irrigation project (386-0490) is developing smaller-scale systems in remote regions of a state where work on major and medium sized irrigation systems is already underway. All irrigation-related activities include considerable training, research, and institutional development aimed at improved design and operation of irrigation systems.

As a result of an FY 1985 assessment of the current irrigation portfolio, A.I.D. plans to explore further groundwater irrigation prospects in other parts of India.

A.I.D.'s PL 480 Title II program in India is devoted to rural employment generation and increased agricultural production. The Oilseed Growers Cooperative Project is a vertically integrated approach to help develop a cooperative sector structure for increasing production and marketing of oilseeds and quality edible oils. Approximately 8,300 villages have been organized into cooperatives with 224,300 members; and oilseed-processing plants completed under this activity are capable of producing annually 163,300 MT of vegetable oil and shortening. Since 1979, A.I.D. has supplied approximately 127,100 MT of oil through the Cooperative League of the U.S.A. (CLUSA) for sale to support the oilseeds program carried out by the National Dairy Development Board (NDDB), a large Indian cooperative organization. A.I.D. has also funded Operational Program Grants totaling $2.1 million for CLUSA support to NDDB. A.I.D. has recently undertaken a thorough examination of future oil and financial requirements of the project to enable realization of optimal, self-sustaining operation.

The Food for Work program managed by the Catholic Relief Services (CRS) provides employment to some 274,000 workers, mostly in very poor areas not well served by government services and infrastructure for construction of simple roads, wells, and land leveling. By FY 1985 A.I.D.'s phased reduction in Title II resources for the School-Feeding program will be into its fourth year, reducing the level from 146,000 MT ($51.78 million) to 88,800 MT ($23.4 million). In FY 1986 A.I.D. is undertaking a comprehensive assessment of the entire Title II program to determine the program's future directions.

In FY 1986 the NCAER Rural Household Survey project (386-0486) will complete its assessment of the impact of agricultural and rural development policies and programs on rural households.

B. Resource Management

A.I.D.'s current portfolio in social forestry at the state level emphasizes collaboration between forest extension workers and local districts for the establishment and management of small forest plantations on locally managed revenue wastelands. The Madhya Pradesh Social Forestry project (386-0475) is developing village woodlots for local fuelwood and other forest product needs. Community-based forestry

is increasing employment, especially among women, and produces domestic and commercial fuelwood with income going to the community itself. The project has created a new Social Forestry Directorate in the state, established 2,100 community plantations covering some 56,000 hectares, and prepared 200 village woodlot management plans whereby villages will eventually do the management and distribution of forest products. Based on this experience, the Maharashtra Social Forestry project (386-0478) is strengthening that state's social forestry extension services and providing a more systematic approach to organization and management of village woodlots. Collaborating with U.S. forestry institutions, the project is bringing to bear technological expertise in forestry research, training, and extension methods.

In FY 1985 A.I.D. approved the National Social Forestry Support project (386-0495) in support of the GOI's new $330-million forestry program in conjunction with the World Bank. This is India's first step toward coordinated national program and policy development for social forestry, and supports expansion of social forestry activities underway in four states.

C. Fertility and Mortality Reduction

Fertility and the reduction of mortality are closely interrelated. A.I.D.'s program is designed to improve the effectiveness of health, nutrition, and family-planning services. Scheduled for completion in FY 1986, the Integrated Rural Health and Population project (386-0468) participates in the GOI's model program for delivery of low-cost health and family-planning services in four states. It provides the GOI with its first system-wide assessments of local service management and logistics, training of field workers, and health communications. Service improvement facilities, health facility construction, health communications--all project components--are well underway. Following an evaluation in FY 1985, A.I.D. will place increasing emphasis on immunization and oral rehydration therapy.

To provide inputs to the program to enhance child survival in India, A.I.D. will fund a new Child Survival Support project (386-0504). Under this project, bilateral funds will support India's commitment to its under-five population and to the provision of known, cost-effective technologies to high risk groups. The project will assist the GOI in carrying out a major expansion of immunization and oral rehydration therapy, as well as helping to improve planning and mechanisms for delivery of child survival services. Child Survival funds will provide specific support for expanded immunization in up to 5 states.

In FY 1985 A.I.D. initiated the Biomedical Research Support project (386-0492) to improve rural health care by creating an epidemiological network. It includes field epidemiology, laboratory support service, clinical epidemiology, management information systems in malaria, and quality control of vaccines in cooperation with India's National

Institute of Communicable Diseases.

In FY 1985 $1.5-million was made available to India from the Agency's Child Survival Fund. These funds will provide U.S. technical assistance to support essential services for vaccine-preventable respiratory and diarrheal diseases, to raise the quality of data analysis for early decision making to improve child survival, and to provide supplementary services for child survival programs in medical colleges located in A.I.D.-assisted health project districts.

With U.S.-owned rupees through a Special Foreign Currency Appropriation, A.I.D. is supporting efforts to strengthen the private and voluntary sector's capacity to provide cost-effective rural health care under the Private Voluntary Organizations for Health (PVOH) project (386-0469). India's National Institute of Health and Family Welfare evaluates and monitors subgrant proposals from Indian private voluntary organizations for basic preventive health, family planning and nutrition services.

A.I.D. support to population and family planning is primarily through the existing Integrated Rural Health and Population (IRHP) project (386-0468), Private Voluntary Organizations for Health project (386-0469), and Family Planning Communications and Marketing project (386-0485). The IRHP project is expanding and improving the GOI's rural family-planning and health services in parts of five states. The project includes a component for operations research on ways to improve delivery of family-planning services and supplies. The PVOH project has similiar objectives but channels resources through private sector organizations.

The Family Planning Communications and Marketing project (386-0485) is a broadly based family-planning effort which seeks to strengthen the demand for conventional contraception through private marketing channels; increase private sector production of contraceptives; test new product related marketing strategies; develop improved communications efforts in support of the small family norm; and support operations research on community-based distribution of contraceptive supplies. The project stresses application of private sector resources to improvement and expansion of several elements of the GOI public sector fertility reduction programs. Under the FY 1985 Contraceptive Development/ Reproductive Immunology project (386-0500) biomedical collaboration for research on pre-fertilization methods will be undertaken as coordinated investigations between leading Indian and U.S. institutions. Immunological approaches to human fertility regulation are now feasible due to recent biological advances and the new technologies of human monoclonal antibody production and genetic engineering.

The Integrated Child Development Services project (386-0476) combines bilateral dollar assistance and Title II resources to demonstrate a comprehensive approach to alleviating young child malnutrition and morbidity through better targeting and delivery of supplementary feeding, nutrition education, and health services to children under six, pregnant

women, and lactating mothers, as well as low birth weight research to address a major cause of India's chronically high infant mortality rate. The project is an important part of the GOI's own Integrated Child Development Scheme begun nationwide in 1976, and now to be broadened further under the Seventh Five Year Plan.

D. Technology Development, Enterprise, and Training

The Development and Management Training project (386-0487) assists the GOI, state institutions, and the private sector in improving skills relevant to A.I.D. activities in India in fields which relate to the bilateral portfolio. Up to 1,300 Indians are receiving short-term in-service training, mostly in India by professional Indian training institutions with periodic assistance from U.S. technical specialists. The relevant application of science and technology to development initiatives is a major theme of A.I.D.'s program in India. The program in technology development and enterprise emphasizes institutional development, science policy, and research management. Beginning in FY 1985, the Program for the Advancement of Commercial Technology project (386-0496) is assisting a binational technology development board working with the Industrial Credit and Investment Corporation of India. The project is to promote joint Indo-U.S. activities in research and technology development by providing Indian enterprises access to venture loan capital, based on the premise that an enhanced private sector technology development capability will lead to higher productivity and employment.

Support to the energy sector flows from A.I.D.'s technology development strategy in India. The Technologies for the Rural Poor project (386-0465) provides scientific and technological innovations for rural development in non-conventional demonstration activities including solar grain drying, solar process heat for rural industries, mini-hydro power for village electrification, and solar thermal power for village use. The Alternative Energy Resources Development project (386-0474) is helping bring appropriate alternative energy technologies to the stage of application and commercialization. In FY 1986 a new Alternative Energy Resources Development - II project (386-0494) will support research into technology commercialization, systems application of technology, and research. The project will also foster collaborative research between Indian and American scientists.

A major feature in the technological relationship between India and the United States is strong collaboration between U.S. and Indian scientists in the areas of health, medical, and life sciences. The U.S. and Indian scientific community have agreed to launch a Vaccine Action Program in research and development, complementary training, technology transfer, and service delivery for selected vaccine-preventable diseases. In FY 1986 A.I.D. plans a Bio-Immunology and Diagnostic project (386-0503) which will support vaccine research and development, diagnostic technology, epidemiology and vaccine application, and training, as part

of the broader program of vaccine collaboration between India and the United States.

The Agricultural Research project (386-0470) addresses research priorities and training needs for crop-specific technical problems, post-harvest technology, and water management. Project-funded research activities are designed to increase the level of U.S. technical and scientific collaboration.

Centrally administered research and technology development funding will place the U.S. scientific community in position to be a credible collaborator with India in research and technology development.

E. Housing Guarantee:

In FY's 1985 and 1986 A.I.D. will have completed its three-phase $60-million Housing Guarantee program with the Housing Development Finance Corporation. The Guarantee is financing over 8,000 low-income housing units.

Requested Year Program (FY 1987)

A. Agricultural Modernization

A.I.D. will continue to expand activities under the Hill Areas Land and Water Development project (386-0489) designed to introduce new integrated approaches to land and water design and management in the state of Himachal Pradesh. The Irrigation Management and Training project (386-0484) will receive additional funding as it continues to strengthen water management institutes at the state level and human resources for management and efficient use of irrigation.

B. Renewable Resources Management and Development

The GOI is designing a program to train personnel in management principles and appropriate technology for forestry management, education, and research. The effort will also support research laboratories, universities, and public and private research institutes, as India directs it forestry programs towards social forestry, watershed rehabilitation for erosion and flood control, biomass energy plantations, and managed industrial woodlots; and away from simply protecting and preserving forest reserves. A.I.D. will participate through the Forestry Research, Education and Training project (386-0488). The National Social Forestry project (386-0495) will use lessons drawn from earlier state social forestry projects, support central government policy guidance, and provide funding for state level social forestry programs where goals are to raise incomes and employment among the rural poor.

C. Child Survival and Family Planning

A.I.D. will continue to assist the GOI and Indian private institutions in developing, expanding, and improving the quality of service programs which include high impact interventions in oral rehydration therapy, key child immunizations, family-planning spacing methods, and nutritional improvements which together have the highest potential for reducing infant and child mortality rates. Second-year funding will be required for the Biomedical Research Support project (386-0492) which will support India's National Institute of Communicable Diseases and the Indian Council of Medical Research to create an epidemiological network in India.

The Child Survival Support project (386-0504), started in FY 1986, will continue to assist a major expansion of immunization and oral rehydration therapy in up to five states, as well as assisting at the national level planning.

D. Technology Development and Research, Enterprise, and Training

A.I.D. will intensify its agricultural research activities by associating with selected components of the All-India Coordinated Research Program, exploring reassociation with India's agricultural universities and engaging selected state governments in programs of technical collaboration. To assist Indian developing a technologically dynamic agricultural base, the Agricultural Research and Education project (386-0505) will enhance the capability of the Indian agricultural research system to deal with priority scientific problems, as identified through the Indo-U.S. Sub-commission on Agriculture.

The Development and Management Training project (386-0487) will be expanded, providing training to individuals employed by the GOI, state, and public sector agencies in critical development fields. Training for private sector development skills will receive greater emphasis, along with combining U.S. and Indian expertise for training programs in India.

E. PL 480 Title II Program

Additional vegetable oil will be requested for continuation of the Oilseed Growers Cooperative project with the Cooperative League of the U.S.A. The Food-For-Work program will continue with improved monitoring and evaluation systems. Title II support will continue in the CARE Maternal/Child Health program with additional funding through the Integrated Child Development Services project (386-0476). Catholic Relief Services' enhanced Maternal/Child Health program will be supported with Title II commodities.

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

PROGRAM: INDIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
RURAL ELECTRIFICATION	L	386-0462	79	79	58,000	58,000	58,000	49,507	---	6,493	---	2,000
RAJASTHAN MEDIUM IRRIGATION	G	386-0467	80	83	1,250	1,250	1,250	472	---	778	---	---
RAJASTHAN MEDIUM IRRIGATION	L	386-0467	80	83	35,000	35,000	35,000	27,500	---	7,500	---	---
AGRICULTURAL RESEARCH	G	386-0470	83	87	20,000	20,000	14,000	56	3,000	3,745	3,000	3,800
FERTILIZER PROMOTION	L	386-0471	79	81	101,000	101,000	101,000	100,796	---	206	---	---
ALTERNATIVE ENERGY RESOURCES DEVELOPMENT	G	386-0474	82	82	1,500	1,500	1,500	305	---	495	---	700
MADHYA PRADESH SOCIAL FORESTRY	G	386-0475	81	83	1,000	1,000	1,000	67	---	100	---	200
MADHYA PRADESH SOCIAL FORESTRY	L	386-0475	81	83	24,000	24,000	24,000	9,919	---	5,082	---	7,000
INTEGRATED CHILD DEVELOPMENT SERVICES	G	386-0476	83	85	5,800	5,800	5,800	404	---	396	---	500
INTEGRATED CHILD DEVELOPMENT SERVICES	L	386-0476	83	85	7,000	7,000	7,000	721	---	580	---	600
MAHARASHTRA SOCIAL FORESTRY	G	386-0478	82	82	5,000	5,000	5,000	199	---	801	---	300
MAHARASHTRA SOCIAL FORESTRY	L	386-0478	82	82	25,000	25,000	25,000	6,904	---	8,096	---	8,000
MAHARASHTRA IRRIGATION TECH AND MGT	G	386-0481	82	82	3,000	3,000	3,000	506	---	795	---	1,000
MAHARASHTRA IRRIGATION TECH AND MGT	L	386-0481	82	82	44,000	44,000	44,000	10,534	---	6,466	---	10,000
MADHYA PRADESH MINOR IRRIGATION	G	386-0483	83	84	5,000	5,000	5,000	143	---	257	---	400
MADHYA PRADESH MINOR IRRIGATION	L	386-0483	83	84	41,000	41,000	41,000	1,439	---	2,560	---	4,000
IRRIGATION MANAGEMENT AND TRAINING	G	386-0484	83	90	41,000	41,000	11,000	681	7,000	3,321	6,000	5,000
IRRIGATION MANAGEMENT AND TRAINING	L	386-0484	83	90	10,000	10,000	10,000	---	---	1,000	---	2,000

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date.
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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PROGRAM: INDIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
DEVELOPMENT AND MANAGEMENT TRAINING	G	386-0487	82	83	2,150	2,150	2,150	487	---	561	---	700
FORESTRY RESEARCH, EDUCATION AND TRAININ	* G	386-0488	87	90	---	8,000	---	---	---	---	2,000	---
FORESTRY RESEARCH, EDUCATION AND TRAININ	* L	386-0488	87	90	---	12,000	---	---	---	---	12,000	---
HILL AREAS LAND AND WATER DEVELOPMENT	G	386-0489	84	87	4,000	4,000	4,000	---	---	500	---	1,000
HILL AREAS LAND AND WATER DEVELOPMENT	L	386-0489	84	87	50,000	50,000	16,000	---	24,000	2,500	10,000	5,000
MAHARASHTRA MINOR IRRIGATION	G	386-0490	84	85	4,000	4,000	4,000	---	---	500	---	1,000
MAHARASHTRA MINOR IRRIGATION	L	386-0490	84	85	46,000	46,000	46,000	---	---	1,000	---	2,500
NATIONAL SOCIAL FORESTRY SUPPORT	G	386-0495	85	88	6,500	6,500	2,200	---	2,300	450	1,000	600
NATIONAL SOCIAL FORESTRY SUPPORT	L	386-0495	85	88	77,000	77,000	16,400	---	14,900	12,000	13,600	13,000
AGRICULTURAL RESEARCH AND EDUCATION	* G	386-0505	87	90	---	10,000	---	---	---	---	3,000	---
AGRICULTURAL RESEARCH AND EDUCATION	* L	386-0505	87	90	---	40,000	---	---	---	---	10,000	---
TOTAL FOR ACCOUNT					618,200	688,200	483,300	210,640	51,200	66,182	60,600	69,300
GRANTS					100,200	118,200	59,900	3,320	12,300	12,699	15,000	15,200
LOANS					518,000	570,000	423,400	207,320	38,900	53,483	45,600	54,100
POPULATION PLANNING												
INTEGRATED RURAL HEALTH AND POPULATION	G	386-0468	80	83	13,800	13,800	13,800	12,849	---	950	---	---
FAMILY PLANNING COMMUNICATIONS AND MKTG	G	386-0485	83	85	13,000	13,000	13,000	---	---	1,000	---	3,000
FAMILY PLANNING COMMUNICATIONS AND MKTG	L	386-0485	83	85	34,000	34,000	34,000	---	---	5,000	---	5,000
CONTRACEPTIVE DEV-REPRODUCTIVE IMMUNOLOG	G	386-0500	85	85	900	1,800	900	---	---	300	---	300

*Refers to the planned project summary sheet

CLevel of effort activity

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

PROGRAM: INDIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT					61,700	62,600	61,700	12,849	---	7,250	---	8,300
GRANTS					27,700	28,600	27,700	12,849	---	2,250	---	3,300
LOANS					34,000	34,000	34,000	---	---	5,000	---	5,000
HEALTH												
INTEGRATED RURAL HEALTH AND POPULATION	G	386-0468	80	83	26,200	26,200	26,200	6,371	---	15,830	---	4,000
INTEGRATED CHILD DEVELOPMENT SERVICES	G	386-0476	83	85	4,200	4,200	4,200	2	---	398	---	600
DEVELOPMENT AND MANAGEMENT TRAINING	G	386-0487	82	83	350	350	350	201	---	49	---	100
BIOMEDICAL RESEARCH SUPPORT	G	386-0492	85	89	9,300	9,300	600	---	3,700	250	2,000	400
BIOMEDICAL RESEARCH SUPPORT	L	386-0492	85	89	3,800	3,800	3,800	---	---	100	---	200
CONTRACEPTIVE DEV-REPRODUCTIVE IMMUNOLOG	G	386-0500	85	85	100	100	100	---	---	100	---	---
BIO-IMMUNOLOGY AND DIAGNOSTIC	G	386-0503	86	88	---	5,000	---	---	3,000	100	1,000	500
CHILD SURVIVAL SUPPORT	G	386-0504	86	90	---	20,000	---	---	6,000	---	3,000	100
TOTAL FOR ACCOUNT					43,950	68,950	35,250	6,574	12,700	16,827	6,000	5,900
GRANTS					40,150	65,150	31,450	6,574	12,700	16,727	6,000	5,700
LOANS					3,800	3,800	3,800	---	---	100	---	200
CHILD SURVIVAL FUND												
CHILD SURVIVAL SUPPORT	G	386-0504	86	90	---	6,000	---	---	6,000	6,000	---	---
TOTAL FOR ACCOUNT					---	6,000	---	---	6,000	6,000	---	---
GRANTS					---	6,000	---	---	6,000	6,000	---	---
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT AND MANAGEMENT TRAINING	G	386-0487	82	89	3,700	8,700	3,700	121	---	880	1,400	1,000

*Refers to the planned project summary sheet

CLevel of effort activity

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

PROGRAM: INDIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT					3,700	8,700	3,700	121	---	880	1,400	1,000
GRANTS					3,700	8,700	3,700	121	---	880	1,400	1,000
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
TECHNOLOGIES FOR THE RURAL POOR	G	336-0465	78	78	2,000	2,000	2,000	1,944	---	55	---	---
ALTERNATIVE ENERGY RESOURCES DEVELOPMENT	G	386-0474	82	82	3,500	3,500	3,500	1,312	---	888	---	1,300
ALTERNATIVE ENERGY RESOURCES DEV. II	G	386-0494	86	90	---	10,000	---	---	3,000	---	---	300
PROG. FOR ADVANCEMENT OF COMMERCIAL TECH	G	386-0496	85	88	11,100	12,100	4,000	---	2,100	1,000	4,000	3,000
TOTAL FOR ACCOUNT					16,600	27,600	9,500	3,256	5,100	1,943	4,000	4,600
GRANTS					16,600	27,600	9,500	3,256	5,100	1,943	4,000	4,600
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					744,150	862,050	593,450	233,440	75,000	99,082	72,000	89,100
GRANTS					188,350	254,250	132,250	26,120	36,100	40,499	26,400	29,800
LOANS					555,800	607,800	461,200	207,320	38,900	58,583	45,600	59,300

*Refers to the planned project summary sheet

CLevel of effort activity

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PROGRAM: INDIA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Forestry Research, Education and Training		2,000 (G) 12,000 (L)		FY 1987 14,000	Life of Project Funding 8,000 (G) 12,000 (L)

Number 386-0488	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [X] LOAN	[ ] CONTINUING				FY 1987	FY 1990	FY 1992

Purpose: To broaden India's institutional capacity to train forest managers, forestry extension specialists, and forest scientists; and to generate appropriate technologies to use in preparing and implementing forest development strategies.

Project Description: Adequately trained manpower and appropriate technologies are pervasive constraints, as India directs its expanding forestry programs toward social forestry, watershed rehabilitation for erosion and flood control, biomass energy plantations, and intensively managed industrial woodlots. The shift in emphasis from a policy of protecting forests to a policy of managing public and private forests calls for new technologies and management strategies.

This new approach must reach India's forestry institutions. The Government of India (GOI) is designing a program to train personnel associated with forestry management extension and science activities. This effort will focus on the national Forest Research Institute, forestry colleges, agricultural universities, and forestry technical schools throughout India. The program will also support government research laboratories, universities, and public and private research institutes in development of appropriate technology to use in areas such as agroforestry and biomass energy plantations.

Relationship of Project to A.I.D. Country Strategy: A.I.D. has five projects focusing on its well-documented strategy for fuelwood development reforestation and conservation.

Host Country and Other Donors: The Sixth Five-Year Plan (ending March 1985) contained more than $300 million in GOI social forestry resources. Estimates for social forestry during the Seventh Five-Year Plan period exceed $2.7 billion. Based on the recommendations of a joint World Bank/U.S./British forestry sector assessment conducted in 1983, the GOI is preparing a comprehensive project with individual components for each donor to finance by late 1986.

Beneficiaries: The ultimate beneficiaries will be rural people, due to more effective forestry programs. Direct and immediate beneficiaries include village land owners who will more fully meet their forest product and cash income needs; forest workers who will be assured of more continuous employment; forest industries which will be assured of a more sustained resource base; and land management agencies which will benefit from a staff trained to develop, adopt, and implement appropriate technologies. Participation of women and members of scheduled castes and tribes in these programs is fully endorsed by the GOI.

Major Outputs	All Years
Scientists and educators trained	320
Research institutions developed/strenghtened	10
Univ. forestry programs developed	15
Forestry training inst. strengthened	4
B. Sc. Forestry degrees conferred	1,000
Training diplomas awarded	900
Research studies undertaken	250

A.I.D.-Financed Inputs	Life-of-Project ($000)
Equipment for research	2,000
Training and training materials	5,000
Technical assistance	3,000
Incremental staff costs	4,000
Research laboratories	3,000
Training facilities	2,000
Evaluation and Contingency	1,000
Total	20,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	14,000	6,000	20,000

Principal Contractors or Agencies

To be selected.

PROGRAM: INDIA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Agricultural Research and Education		3,000 (G) 10,000 (L)		FY 1987 13,000	Life of Project Funding (10,000 G) 50,000 (40,000 L)

Number 386-0505	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [X] LOAN	[ ] CONTINUING				FY 1987	FY 1990	FY 1992

Purpose: To expand the ability of the research and education system to address high priority problems in agricultural development and produce relevant information that can be delivered to agricultural producers, including small farmers.

Project Description: The Government of India (GOI) has focused on four development objectives: a high growth rate, national self-reliance, full employment and reduction of economic inequalities. The strategy to address these objectives is premised on the development of technologically dynamic agriculture. The project will contribute to this strategy by creating new agricultural technologies designed to eliminate specific constraints to food production, preservation and consumption, which will in turn increase agricultural productivity, rural employment and income.

The Project will deal primarily with the scientific areas identified by the Indo-U.S. Subcommission on Agriculture as high priority for U.S. collaborative assistance. The aim of the project is to enhance the capacity of the Indian agricultural research system to deal with scientific problems related to production and processing of commodities.

The Indian Council of Agricultural Research (ICAR) will manage the project, selecting research institutes from ICAR and those Indian and U.S. agricultural universities and agencies with appropriate strengths to deal with the particular research problems identified. A.I.D.'s primary contribution will be assistance to Indian scientists in problem identification and resolution.

Relationship of Project to A.I.D. Country Strategy: Two of A.I.D.'s strategic objectives are to improve the rural poor sector primarily through rapid agricultural modernization and to deploy relevant science and technology methodology to development initiations. Subprojects selected as research areas are of major importance in agricultural science and technology. The results developed by the subprojects should have a major impact on modernizing Indian agriculture.

Host Country and Other Donors: The host country would contribute approximately $25 million in direct financing and the value of staff, facilities and supporting services. The World Bank will support State Agricultural Universities in conducting regional agricultural research. The United Nations Development Program (UNDP) supports the national centers in agricultural research and education through grants under two projects covering eleven national centers.

Beneficiaries: The ultimate beneficiaries will be millions of farmers and consumers and workers in the processing industry, through increased production and consumption.

Major Outputs	All Years
Educators trained	100
Students trained by educators	1,000
Research Laboratories strengthened	50
Research laboratories established	10
Research projects initiated	20

A.I.D.-Financed Inputs	Life-of-Project ($000)
Scientific consultancies	5,000
Technical assistance	10,000
Training and training materials	10,000
Equipment/facilities	15,000
Incremental staff costs	9,000
Evaluation and contingencies	1,000
Total	50,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	13,000	37,000	50,000

Principal Contractors or Agencies

To be selected

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (497) INDONESIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 173,103

PER CAPITA GNP..... (DOLLARS,1983) 560

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 5.0%

ANNUAL RATE OF INFLATION (1973-83) 18.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976) 6.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 54.8	MALE 53.1	FEMALE 56.5
(1970)	TOTAL 47.0	MALE 45.8	FEMALE 48.3

ADULT LITERACY RATE (1980) TOTAL 67% MALE 78% FEMALE 58%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 3.0%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 26%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 483

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE ,CORN ,CASSAVA	71%	(1984)
CASH: RUBBER ,COFFEE ,COPRA	27%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RUBBER ,COFFEE ,TEA

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,COTTON ,RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 55%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1978)	10,095 (79)	11,271 (80)	16,596
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1978)	11,833 (79)	12,493 (80)	18,354
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1978)	-1,738 (79)	-1,222 (80)	-1,758

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1978) 15.0% (79) 13.7% (80) 12.7%
AS % OF GNP..... (1978) 3.5% (79) 3.5% (80) 3.4%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 4,196 (83) 4,814 (84) 5,720
EQUIVALENT TO 2.3 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)PET.AND LIQ.GAS,TIMBER RUBBER

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982)3,546 (1983)4,267 (1984)4,505
AS % OF TOTAL EXPORTS (1981) 22% (1982) 20% (1983) 24%

MAJOR IMPORTS(1983)RICE ,WHEAT ,TEXTILES

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982)2,417 (1983)2,534 (1984)2,560
AS % OF TOTAL IMPORTS (1981) 13% (1982) 15% (1983) 15%

TRADE BALANCE($ MILLIONS, U.S.)(1981) 6,783(82) 1,887(83) 1,012

TRADING PARTNERS: JAPAN ,UNITED STATES ,SINGAPORE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 45.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 2,555
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 13.7%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.2% (1978) 2.4% (1985) 2.1%

POPULATION IN URBAN AREAS.....(1970) 17% (1985) 22%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 31

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 36.2%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 40.0% (15-64YRS) 56.5% (65+ YRS) 3.5%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 89

PEOPLE PER PHYSICIAN..... (1979) 11,529

MAJOR CAUSES OF
DISEASE (1979) MALARIA ,ENTERIC DISEASE ,FLU & PNEUMONIA
DEATH.. (1973) GASTROINTESTINAL,ENTERIC DISEASE ,ACUTE RESP. INFE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 98%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1981) 23%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1982)	TOTAL 113	MALE 115	FEMALE 112
SECONDARY..... (1981)	TOTAL 31.4	MALE 36.9	FEMALE 21.7
POST SECONDARY.. (1981)	TOTAL 2.9	MALE 2.9	FEMALE 1.1

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 314%

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

COUNTRY INDONESIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	196.4	130.0	91.1	111.4	116.2	3215.2	787.0	2428.2
Loans	150.9	78.9	59.1	85.3	90.3	2517.1	737.0	1730.1
Grants	45.5	51.1	32.0	26.1	25.4	698.1	-	698.1
a. A.I.D. and Predecessor Agencies	82.7	68.6	67.5	71.8	74.7	1507.4	242.9	1264.5
Loans	54.6	33.9	43.3	53.8	54.8	1046.7	242.9	803.8
Grants	28.1	34.9	24.2	18.0	19.9	460.7	-	460.7
(Economic Support Fund)	-	-	-	-	-	63.0		
b. Food for Peace (PL 480)	113.7	61.2	23.6	39.6	41.5	1636.3	487.9	1148.4
Loans	96.3	45.0	15.8	31.5	36.0	1404.2	487.9	916.3
Grants	17.4	16.2	7.8	8.1	5.5	232.1	-	232.1
Title I - Total Sales Agreements	96.3	45.0	15.8	31.5	36.0	1449.2	487.9	961.3
Repayable in U.S. Dollars - Loans	96.3	45.0	15.8	31.5	36.0	1353.1	463.9	884.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	96.1	19.0	77.1
Title II - Total Grants	17.4	16.2	7.8	8.1	5.5	187.1	-	187.1
Emerg. Relief, Econ. Develop. & World Food Program	6.0	7.7	3.1	3.6	1.2	96.6	-	96.6
Voluntary Relief Agencies	11.4	8.5	4.7	4.5	4.3	90.5	-	90.5
c. Other Economic Assistance	-	-	-	-	-	71.5	56.2	15.3
Loans	-	-	-	-	-	66.2	56.2	10.0
Grants	-	-	-	-	-	5.3	-	5.3
Peace Corps	-	-	-	-	-	0.7	-	0.7
Narcotics	-	-	-	-	-	0.5	-	0.5
Other	-	-	-	-	-	4.1	-	4.1
II. MILITARY ASSISTANCE – TOTAL	33.1	32.2	42.2	27.4	47.4	585.6	181.5	404.1
Credits or Loans	30.0	30.0	40.0	25.0	45.0	296.7	181.5	115.2
Grants	3.1	2.2	2.2	2.4	2.4	288.9	-	288.9
a. MAP Grants	1.5	0.4	-	-	-	196.5	-	196.5
b. Credit Financing - FMS	30.0	30.0	40.0	25.0	45.0	296.7	181.5	115.2
c. Military Assistance Service-Funded (MASF) Grants	1.6	1.8	2.2	2.4	2.4	38.4	-	38.4
d. Transfers from Excess Stocks	-	-	-	-	-	33.9	-	33.9
e. Other Grants	-	-	-	-	-	20.1	-	20.1
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	229.5	162.2	133.3	138.8	163.6	3800.8	968.5	2832.3
Loans	180.9	108.9	99.1	110.3	135.8	2813.8	968.5	1845.3
Grants	48.6	53.3	34.2	28.5	27.8	987.0	-	987.0
Other U.S. Government Loans and Grants	97.5	-	396.0	77.4	162.5	1397.1	903.2	493.9
a. Export-Import Bank Loans	97.5	-	396.0	77.4	162.5	1332.9	831.0	501.9
b. All Other Loans	-	-	-	-	-	64.2	72.2	8.0-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	1623.7	1572.4	1432.8	12372.2
IBRD	1329.9	1033.4	972.7	8006.1
IFC	25.0	7.1	1.2	168.2
IDA	0.0	0.0	0.0	931.4
IDB	0.0	0.0	0.0	0.0
ADB	264.0	523.0	414.5	3008.5
AFDB	0.0	0.0	0.0	0.0
UNDP	4.8	8.9	0.0	118.1
OTHER-UN	0.0	0.0	44.4	139.9
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	114.0	124.0	892.0
Japan	389.3	353.2	2,113.1
Germany, Fed. Rep.	156.8	107.2	625.3
Netherlands	113.4	71.8	480.9
France	31.6	70.4	265.1
Other	120.3	98.1	706.5
Total	925.4	824.7	5,082.9

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

CY 1982	CY 1983	CY 1978-83
18.3	N.A.	90.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	215
Eastern Europe	N.A.	-	365
Total			580

INDONESIA

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
1985								
Loans	31,825	24,325	-	5,000	2,000	500		
Grants	34,478	18,055	1,500	10,125	2,760	2,000		38*
Total	66,303	42,380	1,500	15,125	4,760	2,500		38
1986								
Loans	18,820	15,820	-	3,000		-		
Grants	34,140	20,290	-	8,400	2,300	3,150		
Total	52,960	36,110		11,400	2,300	3,150		
1987								
Loans	26,625	16,625	2,000	3,000	3,000	2,000		
Grants	28,375	12,250	4,000	5,400	1,500	5,225		
Total	55,000	28,875	6,000	8,400	4,500	7,225		

* Disaster relief assistance

FY 1987 PROGRAM HIGHLIGHTS

The FY 1987 program will:

- increase food production through diversification and by strengthening resource management - both natural and human - $36.1 million.
- expand off-farm employment opportunities by facilitating the use of credit and promoting small scale private enterprise - $6.5 million.
- broaden access to public health care and family planning - $14.4 million.
- support research into policy matters identified as critical by the Indonesian Government - $3.0 million.
- increase the number of participants in training by nearly two-thirds over FY 1985.

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	25,347	47,840	47,105
Grants	17,874	22,646	24,793
Total AID	43,221	70,486	71,898
P.L. 480 **			
Title I	40,000	30,000	15,000
(of which Title III is)	( )	( )	( )
Title II	6,446	3,769	3,989
Total P.L. 480	46,446	33,769	18,989
Total AID and P.L. 480	89,667	104,255	90,887

**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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	259,000	40,000	202,000	30,000	116,000	15,000
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total	259,000	40,000	202,000	30,000	116,000	15,000
(of which Title III is)	0	0	0	0	0	0
Title II 1/						
Voluntary Agencies	32,166	6,446	20,383	3,769	21,644	3,989
Government - to - Government						
Title II Total	32,166	6,446	20,383	3,769	21,644	3,989
Total P.L. 480	291,166	46,446	222,383	33,769	137,644	18,989

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

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PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	45	40	40
PASA[b]	3	5	5
TOTAL	48	45	45

[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 PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	284	188	472	480	249	729	654	165	819
Regional[e]	1	5	6	1	8	9	2	15	17
TOTAL	285	193	478	481	257	738	656	180	836

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	6	81	87	42	122	164	75	90	165
Regional[e]	34	109	143	32	159	191	32	161	193
TOTAL	40	190	230	74	281	355	107	251	358

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

INDONESIA

Development Overview

Indonesia, the world's fifth most populous country, has made considerable progress in the last 20 years. It has established national education, communications and transportation systems and a successful family planning program. It has controlled inflation; kept foreign debt to a manageable level; and, until the early 1980s, expanded oil exports. During the decade of the 1970s, real per capita GNP increased by two-thirds and now stands at about $560; rice production doubled and yields per hectare rose to the highest among the Association of Southeast Asian Nations (ASEAN); and literacy increased from 61% to 71% while education enrollment doubled. More recently, Indonesia has made major policy changes to help counteract loss of revenues from falling oil earnings and to bring about a restructuring of its economy over the longer term.

Indonesian development, reflected by gross domestic product (GDP) growth rising as high as 11.3% during the 1970s and settling at 9.9% in 1980, suffered under the world recession of 1981/82 as both the volume and prices of Indonesia's export commodities fell. GDP growth fell to zero in 1982/83, rebounded to 6.5% in 1984/85 and should grow at 2-3% during the next several years if the world economic recovery continues and international oil prices do not decline significantly.

Progress, however, has also posed a new set of development issues. Within less than a decade, for example, Indonesia has moved from the world's largest rice importer to rice self-sufficiency. Since prospects for continued rapid growth in incomes related to producing rice now appear limited, Indonesia must seek alternatives—such as diversifying into secondary crops, livestock, fisheries, and tree crops. Similarly, because of the uncertainties surrounding the future outlook for oil, Indonesia must increasingly replace it as a source of revenue for growth, domestic savings, import financing, and the national budget. This implies a need for profound changes in its economy.

While Indonesia has taken many positive steps in the past two years, it still needs to take additional measures. Major matters needing attention include promoting nonoil exports, mobilizing domestic resources through continued liberalization of the financial sector and implementing recent tax reforms. Other significant difficulties include the need to liberalize licensing and import trade policy, reduce protection to industry, expand programs for developing key professional and management skills, and, as mentioned previously, diversify agriculture toward secondary and agro-forestry crops.

Behind the urgency to restructure the economy and to maintain growth momentum lies the omnipresent pressures of population and unemployment. Nearly two-thirds of Indonesians live on 7% of its land, leaving little prospect for new jobs in agriculture in these areas.

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The incidence of poverty (44.6%) and underemployment (40.8%) in rural areas nearly doubles that of urban areas and has become a major factor in the migration from rural to urban areas now underway. Nearly one-half of the estimated population increase during the 1980s and two-thirds of that estimated to take place in the 1990s will occur in urban areas. Although family planning efforts have slowed growth rates to 2.1%, jobs must grow by two million annually just to keep pace with new entrants into the labor force.

U.S. Interests and Objectives

Indonesia stretches across the strategic region between Southeast Asia and Australia. It supplies essential raw materials to both Japan and the United States, furnishing the United States in 1984 with petroleum imports ($4 billion), rubber ($490 million), textiles ($250 million), and coffee ($160 million). The large population and growing economy provide investment opportunities for U.S. businesses and attractive markets for goods and services from the United States. U.S. investment, including petroleum exploration and development expenditures, will reach an estimated $3 billion in 1985. In 1984 Indonesia purchased 18% of its total imports, valued at $1.2 billion, from the United States. These included mainly agricultural commodities, chemicals and transport equipment.

As a leading member of ASEAN, Indonesia actively supports regional cooperation in commercial, economic and cultural fields. Indonesia has become a moderate voice in both the Islamic world and OPEC and a leader in seeking a reasonable approach to the North-South dialogue.

A.I.D. Development Strategy

The present A.I.D. development program in Indonesia focuses on three development goals: strengthening and diversifying food production; improving primary health care and family planning; and expanding off-farm employment. Two major thrusts for achieving these goals consist of developing human resources and building institutions that can adapt and diffuse technologies to accelerate development. The program strengthens selected institutions by improving the management and technical skills of their personnel and improving their ability to analyze their procedures and policies. The Mission encourages government entities to decentralize their operations and to involve the private sector in diffusing new technologies. The program assists policy analysis relevant to the goals mentioned above through research and demonstration projects and the Mission's policy dialogue with government officials.

A.I.D.'s development goals complement those of Indonesia's current five year plan, which began in April 1984, and give priority to investments in agriculture, human resource development, energy, industry and rural development. At the center of this investment strategy lies job creation.

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A.I.D. Program (FY's 1985-1986)

The current A.I.D. program consists of development assistance and food aid provided under PL 480 Titles I and II.

A. Agriculture, Rural Development and Nutrition

Funding under this sector supports A.I.D.'s goals of strengthening and diversifying food production and expanding productive off-farm employment. To strengthen and diversify food production and to extend past successful endeavors to attain rice self-sufficiency, A.I.D. has begun to move forward with the next steps. These include:

1. Expanding activities to diversify food production systems: A.I.D. amended the Applied Agricultural Research (497-0302) project and the Secondary Food Crops project (497-0304) in FY 1985 to reorient and strengthen agricultural research on improved technologies for producing secondary food crops. In addition, during FY 1986, A.I.D. will begin two new projects. The first, Aquatic Resources Development (497-0352), will concentrate on upgrading professional skills and institutions needed to develop, manage, and carry out policy analysis related to marine and aquaculture resources and to develop technologies to increase production.

The second activity, Rural Roads Management (497-0353), takes a longer term perspective at increasing agricultural productivity and access to markets. It will facilitate the development and management of rural road networks, particularly of efficient maintenance systems, in selected areas of the outer islands of Indonesia. The final evaluation of the recently completed Rural Works II project (492-0285) demonstrates that improvement of these roads, located in areas with difficult access, will reduce input and marketing costs, increase off-farm employment, enhance the development of small enterprises, and increase access to public services.

2. Strengthening resource management--both natural and human: A.I.D.'s two major activities in water resource management consist of the Upland Agriculture and Conservation (497-0311) project, which concentrates on developing upland watershed areas in heavily populated Central Java, and the Small Scale Irrigation Management (497-0347) project. The latter project, which began in FY 1985, provides $50 million to extend the coverage of small scale irrigation to selected outer islands. It will facilitate the design, testing and application of irrigation technologies and management systems to support diversified food crop production.

These emphases flow from the findings of two evaluations performed last year of a small scale irrigation project.

Based on these two assessments, the new initiative will also emphasize establishing water user associations and developing improved monitoring systems to track project performance. The development of institutions and human resources continues under an amendment to the Western Universities Agricultural Education project (497-0297). A.I.D., through a Title XII University, will continue to assist the agricultural faculties of nine key universities to increase their capacities to educate and undertake relevant research.

The Financial Institutions Development project (497-0341) and the Private Sector Development project (497-0329) support the creation of off-farm employment opportunities. The first develops replicable, self-financing rural credit and savings programs for rural residents in three provinces. An FY 1986 amendment to this project will seek to extend a similar program throughout a nation-wide system of bank branches.

The second project, Private Sector Development, seeks to encourage investment and enterprise development in areas of high employment potential. It uses project activities to identify and address specific constraints to private sector development. An amendment in FY 1986 will provide additional funds for pilot activities, training, special studies, and consulting services to expand enterprise development and employment opportunities.

A.I.D. will amend the PVO Co-Financing II project (497-0336) in FY 1986 to increase its life of project funding. Future grants will use the results of ongoing evaluations to ascertain the most effective way to utilize private voluntary organizations. During FY 1986 this project will integrate follow-on activities to the East Timor Development project (497-0330) which will require funds from health, education and special development activities accounts.

B. Health and Population

A.I.D. directs its programs in health and population towards: 1) reducing morbidity and mortality in infants, children under five and women of reproductive age, and 2) contributing to the Indonesian goal of reducing the crude birth rate from 32 to 22 per thousand by the end of the decade. A key element in achieving this goal consists of promoting closer ties between the health and family planning agencies. A.I.D. approaches these objectives through:

1. Assisting in design of cost-efficient delivery systems to reduce diarrheal disease morbidity and mortality and to immunize children and mothers. In FY 1986, A.I.D. will amend the Health, Training, Research and Development project (497-0273) to add training, a management information system to handle personnel and a mass media program with the private sector. These additions will help to change parental behavior concerning treatment of diarrheal disease.

2. Strengthening the decentralized primary health care system through trial work in three provinces under the Comprehensive Health Improvement Project--Province Specific (497-0325) and through improvements in the skill levels of those carrying out the primary health care program via the Faculties of Public Health Project (497-0348).

3. Improving nutrition and increasing the accessibility of family planning services and contraceptive prevalence in urban and rural Indonesia. The Village Family Planning, Mother Child Welfare project (497-0305) stands at the forefront of integrating nutrition, health, and family planning activities nationwide. A.I.D. now has underway an evaluation to measure program impact and to develop a management system to monitor this program. If the evaluation indicates a significant impact on the welfare of the families, A.I.D. will amend the project to expand its coverage. The project has received funding to continue its support to family planning activities in rural and urban areas, voluntary sterilization, training, management, research and development.

The PL-480 Title II program, in conjunction with Child Survival Funds, has played a large role in supporting the Catholic Relief Services program. This effort promises more effective and self-sufficient maternal child health and food for work programs and includes many recommendations from the 1984 evaluation.

C. Education and Human Resources

Developing human resource capabilities, especially at the mid- and upper-levels, cuts across all aspects of the A.I.D. program. The Mission aims at developing human resources and has the prime objective of building a local capacity to give graduate and undergraduate training to technicians and managers. It directs these efforts at building institutions toward selected Indonesian universities (emphasizing the faculties of health and agriculture, and funded under these accounts) and indigenous management training institutions. It involves the private sector as well as key local and central government agencies in these efforts.

A second objective focuses on building the capacity to develop realistic educational policies and to make relevant decisions. A.I.D. supports the research and planning unit of the Ministry of Education under the Education Policy and Planning project (497-0344). This represents a major step in the policy improvement process, as does the use of regional Project Development and Support funds for studies on selected education issues.

Finally, education and human resources funds continue to support overseas training programs and to improve student selection and preparation (particularly English language training) under the General Participant Training II project (497-0328).

As a result of this project and training under other projects, the number of participants trained should increase nearly by two-thirds over the three-year period from FY 1985 to FY 1987.

D. Selected Development Activities

A.I.D. has used FY 1985 and 1986 funds under this account in energy and policy development. An FY 1985 amendment to the PUSPIPTEK Energy Research Laboratory project (497-0333) provides technical assistance from the National Academy of Science to assist in developing the country's science and technology programs. The Development Studies project (497-0340), which will expand in FY 1986, provides technical and financial support to Indonesian organizations to do policy studies to assist the government's decision making process, particularly with respect to economic problems. A recent evaluation led to reorganizing project operations and increasing government responsibility for project management.

E. PL 480

The proceeds generated under Title I constitute an important resource in A.I.D.'s planning process. Since FY 1983, A.I.D. has directed increasing amounts of these funds towards self-help activities directly supporting or complementing its ongoing development activities, such as agricultural research, promoting cooperatives, and maintaining rural infrastructure.

Catholic Relief Services and Church World Service operates the Title II program. In FY 1986 Catholic Relief Services will orient its Food and Nutrition and Food for Work Programs more toward development. In addition, Title II, monetized in FY 1985 for use by the Cooperative League of the U.S.A., will help expand and intensify efforts to improve cooperatives. This addition does not include the self-help funds allocated under Title I for FY 1985 nor the Title I in FY 1986 now under consideration for cooperative development.

Requested Year Program (FY 1987)

The program requested for FY 1987 will finance three project amendments and seven ongoing projects. A.I.D. has no funds programmed for new projects in FY 1987. A.I.D. will direct its efforts toward streamlining the present development strategy for Indonesia, reducing the number of projects in line with staff reductions, implementing ongoing projects and modifying them as necessary to take advantage of lessons learned to date.

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A. Agriculture, Rural Development and Nutrition

To help address the need for food diversification, A.I.D. plans to amend the Secondary Food Crops project (497-0304) to improve linkages between agricultural extension and the private sector and to test technologies for delivering technical information on secondary food crops to farmers.

Of the ongoing activities which will require funding, three will focus on systems of diversified food production to increase employment: Small Scale Irrigation (497-0347), which emphasizes appropriate irrigation systems for crop diversification; Aquatic Resources Development (497-0353), which examines lakes and seas as food sources; and Rural Roads Management, which opens up markets and reduces costs. Financial Institution Development (497-0341) focuses on nonfarm employment by providing credit to small scale entrepreneurs to assist them in exploiting business opportunities.

B. Health and Population

A.I.D. requests funds to support two ongoing projects: one which assists private voluntary organizations working in health and one which concentrates on diarrheal diseases. The Expanded Immunization (497-0253) also needs funds. This project, in its early stages, helped provide basic resources such as training and commodities for an immunization program. It will now focus on improving coverage in high density urban areas and will include national coverage of selected immunizations and testing the most effective procedures in reaching the target audience: mothers of reproductive age and children. An evaluation, planned for early FY 1986, will enable A.I.D. to undertake an in-depth assessment of these various issues.

A.I.D. requests funds to amend the Family Planning Development and Services II project (497-0327). To expand activities in social marketing of contraceptives, voluntary sterilization and training.

C. Education and Human Resources/Selected Development Activities

The PVO Co-Financing project (497-0336) will require increased funds from the education and human resources and special development activities accounts. These emphases will respond to evaluation results which stress the important role of private voluntary organizations in developing small firms in Indonesia and the need to strengthen their capacity to contribute to local development. A.I.D. requests funds to support ongoing assistance to the Indonesian Government for activities related to policy formulation.

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D. PL 480

A.I.D. plans Title I support to help Indonesia meet its FY 1987 food import requirements. Although, Indonesia has reached self-sufficiency in rice for the present, it still has substantial requirements for other food grains. In addition, the self-help funds generated from this program support A.I.D.'s development strategy. A.I.D. is also requesting Title II assistance to maintain the Catholic Relief Services and Church World Service programs in Maternal, Child Health and Food-for-Work.

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

PROGRAM: INDONESIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
SEDERHANA IRRIGATION AND LAND DEV II	G	497-0252	78	81	11,300	10,738	10,738	9,950	---	225	---	---
SEDERHANA IRRIGATION AND LAND DEV II	L	497-0252	78	81	25,000	21,780	21,780	20,784	---	700	---	---
SUMATRA AGRICULTURAL RESEARCH	L	497-0263	77	78	7,000	7,000	7,000	4,681	---	1,344	---	975
PROVINCIAL AREA DEVELOPMENT PROGRAM I	G	497-0264	77	83	5,100	5,100	5,100	4,462	---	25	---	400
PROVINCIAL AREA DEVELOPMENT PROGRAM I	L	497-0264	77	83	12,500	12,500	12,500	5,252	---	1,563	---	2,800
AG DEVELOPMENT PLANNING AND ADMIN	L	497-0265	77	78	5,000	4,569	4,400	4,336	---	---	---	---
RURAL ELECTRIFICATION I	L	497-0267	78	82	30,000	29,300	29,246	29,182	---	---	---	---
PROVINCIAL AREA DEVELOPMENT PROGRAM II	G	497-0276	79	84	10,000	10,000	10,000	7,870	---	100	---	675
PROVINCIAL AREA DEVELOPMENT PROGRAM II	L	497-0276	79	84	31,500	31,500	31,500	12,750	---	4,882	---	4,500
CITANDUY RIVER BASIN DEVELOPMENT II	G	497-0281	80	83	4,250	4,250	4,250	3,710	---	205	---	250
CITANDUY RIVER BASIN DEVELOPMENT II	L	497-0281	80	83	22,750	14,600	14,600	3,693	---	4,708	---	3,100
SMALL SCALE FISHERIES DEVELOPMENT	G	497-0286	80	82	3,000	3,000	3,000	2,433	---	330	---	238
GRADUATE AGRICULTURAL SCHOOL TITLE XII	L	497-0290	79	80	5,330	5,330	5,330	3,935	---	1,395	---	---
WESTERN UNIV AGRICULTURAL EDUCATION	G	497-0297	81	86	9,400	9,400	7,900	2,324	1,500	800	---	2,000
WESTERN UNIV AGRICULTURAL EDUCATION	L	497-0297	81	86	12,450	12,450	12,450	3,457	---	860	---	2,700
APPLIED AGRICULTURE RESEARCH	G	497-0302	80	86	7,000	14,100	9,500	4,749	4,600	1,785	---	1,375

*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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: INDONESIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
APPLIED AGRICULTURE RESEARCH	L	497-0302	80	86	18,900	18,900	18,900	3,510	---	7,358	---	1,460
SECONDARY FOOD CROPS DEVELOPMENT	G	497-0304	83	87	1,000	3,500	210	---	790	96	2,500	450
SECONDARY FOOD CROPS DEVELOPMENT	L	497-0304	83	87	6,400	7,900	6,400	383	---	748	1,500	2,635
UPLAND AGRICULTURE AND CONSERVATION	G	497-0311	84	85	5,000	5,000	5,000	---	---	300	---	800
UPLAND AGRICULTURE AND CONSERVATION	L	497-0311	84	85	13,900	13,900	13,900	462	---	900	---	2,000
GENERAL PARTICIPANT TRAINING II	G	497-0328	83	86	---	810	---	---	810	---	---	---
GENERAL PARTICIPANT TRAINING II	L	497-0328	83	86	1,200	1,200	1,200	---	2,000	400	---	400
PRIVATE SECTOR DEVELOPMENT	G	497-0329	82	87	750	2,750	750	45	1,000	235	---	800
PRIVATE SECTOR DEVELOPMENT	L	497-0329	82	87	2,350	5,350	2,350	215	1,000	1,765	---	1,450
EAST TIMOR DEVELOPMENT (OPG)	G	497-0330	81	84	5,000	5,000	5,000	4,834	---	166	---	---
PVO CO-FINANCING II	G	497-0336	82	90	2,400	8,700	3,748	2,925	1,550	1,284	750	1,200
FINANCIAL INSTITUTIONS DEVELOPMENT	G	497-0341	84	87	3,000	7,000	3,000	13	1,000	477	3,000	650
FINANCIAL INSTITUTIONS DEVELOPMENT	L	497-0341	84	87	15,500	21,500	15,500	210	1,000	1,500	5,000	2,300
AGRICULTURE PLANNING	G	497-0342	84	85	3,000	3,000	3,000	42	---	518	---	800
AGRICULTURE PLANNING	L	497-0342	84	85	6,000	6,000	6,000	502	---	1,605	---	1,300
SMALL SCALE IRRIGATION MANAGEMENT	G	497-0347	85	88	7,000	7,000	3,500	---	3,450	250	---	1,000
SMALL SCALE IRRIGATION MANAGEMENT	L	497-0347	85	88	43,000	43,000	15,115	---	3,820	500	4,125	1,000
AQUATIC RESOURCES DEVELOPMENT	G	497-0352	86	87	---	5,400	---	---	2,400	---	3,000	200
AQUATIC RESOURCES DEVELOPMENT	L	497-0352	86	87	---	13,600	---	---	2,000	---	4,000	300

*Refers to the planned project summary sheet

CLevel of effort activity

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

PROGRAM: INDONESIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
DISTRICT ROADS MANAGEMENT SYSTEMS DEV.	G	497-0353	86	90	---	15,000	---	---	3,190	---	3,000	200
DISTRICT ROADS MANAGEMENT SYSTEMS DEV.	L	497-0353	86	90	---	35,000	---	---	6,000	---	2,000	700
TOTAL FOR ACCOUNT					335,980	425,127	292,867	136,709	36,110	37,024	28,875	38,658
GRANTS					77,200	119,748	74,696	43,357	20,290	6,796	12,250	11,038
LOANS					258,780	305,379	218,171	93,352	15,820	30,228	16,625	27,620
POPULATION PLANNING												
FAMILY PLANNING DEVELOPMENT AND SERVICES	G	497-0270	78	82	25,920	25,920	25,920	22,869	---	2,000	---	1,055
FAMILY PLANNING DEVELOPMENT AND SERVICES	L	497-0270	78	82	2,000	2,000	2,000	1,819	---	181	---	---
FAMILY PLANNING DEV AND SERVICES II	G	497-0327	83	87	7,500	11,500	7,500	52	---	3,200	4,000	1,400
FAMILY PLANNING DEV AND SERVICES II	L	497-0327	83	87	13,400	15,400	13,400	1,566	---	1,900	2,000	3,100
TOTAL FOR ACCOUNT					48,820	54,820	48,820	26,306	---	7,281	6,000	5,555
GRANTS					33,420	37,420	33,420	22,921	---	5,200	4,000	2,455
LOANS					15,400	17,400	15,400	3,385	---	2,081	2,000	3,100
HEALTH												
EXPANDED PROGRAM IMMUNIZATION	G	497-0253	79	87	3,200	6,200	3,200	2,339	---	191	3,000	670
EXPANDED PROGRAM IMMUNIZATION	L	497-0253	79	87	9,500	11,500	9,500	3,631	---	2,514	2,000	3,355
HEALTH TRAINING/RESEARCH AND DEVELOPMENT	G	497-0273	78	87	9,450	14,450	9,450	5,165	3,000	1,704	2,000	1,800
HEALTH TRAINING/RESEARCH AND DEVELOPMENT	L	497-0273	78	87	1,450	2,450	1,450	192	---	456	1,000	450
VILLAGE FP/MOTHER-CHILD WELFARE	G	497-0305	80	86	10,000	13,000	10,000	5,049	3,000	2,437	---	2,000
VILLAGE FP/MOTHER-CHILD WELFARE	L	497-0305	80	86	---	3,000	---	---	3,000	500	---	500

*Refers to the planned project summary sheet

C Level of effort activity

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

PROGRAM: INDONESIA

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
COMPREHENSIVE HEALTH IMPROVEMENT PROGRAM	G	497-0325	81	85	5,000	5,000	5,000	1,591	---	600	---	930
COMPREHENSIVE HEALTH IMPROVEMENT PROGRAM	L	497-0325	81	85	6,000	6,000	6,000	1,035	---	750	---	1,300
TIMOR MALARIA CONTROL	L	497-0326	80	80	3,600	3,600	3,600	1,941	---	826	---	600
FAMILY PLANNING DEV AND SERVICES II	L	497-0327	83	87	2,500	2,500	2,500	349	---	700	---	700
PVO CO-FINANCING II	G	497-0336	82	90	3,550	6,275	3,673	1,533	400	400	400	400
FACULTIES OF PUBLIC HEALTH	G	497-0348	85	86	4,000	4,000	2,000	---	2,000	250	---	625
FACULTIES OF PUBLIC HEALTH	L	497-0348	85	86	5,000	5,000	5,000	---	---	200	---	800
TOTAL FOR ACCOUNT					63,250	82,975	61,373	22,825	11,400	11,528	8,400	14,130
GRANTS					35,200	48,925	33,323	15,677	8,400	5,582	5,400	6,425
LOANS					28,050	34,050	28,050	7,148	3,000	5,946	3,000	7,705
EDUCATION AND HUMAN RESOURCES												
PROFESSIONAL RESOURCES DEVELOPMENT II	L	497-0275	78	78	5,000	3,980	3,980	3,874	---	---	---	---
ENERGY MANPOWER AND TRAINING	G	497-0300	80	81	1,000	1,000	1,000	884	---	---	---	---
LOCAL GOVERNMENT TRAINING II	L	497-0308	80	83	7,000	6,000	6,000	2,346	---	3,654	---	---
IN-COUNTRY MANAGEMENT DEVELOPMENT	L	497-0317	82	82	4,000	4,000	3,190	2,001	---	1,189	---	---
GENERAL PARTICIPANT TRAINING II	G	497-0328	83	86	1,500	2,575	1,500	386	---	500	1,000	500
GENERAL PARTICIPANT TRAINING II	L	497-0328	83	86	15,420	18,795	15,420	2,117	---	2,300	3,000	3,100
PVO CO-FINANCING II	G	497-0336	82	90	2,400	3,300	1,000	708	300	500	500	500
EDUCATION POLICY AND PLANNING	G	497-0344	84	85	1,510	1,510	1,510	---	---	360	---	380
EDUCATION POLICY AND PLANNING	L	497-0344	84	85	4,990	4,990	4,990	84	---	320	---	1,500

*Refers to the planned project summary sheet

G Level of effort activity

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

PROGRAM: INDONESIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
PRIVATE SECTOR MANAGEMENT DEVELOPMENT	G	497-0345	84	86	4,000	4,000	2,000	467	2,000	938	---	650
TOTAL FOR ACCOUNT					46,820	50,150	40,590	12,367	2,300	9,761	4,500	6,630
GRANTS					10,410	12,385	7,010	2,445	2,300	2,298	1,500	2,030
LOANS					36,410	37,765	33,580	10,422	---	7,463	3,000	4,600
SELECTED DEVELOPMENT ACTIVITIES												
SCIENCE AND TECHNOLOGY	G	497-0266	78	80	1,500	1,500	1,439	1,374	---	---	---	---
SCIENCE AND TECHNOLOGY	L	497-0266	78	78	5,000	5,000	4,950	4,844	---	---	---	---
ASSISTANCE TO ENVIRONMENTAL CENTERS	G	497-0314	79	80	500	500	500	396	---	---	---	---
ENERGY PLANNING FOR DEVELOPMENT	L	497-0318	82	82	750	750	750	627	---	---	---	---
PRIVATE SECTOR DEVELOPMENT	G	497-0329	82	87	---	1,000	---	---	---	---	1,000	---
PRIVATE SECTOR DEVELOPMENT	L	497-0329	82	87	1,500	1,500	1,500	723	---	242	2,000	200
PUSPIPTEK ENERGY RESEARCH LAB	G	497-0333	82	85	500	500	500	191	---	120	---	120
PUSPIPTEK ENERGY RESEARCH LAB	L	497-0333	82	85	11,750	11,750	11,750	1,275	---	1,880	---	3,880
PVO CO-FINANCING II	G	497-0336	82	90	2,900	7,890	2,540	1,439	1,150	1,250	1,225	1,225
DEVELOPMENT STUDIES	G	497-0340	83	87	4,000	9,000	4,000	706	2,000	1,400	3,000	1,500
TOTAL FOR ACCOUNT					28,400	39,390	27,929	11,575	3,150	4,892	7,225	6,925
GRANTS					9,400	20,390	8,979	4,106	3,150	2,770	5,225	2,845
LOANS					19,000	19,000	18,950	7,469	---	2,122	2,000	4,080
TOTAL FOR COUNTRY					523,270	652,462	471,579	210,282	52,960	70,486	55,000	71,898
GRANTS					165,630	238,868	157,428	88,506	34,140	22,646	28,375	24,793
LOANS					357,640	413,594	314,151	121,776	18,820	47,840	26,625	47,105

*Refers to the planned project summary sheet

CLevel of effort activity

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COUNTRY: (271) ISRAEL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 4,128

PER CAPITA GNP..... (DOLLARS,1983) 5,370

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 2.9%

ANNUAL RATE OF INFLATION (1973-83) 73.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1980) 6.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 74.5	MALE 72.7	FEMALE 76.4
(1970)	TOTAL 71.3	MALE 70.0	FEMALE 72.6

ADULT LITERACY RATE (1972) TOTAL 88% MALE 93% FEMALE 83%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 0.4%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1982) 5%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 324

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT	17%	(1984)
CASH: CITRUS FRUIT	8%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) CITRUS FRUIT ,COTTON ,.

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,SORGHUM ,CORN

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 6%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1978) 8,174 (79) 12,442 (80) 14,017

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1978) 10,014 (79) 15,151 (80) 17,955

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1978) -1,841 (79) -2,709 (80) -3,938

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES...(1978) 33.3% (79) 36.5% (80) 36.8%
AS % OF GNP..... (1978) 23.1% (79) 29.1% (80) 30.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 3,881 (83) 3,688 (84) 3,095
EQUIVALENT TO 0.9 MONTHS OF IMPORTS (1984)

FOREIGN TRADE

MAJOR EXPORTS(1983)POL. DIAMONDS ,FRUITS ,TEXTILE PROD.

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982)1,119 (1983)1,319 (1984)1,606
AS % OF TOTAL EXPORTS (1982) 22% (1983) 25% (1984) 27%

MAJOR IMPORTS(1983)MILITARY EQ ,ROUGH DIAMONDS ,OIL

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982)1,542 (1983)1,626 (1984)1,674
AS % OF TOTAL IMPORTS (1982) 19% (1983) 20% (1984) 6%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -3,295(83) -3,291(84)-2,678

TRADING PARTNERS: UNITED STATES ,GERMANY, FEDER ,UNITED KINGDOM

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 55.4%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 1,949
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 35.2%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.2% (1978) 2.4% (1985) 1.9%

POPULATION IN URBAN AREAS.....(1970) 84% (1985) 91%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 27 (1985) 23

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

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 32.7% (15-64YRS) 59.1% (65+ YRS) 8.2%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 13

PEOPLE PER PHYSICIAN..... (1979) 371

MAJOR CAUSES OF
DISEASE (1980) SHIGELLOSIS ,CHICKEN POX ,MUMPS
DEATH.. (1978) ILL-DEFINED CAUS,STROKE ,HEART DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 120%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(.) .%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1982)	TOTAL 126	MALE 125	FEMALE 126	
SECONDARY..... (1982)	TOTAL 49.1	MALE 43.4	FEMALE 50.3	
POST SECONDARY.. (1979)	TOTAL 22.4	MALE 23.2	FEMALE 21.5	

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 0.9%

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

COUNTRY ISRAEL

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	786.0	764.0	806.0	785.0	910.0	8851.0	976.0	7875.0
Loans	261.0	-	-	-	-	2079.6	976.0	1103.6
Grants	525.0	764.0	806.0	785.0	910.0	6771.4	-	6771.4
a. A.I.D. and Predecessor Agencies	785.0	764.0	806.0	785.0	910.0	8136.8	438.3	7748.5
Loans	260.0	-	-	-	-	1509.3	438.3	1071.0
Grants	525.0	764.0	806.0	785.0	910.0	6677.5	-	6677.5
(Economic Support Fund)	785.0	764.0	806.0	785.0	910.0	7604.5		
b. Food for Peace (PL 480)	1.0	-	-	-	-	664.1	537.7	126.4
Loans	1.0	-	-	-	-	570.3	537.7	32.6
Grants	-	-	-	-	-	93.8	-	93.8
Title I - Total Sales Agreements	1.0	-	-	-	-	601.7	537.7	64.0
Repayable in U.S. Dollars - Loans	1.0	-	-	-	-	323.1	260.7	62.4
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	278.6	277.0	1.6
Title II - Total Grants	-	-	-	-	-	62.4	-	62.4
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	2.2	-	2.2
Voluntary Relief Agencies	-	-	-	-	-	60.2	-	60.2
c. Other Economic Assistance	-	-	-	-	-	0.1	-	0.1
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	0.1	-	0.1
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.1	-	0.1
II. MILITARY ASSISTANCE – TOTAL	1000.0	1400.0	1400.0	1700.0	1700.0	19104.2	5041.0	14063.2
Credits or Loans	500.0	900.0	850.0	950.0	850.0	11204.2	5041.0	6163.2
Grants	500.0	500.0	550.0	750.0	850.0	7900.0	-	7900.0
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	500.0	900.0	850.0	950.0	850.0	11204.2	5041.0	6163.2
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	500.0	500.0	550.0	750.0	850.0	7900.0	-	7900.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	1786.0	2164.0	2206.0	2485.0	2610.0	27955.2	6017.0	21938.2
Loans	761.0	900.0	850.0	950.0	850.0	13283.8	6017.0	7266.8
Grants	1025.0	1264.0	1356.0	1535.0	1760.0	14671.4	-	14671.4
Other U.S. Government Loans and Grants	305.9	217.4	24.0	-	-	1130.6	802.8	327.8
a. Export-Import Bank Loans	305.9	217.4	6.5	-	-	1113.1	793.4	319.7
b. All Other Loans	-	-	17.5	-	-	17.5	9.4	8.1

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	0.0	0.0	20.0	361.3
IBRD	0.0	0.0	0.0	284.2
IFC	0.0	0.0	0.0	10.5
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	15.4
OTHER-UN	0.0	0.0	0.0	1.2
EEC	0.0	0.0	20.0	50.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	804.0	1,314.0	5,766.0
Germany, Fed. Rep.	106.5	81.0	480.2
Netherlands	0.8	0.7	4.9
France	0.5	2.1	3.2
Switzerland	0.3	0.4	2.0
Other	0.7	0.5	2.9
Total	912.8	1,398.7	6,259.2

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

ISRAEL

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	1,950.0*	1,898.4*	1,200.0

*Includes a $750 million supplemental appropriation.

Development Overview

After the 1973 Arab-Israeli war, events converged to threaten Israel's ability to provide for the security and economic well-being of its people. First, the Government's decision to expand and modernize its military forces required a massive diversion of civilian manpower and financial resources to meet these needs: over one-third of gross national product (GNP) and 20-25% of the labor force. Concurrently, the general world inflation raised Israel's import bill, while recession in OECD countries adversely affected its ability to export.

The resulting large balance of payments deficit and accelerating inflation became the principal non-military problems facing the government. To deal with them, Israel introduced policies to curb demand (including demand for imports), stimulate exports, and restrain monetary expansion.

Initially, these policies succeeded in reducing the balance of payments deficit. However, when the Government relaxed some of these measures, the deficit on civilian goods and services account soared, tripling from $1.4 billion in 1977 to $4 billion in 1983, before declining to $3.4 billion in 1984. Beginning in 1979, inflation accelerated to triple digit levels. In 1984 it reached an annual rate of 445%.

To cushion Israelis against the worst effects of inflation, a pervasive system of indexation has evolved which covers wages, savings, income tax brackets, welfare payments, etc. The system helps protect real incomes and the real value of financial assets, but reinforces strong inflationary pressures. The Israeli invasion of Lebanon also added to Israel's economic burdens.

Since 1982 there has been little real economic growth. In 1982 and 1983 exports failed to grow after several years of sustained expansion. Exports recovered in 1984, but investment and private consumption fell sharply.

Since the Unity Government's formation in September 1984, Israeli officials have been attempting to develop an economic stabilization program which would restore price stability and balance of payments equilibrium. In October 1984 the President and Prime Minister Peres established the Joint Economic Development Group (JEDG) to review Israel's short and long run economic problems, and consider the appropriate role of U.S. assistance in furthering reform and development.

In July 1985, the Government adopted a stabilization program which is more comprehensive than any which have preceded it. The new program features subsidy cuts, price adjustments followed by a freeze, reductions in the

government workforce and government expenditures, tax increases, downward adjustments in real wages, a currency devaluation and measures designed to increase the scope for monetary policy. To achieve the program's objectives of restoring economic stability and reestablishing conditions for a resumption of growth, the government will need to implement the new program effectively and take further measures, particularly in the fiscal and monetary areas.

United States Interests and Objectives

Israel's security is essential to achieving a comprehensive peace in the Middle East. U.S. assistance programs, both military and economic, tangibly reflect U.S. support and help give Israel the confidence it needs to take the risks necessary to reach a peace settlement with its Arab neighbors.

A.I.D. Assistance Strategy

A.I.D. is directly supporting Israel's civilian economy, thereby facilitating achievement of a modest rate of economic growth and management of Israel's balance of payments problem. Economic policy issues are discussed with Govenment of Israel representatives on a regular basis.

A.I.D. Program: (FYs 1985-1986)

In FY 1985, A.I.D. provided a cash transfer of $1.2 billion from the Economic Support Fund ($65 million of which was used to endow four U.S.-Israeli binational foundations). Additionally, A.I.D. disbursed $750 million of the $1.5 billion supplemental appropriation passed by the Congress. In October 1985, A.I.D. disbursed the entirety of the $1.2 billion ESF earmark for FY 1986 as required by the authorizing legislation. (The Israeli Government has indicated that it will return 4.3 percent of this amount, or $51.6 million, as required by Gramm-Rudman.) The remaining $750 million from the FY 1985 supplemental is also scheduled for disbursement during FY 1986. The timing of the disbursement will be based on achievement of programmatic benchmarks mutually agreed upon by the U.S. and Israeli Governments related exclusively to economic performance. A.I.D.'s program permits Israel to meet short-term balance of payments requirements, maintain budgeted foreign exchange expenditures, import the goods and services it needs without borrowing massive amounts at market terms, and build up foreign exchange reserves to a more desirable level.

Requested Year Program (FY 1987)

For FY 1987, A.I.D. proposes a $1.2 billion cash grant. Provision of assistance in the form of a cash grant is conditional upon receipt of satisfactory Israeli Government assurances that Israel will import from the United States non-defense goods at least equal in dollar value to our level of economic assistance obligations, that U.S. exporters will continue to

enjoy equal access to Israeli markets, and that Israel will follow procedures worked out in cooperation with the U.S. Government for bulk shipments of grain on dry bulk carriers. Israel has provided these assurances each year since FY 1979, when the commodity import program was terminated and replaced by a cash transfer, and has complied with them.

ISRAEL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans			
Grants	1,950,000	1,898,400	1,200,000
Total AID	1,950,000	1,898,400	1,200,000
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	1,950,000	1,898,400	1,200,000

**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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

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

PROGRAM: ISRAEL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND												
CASH TRANSFER	* G	271-KX87	87	87	---	1,200,000	---	---	---	---	1,200,000	1,200,000
CASH TRANSFER	G	271-K620	85	85	1,950,000	1,950,000	1,950,000	1,950,000	---	---	---	---
CASH TRANSFER	G	271-K622	86	86	1,200,000	1,200,000	---	---	1,148,400	1,148,400	---	---
SUPPLEMENTAL CASH TRANSFER	G	271-K623	86	86	1,500,000	1,500,000	---	---	750,000	750,000	---	---
TOTAL FOR ACCOUNT					4,650,000	5,850,000	1,950,000	1,950,000	1,898,400	1,898,400	1,200,000	1,200,000
GRANTS					4,650,000	5,850,000	1,950,000	1,950,000	1,898,400	1,898,400	1,200,000	1,200,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					4,650,000	5,850,000	1,950,000	1,950,000	1,898,400	1,898,400	1,200,000	1,200,000
GRANTS					4,650,000	5,850,000	1,950,000	1,950,000	1,898,400	1,898,400	1,200,000	1,200,000
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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (278) JORDAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 2,668

PER CAPITA GNP..... (DOLLARS,1983) 1,640

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 6.9%

ANNUAL RATE OF INFLATION (1973-83) 10.0%

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

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 64.5	MALE 62.6	FEMALE 66.4
(1970)	TOTAL 54.1	MALE 52.5	FEMALE 55.8

ADULT LITERACY RATE (1979) TOTAL 65% MALE 81% FEMALE 54%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 3.1%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 7%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 204

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT ,BARLEY ,LENTILS	68%	(1984)
CASH: VEGETABLES ,OLIVES ,FRUIT	25%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) VEGETABLES ,CITRUS FRUIT ,TOBACC

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,FRUIT ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1979) 10%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1980) 1,400 (81) 1,512 (82) 1,543

TOTAL EXPENDITURES AND NFT LENDING ($ MILLIONS, U.S.)
(1980) 1,769 (81) 1,863 (82) 1,907

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1980) -369 (81) -351 (82) -364

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1979) 24.9% (81) 22.4% (82) 23.3%
AS % OF GNP..... (1979) 15.2% (81) 11.6% (82) 11.6%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 1,100 (83) 1,024 (84) 687
EQUIVALENT TO 2.3 MONTHS OF IMPORTS (1984)

FOREIGN TRADE

MAJOR EXPORTS(1983)FRUIT AND VEG ,PHOSPHATE ROCK ,

EXPORTS TO U.S.

($ MILLIONS, US, FOB)	(1982)	0	(1983)	0	(1984) 1
AS % OF TOTAL EXPORTS	(1982)	0%	(1983)	0%	(1984) 0%

MAJOR IMPORTS(1983)PETROLEUM PROD ,TEXTILES ,CAPITAL GOODS

IMPORTS FROM U.S.

($ MILLIONS, US, CIF)	(1982)	354	(1983)	360	(1984) 296
AS % OF TOTAL IMPORTS	(1982)	14%	(1983)	14%	(1984) 12%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -2,131(83) -2,122(84)-1,720

TRADING PARTNERS: SAUDI ARABIA ,UNITED STATES ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 69.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 213
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 36.7%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.7% (1978) 3.7% (1984) 3.8%

POPULATION IN URBAN AREAS.....(1970) 51% (1985) 60%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 39

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1983) 26.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 48.2% (15-64YRS) 49.1% (65+ YRS) 2.7%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 51

PEOPLE PER PHYSICIAN..... (1982) 1,165

MAJOR CAUSES OF
DISEASE (1981) CHICKEN POX ,MUMPS ,MEASLES
DEATH.. (1975) HEART DISEASE ,ILL-DEFINED CAUS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 95%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982) 80%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1982)	TOTAL 81.3	MALE 81.4	FEMALE 81.2
SECONDARY..... (1982)	TOTAL 61.6	MALE 61.8	FEMALE 56.2
POST SECONDARY.. (1980)	TOTAL 11.5	MALE 12.0	FEMALE 11.1

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

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

COUNTRY JORDAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	72.7	10.5	15.4	20.1	20.0	1488.2	60.0	1428.2
Loans	31.0	-	10.0	10.0	7.0	336.1	60.0	276.1
Grants	41.7	10.5	5.4	10.1	13.0	1152.1	-	1152.1
a. A.I.D. and Predecessor Agencies	69.0	10.0	15.0	20.0	20.0	1285.9	21.5	1264.4
Loans	30.0	-	10.0	10.0	7.0	273.2	21.5	251.7
Grants	39.0	10.0	5.0	10.0	13.0	1012.7	-	1012.7
(Economic Support Fund)	69.0	10.0	15.0	20.0	20.0	974.7		
b. Food for Peace (PL 480)	3.7	0.5	0.4	0.1	-	200.8	38.5	162.3
Loans	1.0	-	-	-	-	62.9	38.5	24.4
Grants	2.7	0.5	0.4	0.1	-	137.9	-	137.9
Title I - Total Sales Agreements	1.0	-	-	-	-	62.9	38.5	24.4
Repayable in U.S. Dollars - Loans	1.0	-	-	-	-	59.2	34.9	24.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.7	3.6	0.1
Title II - Total Grants	2.7	0.5	0.4	0.1	-	137.9	-	137.9
Emerg. Relief, Econ. Develop. & World Food Program	0.5	-	-	*	-	91.9	-	91.9
Voluntary Relief Agencies	2.2	0.5	0.4	0.1	-	46.0	-	46.0
c. Other Economic Assistance	-	-	-	-	-	1.5	-	1.5
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	1.5	-	1.5
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	0.2	-	0.2
Other	-	-	-	-	-	1.3	-	1.3
II. MILITARY ASSISTANCE – TOTAL	79.3	44.3	56.9	52.8	116.7	1265.7	455.7	810.0
Credits or Loans	50.0	42.1	54.9	51.5	115.0	706.3	455.7	250.6
Grants	29.3	2.2	2.0	1.3	1.7	559.4	-	559.4
a. MAP Grants	28.3	1.4	-	-	-	497.3	-	497.3
b. Credit Financing - FMS	50.0	42.1	54.9	51.5	115.0	706.3	455.7	250.6
c. Military Assistance Service-Funded (MASF) Grants	1.0	0.8	2.0	1.3	1.7	16.1	-	16.1
d. Transfers from Excess Stocks	-	-	-	-	-	46.0	-	46.0
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	152.0	54.8	72.3	72.9	136.7	2753.9	515.7	2238.2
Loans	81.0	42.1	64.9	61.5	122.0	1042.4	515.7	526.7
Grants	71.0	12.7	7.4	11.4	14.7	1711.5	-	1711.5
Other U.S. Government Loans and Grants	276.3	-	-	-	45.0	409.4	189.5	219.9
a. Export-Import Bank Loans	276.3	-	-	-	45.0	404.7	184.1	220.6
b. All Other Loans	-	-	-	-	-	4.7	5.4	0.7-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	35.8	147.7	113.0	725.8
IBRD	35.8	130.0	101.5	452.3
IFC	0.0	0.7	0.0	96.1
IDA	0.0	0.0	0.0	83.8
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	2.5	0.0	42.2
OTHER-UN	0.0	0.0	0.0	7.4
EEC	0.0	14.5	11.5	44.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	34.0	24.0	286.0
Germany, Fed. Rep.	19.4	18.6	134.2
United Kingdom	5.8	4.2	70.1
Japan	12.4	20.0	55.5
France	3.0	10.5	27.5
Other	3.3	7.0	47.6
Total	77.9	84.3	620.9

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

CY 1982	CY 1983	CY 1978-83
636.1	N.A.	4,054.4

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	30
Eastern Europe	-	-	n/a
Total	-	-	30

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Loans	5.0	-	4.0
Grants	95.0	89.570	14.0

Development Overview

Jordan continues to face a deepening and broadening of its economic problems as increasing financial constraints impact on economic growth and cause the Government of Jordan (GOJ) to postpone or stretch out all but its most essential development plans and projects. It is estimated that the real economic growth rate for 1984 was zero or less on a per capita basis, with no significant change expected in 1985. This is a significant decrease from the 9 to 10 percent per annum growth rates that Jordan enjoyed from 1975 to 1981.

Rapid population growth (estimated at 3.8 percent per annum), a persistent shortage of water, limited arable land and the paucity of natural resources constitute major constraints to Jordan's continued economic development. Only about 4 percent of Jordan's land is arable and expansion of irrigation is constrained by water scarcity. As a result, about 60 percent of all food is imported. Phosphates and potash from the Dead Sea constitute Jordan's only significant natural resources. Exports of these minerals comprise over 40 percent of Jordan's merchandise export earnings. Jordan's well-educated and trained labor force is a major development resource. Indeed, the remittances of Jordanians working abroad are a driving force in the economy and were equivalent to 19 percent of Gross National Product (GNP) in 1984. Reflecting the strength of Jordan's human capital base, service industries account for 64 percent of Gross Domestic Product (GDP). Mining and manufacturing account for 18 percent of GDP; construction for 10 percent; and agriculture only 8 percent. Over 60 percent of the 2.8 million population reside in urban areas, and over 70 percent are literate.

Despite natural resource constraints, Jordan developed rapidly in the 1970's with high levels of investment sustained by substantial inflows of remittances from the 320,000 Jordanians working abroad and by Arab and other donor aid. Jordan has achieved middle income status with per capita GNP reaching $1,640.

With the sharp drop in oil earnings of the Gulf States since 1981, Arab donor aid has been reduced and workers' remittances have stabilized. From a peak of $1.2 billion in 1980, Arab aid dropped by half to $600 million in 1984. Workers' remittances have grown marginally, from $1 billion in 1981 to $1.2 billion in 1984. Export earnings have been volatile, while tourism earnings have declined steadily. With reduced foreign income and donor aid, foreign borrowing has expanded. Reported public external debt has

JORDAN

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	53,291	33,977	11,232
Grants	21,825	49,603	95,801
Total AID	75,116	83,580	107,033
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480			
Total AID and P.L. 480	75,116	83,580	a/ 107,033 b/

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

a/ Includes CIP for 25,000.
b/ Includes CIP for 60,000.

P.L. 480 (in thousands of dollars)						
Program	FY 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	14.6	18.3	19.5
PASA[b]	1.0		
TOTAL	15	18	19

[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 PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	29	129	158	37	139	176	37	139	176
Regional[e]		5	5		8	8		4	4
TOTAL	29	134	163	37	147	184	37	143	180

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]									
Regional[e]	5	2	7	7	23	30	7	18	25
TOTAL	5	2	7	7	23	30	7	18	25

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

doubled from $1.2 billion at the end of 1980 to $2.4 billion at the end of 1984, equivalent to 50 percent of GNP. However, even with such borrowing, prior rates of investment and consumption could not be maintained. Real GNP growth thus fell from double digit levels in the late 1970's to 1.2 percent in 1983 and 0.5 percent in 1984. Economic growth has remained at these low levels in 1985.

With reduced job opportunities in the Gulf States and continued high labor force growth estimated at 4 percent per annum, addressing Jordan's impending unemployment problem ranks high on the government's agenda. The slowdown in the economic growth rate in Jordan occasioned by reduced external resource availabilities limits the pace at which new jobs will be created.

The GOJ's new five-year development plan for 1986-1990 will stress Jordan's persistent, ever-growing need for more water, further development of the services sector, energy, transportation and agricultural development. A major effort is also expected to develop regional planning units in each of the seven governorates. These units are expected to decentralize planning functions and to extend additional services to lower income groups. In agriculture, the GOJ is expected to increase the attention it gives to the rainfed highlands and the desert range areas and to decrease relatively its attention to the irrigated areas of the Jordan Valley which received major emphasis in the 1981-1985 five-year plan.

U.S. Interests and Objectives

Jordan's continued survival as a moderate pro-western nation is of vital interest to the United States. It is clear that Jordan will continue to play a key role in any negotiated resolution of the Israeli-Arab conflict that is to be both equitable and lasting. Because of its strategic location and orientation as a firmly anti-Communist nation, Jordan plays a pivotal role in containing Soviet power and influence in the region.

Jordan, under King Hussein's leadership, has continued to take substantial risks to achieve a negotiated peace with Israel on the basis of U.N. Security Council Resolutions 242 and 338. Although Jordan is very vulnerable to external and internal pressures from elements determined to thwart peace with Israel, it has nevertheless taken a number of bold steps to rejuvenate the peace process during the past year. The King broke ranks with the Arab mainstream to restore relations with Egypt and gained PLO agreement to seek a negotiated peace with Israel within the context of an international conference.

Economic assistance is an essential component of U.S. efforts to promote Jordanian stability. U.S. economic aid is a visible and important part of the U.S. presence in Jordan, assisting in the building of both the physical and human infrastructure which helped foster recent socio-economic development. Over the years, A.I.D.-supported activities have generated much good will for the United States.

A.I.D. Development Strategy

President Reagan requested and Congress appropriated $250 million supplemental grant assistance for Jordan for FY 1985-1987. This was in recognition of the enormous risks that King Hussein has taken to advance the Middle East peace process. These funds will help reduce the balance of payments constraints now limiting the Kingdom's economic growth. A.I.D. is using these funds to promote greater dialogue on indigenous institutional development in both the public and private sectors and to stimulate the transfer of high technology.

The Commodity Import Program (CIP) funded from the supplemental appropriation will make a significant contribution towards imports which Jordan needs to resume economic growth. It will enable both the private and the public sectors to buy such items as industrial equipment, irrigation and agricultural equipment and medical instruments from the United States. It is hoped that this program will provide Jordan with relatively fast disbursing balance-of-payments support, thus stimulating economic activity in the near term.

A.I.D. has already begun a $30 million grant project to build approximately 40 schools for boys and girls in the compulsory cycle (Grades 1-9) in various locations within Jordan. This $30 million is the first third of the $90 million in supplementary project assistance. Grants for the development of the water and transport sectors (also using proceeds of the supplemental) are also being designed for implementation starts in FYs 1986 and 1987.

These programs attempt to increase Jordan's capability for self-sustaining growth. A.I.D.'s strategy is to help Jordan finance projects that strengthen indigenous institutions and transfer technologies. The Agency is helping Jordan to provide safe water and sewerage services to its people; fully exploit, conserve and manage its limited water resources; increase agricultural productivity and improve economic opportunities in rural areas; increase public awareness of and actions to solve health and population problems; increase the generation of domestic revenues; and meet the requirements for technically trained labor and managerial expertise in critical development areas. A.I.D. is also helping the Jordanians to meet their needs for low-cost housing through a housing guarantee program of $25 million over the next five years.

A.I.D. Program: FYs 1985-1986

Commodity Import Program: Late in FY 1985 the Administration requested and Congress enacted supplemental legislation that provided $250 million in additional aid for Jordan. $160 million of this supplemental was provided for a commodity import program (CIP) to be obligated over three years. In FY 1985 A.I.D. obligated $50 million for this activity, and in FY 1986 an additional tranche will be obligated. This CIP grant will finance a

substantial amount of the foreign exchange costs of commodities and commodity-related services that Jordan needs to sustain its import requirements and to stimulate a higher rate of economic growth. A.I.D. will grant dollars to Jordan to pay for essential commodity imports in both the public and private sectors. This program should help Jordan break its present balance-of-payments constraint through relatively fast disbursing commodity support which could, through indirect as well as direct effects, lead to an import level 7.5 percent higher than would otherwise be possible by 1988. This in turn should stimulate a higher level of economic growth which is essential if jobs are to be found for Jordan's ever-expanding labor force.

Education: In FY 1985 a $30 million grant was provided for A.I.D.'s School Construction III project (270-0276). This too was funded from the supplemental aid package. The grant partially finances the construction of approximately 40 compulsory-level schools in rural and urban locations throughout Jordan. The 40 three-story schools will include about 1,200 classrooms, plus libraries, storage areas, meeting halls and administrative rooms. Approximately half of these new schools will be for girls. This is the third major school building project that the U.S. has helped fund in Jordan, and its design builds on the evaluation and implementation experience of the first two highly successful A.I.D. projects. It will help the government to bring modern, efficient educational facilities to up to 45,000 boys and girls. This project supports the GOJ's goal to provide compulsory cycle education for all Jordanian children. Jordan will contribute nearly 27 percent of the total project costs in addition to providing land for all school sites.

In FY 1986, A.I.D. plans to provide grant funds for the Development Administration Training (DAT) IV project (278-0267). The grant will provide training in economic and technical skill areas assigned priority in the GOJ's development plan. An approximately equal mix of person-months of long-term academic and short-term practical programs is planned. Graduate-level training will provide exposure of key Jordanians to U.S. educational systems and technology. Short-term practical programs will assist Jordanians in confronting the increasingly complex technological and social challenges of their society.

Water and Wastewater: In FY 1985, A.I.D. continued support to Jordan's water sector through a continuing policy dialogue with the recently established Water Authority of Jordan (WAJ). In addition A.I.D. conducted a series of project interventions that help to extend and improve the distribution of water, the collection and treatment of wastewater and the provision of other water related services to Amman and nine secondary cities. On-going projects cover the cities of Amman, Aqaba, Irbid, Zarqa and Ruseifa. With the completion of these facilities, more than 50 percent of Jordan's urban population will have access to improved water systems, sewage collection, and treatment services.

In FY 1986, A.I.D. plans to make a grant from the $250 million in supplemental aid for Jordan for the Irbid Water and Wastewater II project (278-0271) for the construction of two water treatment plants in the Irbid area - one at Sal and the other at Sawm - and the requisite engineering design and construction supervision services. This project supports A.I.D.'s long-term goal of helping Jordan to expand water distribution systems and wastewater collection and treatment facilities and builds effectively on A.I.D.'s Irbid Water and Sewerage project (278-0233), now about half complete. Also, in FY 1986, A.I.D. plans to undertake an evaluation of its water sector assistance.

Agricultural and Rural Development: In FY 1985, A.I.D. initiated the Highland Agricultural Development project (278-0264) with $12 million in grant and $5 million in loan funds. This project attempts to increase agricultural productivity in Jordan's rainfed highlands. Agriculture in these areas has lagged behind production gains made in other countries and Jordan's irrigated agricultural areas due to the lack of a coordinated research and extension effort, land ownership fragmentation, farm labor shortages, and a failure to promote adaptations of new technology. A.I.D. loan funds will be used to set up a national center for research and technology transfer and four regional agricultural services centers that will supply research and extension services, improved seed, nursery stock, technical advice and other inputs to highland farmers. Grant funds will be used to provide technical assistance and training for the Ministry of Agriculture's Directorate of Research and Extension and to promote greater collaborative research efforts with the University of Jordan's Faculty of Agriculture.

Population: Jordan's limited resource base, high population growth rate and health status indicators require that efforts be directed to assuring that couples receive information and services on child-spacing options. A.I.D. maintains a continuing dialogue with key GOJ policy makers on population concerns and was successful in sponsoring a population and development conference for the Arab region in Amman in March 1985. Follow-up actions included publishing the conference proceedings and establishing a fund for use by the National Population Commission in promoting population policies. A.I.D. works with centrally funded PVOs that serve as intermediaries in such areas as education, demography, medical training, family planning, and in particular, child spacing. In 1985, A.I.D. began implementation of a staff training and clinic expansion program with the private Jordan Family Planning Association (JFPPA) to be conducted by the Margaret Sanger Center. A.I.D. continues to sponsor population research that demonstrates the need for greater GOJ action; for example, an innovative, ongoing project is the Male Fertility Survey, a joint effort by C.D.C. and Jordan's Department of Statistics, which attempts to identify attitudes and beliefs of men regarding fertility questions.

Health: In FY 1986, A.I.D. plans to provide a grant for a Nursing Training project to improve existing nursing colleges and to help establish a new

nurses' training school. This project will assist Jordan in meeting its critical need for more and better trained nurses and midwives.

To combat a fundamental cause of child mortality, morbidity and diarrheal disease, A.I.D. has promoted oral rehydration therapy (ORT) through mass media campaigns and through assistance to a private pharmaceutical production firm.

A.I.D. also plans to provide centrally funded resources for other child survival activities, such as assistance to the Maternal and Child Department of the Ministry of Health in upgrading its staff in growth monitoring, immunization, child spacing and breast feeding as well as ORT.

Industry: A.I.D. plans to provide a grant for an Industrial Development project (278-0265) which will assist the GOJ to institutionalize a process for providing industrial promotion and information services needed to accelerate growth in small and medium-scale enterprises. A.I.D. grant funds will finance technical assistance to help the GOJ increase productivity, promote product quality and increase investment and export support mechanisms. U.S. consultants will work with the Ministry of Planning, the Ministry of Supply, Industry and Trade, the Industrial Development Bank, and other appropriate public and private entities. The grant will also finance training for Jordanians, particularly in industrial science and technology.

Housing Guaranty: A.I.D. initiated a housing investment guaranty (HIG) program ($25 million) in FY 1985 to provide the GOJ with additional resources for the construction of up to 1,500 low-cost housing units in urban areas. A.I.D. guaranteed funding complements the World Bank's major support for sites and services projects in Amman. A.I.D.'s HIG program is being implemented through the Jordan Housing Bank, a well-established financial institution. The HIG will help expand the Housing Bank's capacity to finance housing for low and medium income Jordanians and should stimulate adoption of better building standards.

Other: A.I.D. provided an additional grant of $3 million in FY 1985 for the Technical Services and Feasibility Studies (TSFS) IV project (278-0260) to provide resources to the GOJ for the identification, development, and appraisal of priority development projects. A grant is planned in FY 1986 for the Technical Services and Feasibility Studies V (TSFSV) project (278-0266). These projects and their predecessors have been important vehicles for addressing development problems in a number of sectors. Through them, A.I.D. has assisted the GOJ with such activities as improving the Ministry of Public Works' road maintenance program; determining the feasibility of expanded range and water resources development and management in desert areas; developing an Arabic literacy series with the Children's Television Workshop; assessing issues in urban development and designing a low-cost housing finance project; conducting an in-country seminar on international contracting and procurement for government employees; and upgrading instruction and curriculum at the Irbid nursing

school. TSFS projects have also benefitted Jordan's private sector through the funding of industrial and tourism development studies and assistance to the Royal Scientific Society for conducting energy conservation studies. Future possible TSFS activities include providing assistance to Amman's Urban Development Department in slum upgrading and assisting in a study of flood control measures in the Aqaba Basin. A.I.D. plans an evaluation of some of the larger TSFS activities in FY 1986.

Requested Year Program: FY 1987

Water: In further support of the GOJ's priority of identifying and exploiting water resources, A.I.D. plans to provide grant funds for a Water Resources project (278-0268). The project builds on A.I.D.'s Groundwater Resources project (278-0243) which concentrated on north Jordan. This project would continue assistance to the Water Authority of Jordan (WAJ) in systematically locating, assessing and monitoring ground and surface water resources throughout Jordan. A.I.D. funds will finance U.S. consultant services to assist WAJ in defining aquifers and analyzing hydrologic characteristics of ground and surface water systems. Technology transfer and institution building will be stressed through on-the-job training and specialized academic training for WAJ employees. A portion of the project will be a research and development activity, transferring state-of-the-art water recharge technology from the U.S., and the development of relevant technologies for the recharge of groundwater from surface sources. The use of small dams and flood-retarding structures in valleys, recharge wells, and excavations in seasonally flooded areas are among the techniques to be considered.

Agricultural and Rural Development: A.I.D. plans to provide a second tranche of grant and loan funds for the Highland Agriculture Development project (278-0264) in FY 1987. This project will continue to support Jordan's development goal of stimulating more geographically balanced growth in the Kingdom and to expand agricultural efforts to rationalize, modernize and increase production in Jordan's extensive highland agricultural areas. Also, in FY 1987, A.I.D. plans to provide a grant and a loan for the Town and Village Enterprise Development project (278-0255). This effort would stimulate greater income earning opportunities and services improvements in small towns and villages through the decentralization of some of the planning functions to regional planning centers in each of Jordan's seven governorates. These new planning units are expected to formulate and implement regional and sub-regional development plans that would stimulate the creation of new jobs and additional opportunities for income and revenue generation at the local level and increase public participation in the development process. Grant funds will help finance technical assistance and training for the Ministry of Planning's regional planning department and the loan funding will be used to stimulate small businesses by offering entrepreneurs or private firms an incentive to establish small businesses in a given sub-region.

Education: In FY 1987, A.I.D. proposes a grant for the Development Administration Training (DAT) IV project (278-0267). Over the life of this grant project, it will provide funds for training in skill areas assigned priority in the GOJ's new five-year development plan. An approximately equal mix of person-months of long-term and short-term practical programs is planned. Graduate level training will provide exposure of key and promising Jordanians to U.S. educational systems and technology. Short-term practical programs will assist Jordanians in confronting the increasingly complex technological and social challenges of their society.

Other: A.I.D. plans to provide a final grant for the Technical Services and Feasibility Studies V project (278-0266) to provide additional resources to the GOJ for the identification, development, and appraisal of priority development projects.

Supplemental: In addition to ESF funds requested for FY 1987, the following additional activities will be funded from the 1985 supplemental appropriation.

Commodity Import Program: In FY 1987, A.I.D. will obligate the third and final tranche ($90 million) for the CIP program that began in FY 1985.

Transportation: A.I.D. will use the final tranche of project assistance funds provided under the supplemental aid package for Jordan for the Amman-Na'ur-Dead Sea Road Project (278-0275). The objective is to upgrade the major arterial link between Amman, Na'ur and the central Jordan valley, thus reducing travel time, improving transport efficiency, and raising safety standards on this vital east-west link, thereby promoting more rapid regional development and potential commerce with the West Bank.

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

PROGRAM: JORDAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND												
COMMODITY IMPORT PROGRAM	G	278-K643	85	87	160,000	160,000	50,000	---	50,000	25,000	---	---
AQABA SEWERAGE	L	278-0206	79	79	7,500	7,500	7,500	5,923	---	1,577	---	---
HEALTH MGMT AND SERVICES DEVELOPMENT	G	278-0208	77	83	2,875	2,875	2,875	2,700	---	175	---	---
IRBID WATER AND SEWERAGE	G	278-0233	80	80	2,500	2,500	2,500	1,161	---	1,339	---	---
IRBID WATER AND SEWERAGE	L	278-0233	80	80	21,000	21,000	21,000	7,474	---	12,400	---	1,126
ZARQA RUSEIFA WATER AND WASTEWATER	G	278-0234	82	83	5,000	5,000	5,000	1,384	---	2,000	---	1,616
ZARQA RUSEIFA WATER AND WASTEWATER	L	278-0234	82	83	10,000	10,000	10,000	---	---	10,000	---	---
JORDAN VALLEY AGRICULTURAL SERVICES	G	278-0241	81	81	5,620	5,620	5,620	3,226	---	2,394	---	---
GROUNDWATER RESOURCES INVESTIGATION	G	278-0243	80	81	5,000	5,000	5,000	4,280	---	720	---	---
HEALTH EDUCATION	G	278-0245	80	80	980	980	980	355	---	625	---	---
INCOME TAX ASSISTANCE	G	278-0247	81	84	2,000	2,000	2,000	1,207	---	793	---	---
TOWN & VILLAGE ENTERPRISE DEVELOPMENT	* G	278-0255	87	87	---	1,000	---	---	---	---	1,000	---
TOWN & VILLAGE ENTERPRISE DEVELOPMENT	* L	278-0255	87	87	---	2,000	---	---	---	---	2,000	---
DEVELOPMENT ADMINISTRATION TRAINING III	G	278-0257	83	84	3,000	3,000	3,000	1,377	---	1,623	---	---
TECH SERVICE AND FEASIBILITY STUDIES III	G	278-0258	82	82	5,000	5,000	5,000	3,866	---	1,134	---	---
WATER SYSTEMS AND SERVICES MANAGEMENT	G	278-0259	83	84	4,000	4,000	4,000	1,515	---	800	---	1,685
WATER SYSTEMS AND SERVICES MANAGEMENT	L	278-0259	83	84	17,000	17,000	17,000	894	---	9,000	---	7,106

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: JORDAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TECH SERVC AND FEASIBILITY STUDIES IV	G	278-0260	84	85	7,000	7,000	7,000	754	---	3,000	---	3,200
MANAGEMENT DEVELOPMENT	G	278-0261	84	84	5,000	5,000	5,000	---	---	1,000	---	1,500
HIGHLAND AGRICULTURAL DEVELOPMENT	G	278-0264	85	87	12,000	18,500	12,000	---	---	2,500	2,000	5,000
HIGHLAND AGRICULTURAL DEVELOPMENT	L	278-0264	85	87	5,000	9,000	5,000	---	---	1,000	2,000	3,000
INDUSTRIAL DEVELOPMENT	G	278-0265	86	87	---	8,500	---	---	2,000	---	3,000	2,000
TECH SERVICES-FEASIBILITY STUDIES V	G	278-0266	86	87	---	7,000	---	---	4,570	---	2,000	800
DEVELOPMENT ADMIN TRAINING IV	G	278-0267	86	87	---	4,500	---	---	1,000	---	2,000	1,000
WATER RESOURCES	* G	278-0268	87	87	---	4,000	---	---	---	---	4,000	---
NURSING TRAINING	G	278-0270	86	86	---	4,500	---	---	2,000	---	---	1,000
IRBID WATER AND WASTEWATER II	G	278-0271	86	86	---	30,000	---	---	30,000	---	---	3,000
SCHOOL CONSTRUCTION III	G	278-0276	85	85	30,000	30,000	30,000	---	---	6,500	---	15,000
TOTAL FOR ACCOUNT					310,475	382,475	200,475	36,116	89,570	83,580	18,000	47,033
GRANTS					249,975	315,975	139,975	21,825	89,570	49,603	14,000	35,801
LOANS					60,500	66,500	60,500	14,291	---	33,977	4,000	11,232
TOTAL FOR COUNTRY					310,475	382,475	200,475	36,116	89,570	83,580	18,000	47,033
GRANTS					249,975	315,975	139,975	21,825	89,570	49,603	14,000	35,801
LOANS					60,500	66,500	60,500	14,291	---	33,977	4,000	11,232

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Town and Village Enterprise Development	ES			FY1987 $1,000 (G) $2,000 (L)	Life of Project Funding $3,000

Number 278-0255	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☒ LOAN	☐ CONTINUING				FY 1987	FY 87	FY 90

Purpose: To encourage increased locally planned and initiated employment, income and revenue generation opportunities in Jordan's small towns and villages.

Background: Under its Technical Services and Feasibility Studies III Project, A.I.D. financed technical assistance to the GOJ Ministry of Planning (MOP) to assist in formulating a regional planning approach for incorporation in the national 1986-90 five-year economic and social development plan. A principal outcome of this assistance was a survey of all towns and villages in Jordan in order to develop an infrastructure data base for regional planning; identify planning regions, sub-regions and village clusters; and assess perceptions of local priorities. By focusing on regional planning and maximizing local participation in the planning effort, the Government of Jordan hopes to more effectively channel limited public resources and encourage the flow of private sector resources into employment, revenue and income-generating activities in less developed areas of the country.

Project Description: This project will assist the GOJ in furthering the institutionalization of regional planning and decentralization efforts begun during five-year plan preparation. Project grant funds, for technical assistance and training will be utilized to assist the Ministry of Planning's regional, sub-regional and village cluster development councils in identifying, analyzing and monitoring projects which attract and capture local human and financial resources and provide local employment. Grant funds may be used to provide technical assistance and training to regional and sub-regional councils in project identification and analysis or for feasibility studies of projects which promote increased income and employment. Town and Village Enterprise Development loan funds, channeled through existing banking institutions, would be used to contribute seed money for pilot enterprises identified by the development councils in the planning dialogue. Pilot projects eligible for A.I.D. loan funding may include those which provide increased revenues for local governments while expanding private sector investment.

Relationship of Project to A.I.D. Country Strategy: In helping develop a Jordanian capacity to carry out regional development and decentralization by stimulating and assisting local initiative, this project supports A.I.D.'s strategy of developing long-term institutional capabilities.

Beneficiaries: Primary beneficiaries will include MOP regional planners, regional and sub-regional development councils and inhabitants of the sub-regions where A.I.D.-financed activities will take place.

Host Country and Other Donors: As this is a pilot effort, it is not anticipated that other donors will participate in the proposed project, although the project will be complementary to the World Bank's assistance to the Cities and Villages Development Bank. The GOJ's contribution will be approximately $1 million (equivalent).

Major Outputs: Updating regional socio-economic data and identifying, analyzing and monitoring projects.

A.I.D.-Financed Inputs	Life of Project ($000)
Technical Assistance to the Government of Jordan Ministry of Planning	1,000 (G) 2,000 (L)

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	3,000		1,000 (G) 2,000 (L)

Principal Contractors or Agencies

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Water Resources Project	ES			FY1987 $4,000	Life of Project Funding $4,000

Number 278-0268	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING				FY 1987	FY 87	FY 91

Purpose: To assist the Water Authority of Jordan (WAJ) to systematically locate, assess and monitor Jordan's ground and surface water resources.

Background: An ever-increasing demand for water continues to constrain Jordan's social and economic development. Known tapped and untapped water sources are inadequate, and their quality is endangered. Further, most of the surface water from storms is lost to evaporation and uncontrolled run-off. The need and opportunity for improved water management is clear. WAJ needs to (1) better define the location, extent and physical characteristics of Jordan's aquifers, and the source and chemical composition of known pollutants; (2) identify other potential threats to ground and surface water supplies; and (3) examine ways to conserve and re-use currently accessible sources of water.

Project Description: The Government of Jordan has requested A.I.D. financial assistance to effect technology transfer through training, technical assistance and commodity support. Specifically, WAJ has asked for A.I.D. to

1. Provide those technologies and management skills needed to continue and expand the programs initiated under the groundwater resources investigation project (276-0243) to other geographic areas throughout Jordan;
2. Assist its staff in systematically locating, assessing and monitoring the availability of Jordan's ground and surface water resources;
3. Provide technical training to the WAJ staff;
4. Conduct research and development;
5. Develop technological applications to recharge groundwater from surface water resources (e.g., use small dams and flood-retarding structures in villages, recharge wells and excavations in seasonally flooded areas).

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s overall water sector assistance strategy in Jordan is

1. Assisting WAJ in upgrading its institutional capacity to manage water resources;
2. Improving and augmenting existing data sources through research and data collection; and
3. Providing technical assistance and training to further develop Jordanian human resources.

A policy dialogue with the GOJ on water use issues will also be pursued. A.I.D. will assist the GOJ in developing a systematic plan for allocating its scarce water resources to assure a safe, adequate and affordable water supply to the people of Jordan.

Beneficiaries: Primary beneficiaries of the project will be the people of Jordan. The secondary beneficiaries will be the technical and middle management staff members of the Water Resources Directorate of the WAJ, whose skills and techniques will be enhanced.

Host Country and Other Donors: There are no other donors directly supporting this project. Over the life of this project, it is estimated that the GOJ contribution will exceed $4 million.

Major Outputs: Transfer of technologies and management skills; location; assessing and monitoring; ground and surface water; technical training; research and development; development of technical applications to recharge groundwater.

A.I.D. Financed Inputs	Life of Project ($000)
Grants to the WAJ to Fianance Technical Assistance and Training	4,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	4,000		$4,000

Principal Contractors or Agencies

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FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (268) LEBANON

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 2,619

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

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

ANNUAL RATE OF INFLATION (.- .) . %

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

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 65.9	MALE 64.0	FEMALE 67.9
(1970)	TOTAL 64.0	MALE 62.1	FEMALE 65.9

ADULT LITERACY RATE (1970) TOTAL 68% MALE 79% FEMALE 58%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 2.1%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1974) 9%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 851

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT ,PULSES ,BARLEY	9%	(1984)
CASH: CITRUS FRUIT ,APPLES ,TOBACCO	11%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) CITRUS FRUIT ,APPLES ,VEGETABLES

MAJOR AGRICULTURAL IMPORTS:(1984) GRAINS ,MEATS ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1975) 17%

CENTRAL GOVERNMENT FINANCES

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

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

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

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

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 2,998 (83) 2,292 (84) 1,061
EQUIVALENT TO . MONTHS OF IMPORTS (.)

FOREIGN TRADE

MAJOR EXPORTS(1983) , ,

EXPORTS TO U.S.

($ MILLIONS, US, FOB)	(1982) 18	(1983) 16	(1984) 7
AS % OF TOTAL EXPORTS	(.) .%	(.) .%	(.) .%

MAJOR IMPORTS(1983) , ,

IMPORTS FROM U.S.

($ MILLIONS, US, CIF)	(1982) 323	(1983) 533	(1984) 314
AS % OF TOTAL IMPORTS	(.) .%	(.) .%	(.) .%

TRADE BALANCE($ MILLIONS, U.S.)(.) .(.) .(.)

TRADING PARTNERS: SAUDI ARABIA ,ITALY ,FRANCE

EXTERNAL PUBLIC DEBT AS % OF GNP (1973) 3.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 50
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (.) . %

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1978) -0.6% (1985) 2.1%

POPULATION IN URBAN AREAS.....(1970) 59% (1985) 80%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) . (1985) 30

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1971) 53.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 37.3% (15-64YRS) 57.6% (65+ YRS) 5.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 42

PEOPLE PER PHYSICIAN..... (1979) 536

MAJOR CAUSES OF

DISEASE (1975)	DIABETES	,TUBERCULOSIS	,UNKNOWN AILMENTS
DEATH.. (1975)	CANCER	,CIRCULATORY	,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 106%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 94%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1981)	TOTAL 93.9	MALE 96.9	FEMALE 87.7
SECONDARY..... (1980)	TOTAL 69.7	MALE 136	FEMALE 0.7
POST SECONDARY.. (1981)	TOTAL 22.4	MALE 29.3	FEMALE 16.1

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 3.5%

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

COUNTRY LEBANON

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	0.5	4.0	11.2	52.2	28.4	279.5	25.3	254.2
Loans	-	-	-	-	-	33.0	25.3	7.7
Grants	0.5	4.0	11.2	52.2	28.4	246.5	-	246.5
a. A.I.D. and Predecessor Agencies	0.5	4.0	9.0	52.2	28.1	190.9	6.4	184.5
Loans	-	-	-	-	-	4.9	6.4	1.5-
Grants	0.5	4.0	9.0	52.2	28.1	186.0	-	186.0
(Economic Support Fund)	0.5	4.0	6.0	9.6	27.8	68.2		
b. Food for Peace (PL 480)	-	-	2.2	-	0.3	86.9	17.2	69.7
Loans	-	-	-	-	-	26.5	17.2	9.3
Grants	-	-	2.2	-	0.3	60.4	-	60.4
Title I - Total Sales Agreements	-	-	-	-	-	26.5	17.2	9.3
Repayable in U.S. Dollars - Loans	-	-	-	-	-	26.5	17.2	9.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	-	2.2	-	0.3	60.4	-	60.4
Emerg. Relief, Econ. Develop. & World Food Program	-	-	1.8	-	0.3	49.0	-	49.0
Voluntary Relief Agencies	-	-	0.4	-	-	11.4	-	11.4
c. Other Economic Assistance	-	-	-	-	-	1.7	1.7	*
Loans	-	-	-	-	-	1.6	1.7	0.1-
Grants	-	-	-	-	-	0.1	-	0.1
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.1	-	0.1
II. MILITARY ASSISTANCE – TOTAL	22.4	20.3	10.6	101.7	15.6	263.8	109.4	154.4
Credits or Loans	22.0	20.0	10.0	100.0	15.0	243.7	109.4	134.3
Grants	0.4	0.3	0.6	1.7	0.6	20.1	-	20.1
a. MAP Grants	-	-	-	-	-	13.6	-	13.6
b. Credit Financing - FMS	22.0	20.0	10.0	100.0	15.0	243.7	109.4	134.3
c. Military Assistance Service-Funded (MASF) Grants	0.4	0.3	0.6	1.7	0.6	6.2	-	6.2
d. Transfers from Excess Stocks	-	-	-	-	-	0.3	-	0.3
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	22.9	24.3	21.8	153.9	44.0	543.3	134.7	408.6
Loans	22.0	20.0	10.0	100.0	15.0	276.7	134.7	142.0
Grants	0.9	4.3	11.8	53.9	29.0	266.6	-	266.6
Other U.S. Government Loans and Grants	-	-	-	-	-	83.2	99.6	16.4-
a. Export-Import Bank Loans	-	-	-	-	-	71.4	86.4	15.0-
b. All Other Loans	-	-	-	-	-	11.8	13.2	1.4-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	0.6	6.5	0.0	259.9
IBRD	0.0	0.0	0.0	166.6
IFC	0.0	0.0	0.0	9.3
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.6	1.5	0.0	36.0
OTHER-UN	0.0	0.0	0.0	8.0
EEC	0.0	5.0	0.0	40.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	14.0	28.0	80.0
France	7.2	17.7	56.8
Austria	0.6	3.0	32.6
Germany, Fed. Rep.	6.1	3.5	22.1
Italy	6.6	8.7	18.6
Other	31.9	18.5	68.4
Total	66.4	79.4	278.5

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

CY 1982	CY 1983	CY 1978-83
112.5	N.A.	878.2

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	-
Eastern Europe	-	-	10
Total			10

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	5.0 1/	1.442 3/	2.0
Loans	13.775 2/	20.5 4/	-
Totals	18.775 5/	21.942	2.0

1/ FY 1985 Appropriation.
2/ FY 1983 Supplemental Appropriation. This amount does not include $1,107,000 in obligations of International Disaster Relief funds.
3/ FY 1986 Appropriation.
4/ FY 1983 Supplemental Appropriation.
5/ Excludes $1.427 million Disaster Relief.

Development Overview

Sectarian fighting continued in Lebanon during 1985. East and West Beirut have experienced shelling, sniper fire, and bombing, in particular in the southern suburbs and the Chouf, and attempts to open the Green Line permanently have been in vain. Fighting has been intense at various times during the year in Beirut, in the south around Sidon and Jezzine and in the north around Tripoli. Two positive notes are that Israel completed the phased withdrawal of its troops from the south in June, and there are early signs of a framework for shared power emerging from meetings among sectarian and government leaders under Syrian auspices.

The Lebanese economy has continued to suffer, and the government has continued to function at only a minimal level. The pound fell to a low of 22 to the dollar from 4 in early 1984, though it has stabilized in recent months at about 18 to the dollar. Although the government has continued to use reserves to help support the pound, few of its policies have been able to redress the fall of the pound or the still negative balance of trade. Few donors, other than the United States and the U.N., have been willing to provide assistance to Lebanon.

The consequence of these events has been a growing number of displaced families, injured people, and destroyed or damaged homes and businesses. West Beirut, the southern suburbs, the Chouf, Tripoli, Sidon, and Jezzine continue to be the most affected areas, with the number of displaced Christian families in the latter two areas and Muslim families around Tripoli increasing greatly during the past year. Radical elements of the population continue to have influence, especially among the dispossessed and disaffected. The ten years of strife have left the younger generation of Lebanese, especially those with no hope of studying abroad, without the academic or vocational education that will permit them to find work in either the present or peace-time economy, thus leaving them open to the suasion of radical groups.

U.S. Interests and Objectives

The United States' major objective in Lebanon continues to be to help restore stability to Lebanon through a strengthened and unified national government and through a reconciliation of all sectarian groups within Lebanese society. The United States' interests are economic, humanitarian,

LEBANON

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans			
Grants	32,479	12,007	7,450
Total AID	32,479	12,007	7,450
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	32,479	12,007	7,450

**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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

and political. On economic grounds the United States is committed to assisting the government of Lebanon as a strong, free government committed to private sector enterprise and as a center of economic leadership in the region. On humanitarian grounds the United States wishes to help alleviate the suffering of the many people who have sustained physical injuries and who need medical care and shelter and those who have had to flee their homes in the face of fighting. The U.S. also wishes to help people whose homes and businesses have been damaged or destroyed in the fighting. On political grounds the United States is seeking internal stability in Lebanon by helping to alleviate those economic problems that may foster instability. Finally, the United States seeks stable relations between a strengthened Government of Lebanon and its neighbors in the region as part of a comprehensive peace.

Assistance Strategy

The U.S. assistance program is necessarily constrained by the security situation which prevents U.S. staff from traveling freely within Lebanon and meeting regularly with counterpart officials. Private voluntary organizations (PVOs) are able to function effectively in the present circumstances and now implement the greatest part of the assistance programs in Lebanon..

The strategy of the U.S. assistance program for Lebanon gives first priority to providing relief assistance to victims of the fighting and to rehabilitation programs. Relief assistance is intended to meet emergency needs for food, shelter, medicine, and medical services for the injured and displaced. Rehabilitation programs allow victims of the fighting to begin rebuilding their lives, physically and economically. At present U.S. assistance supports PVO programs for services for the handicapped, small credit for entrepreneurs through a private sector banking system, and vocational training for young people who need skills to find employment.

A.I.D. Program (FY 1985-1986)

As of the end of FY 1985, $50.5 million has been obligated from the 1983 supplementation appropriation of $150 million for Lebanon. In 1985 $13.775 million from this FY 1983 appropriation was obligated for assistance in the areas of emergency relief, rehabilitation and reconstruction, and support to U.S. educational institutions. For emergency relief $2.2 million was obligated in grants to Catholic Relief Services and Save the Children Federation. For rehabilitation and reconstruction, $5.5 million was obligated in grants to UNICEF and YMCA of Lebanon among others. For support to U.S. educational institutions, $6.075 million was obligated in grants to the American University of Beirut, Beirut University College, and International College.

LEBANON

In FY 1986 funding remaining available from the 1983 Supplemental Appropriation will be obligated in grants to World Rehabilitation Fund, YMCA of Lebanon, Catholic Relief Services, and Save the Children for work in emergency relief and rehabilitation, and to the American University of Beirut.

Requested Year Program (FY 1987)

The U.S. assistance program remains largely dependent on PVOs for its implementation because the security situation in Lebanon prevents U.S. staff from traveling in safety to project sites and meet with counterparts. The program proposed for FY 1987 provides continuing funding for PVO programs in relief and rehabilitation obligated under Project 268-0342, Lebanon Relief Assistance. This project will continue to provide grants to selected PVOs for relief work for Lebanese people injured or displaced in the fighting. This assistance is usually food, shelter, and supplies such as mattresses and blankets for families who have fled their homes as a result of the fighting, as well as medical supplies and services to the sick and injured. Programs are usually directed to areas where the most recent outbreaks of fighting have occurred and as a matter of policy are made available to all those in need regardless of sectarian affiliation.

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

PROGRAM: LEBANON

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
INTERNATIONAL DISASTER ASSISTANCE												
DISASTER ASSISTANCE ADMIN BY STATE	G	268-DRST	83	C	---	---	3,319	3,307	---	---	---	---
TECHNICAL SUPPORT	G	268-0000	83	83	5,000	5,000	5,000	2,506	---	---	---	---
SMALL VALUE PROCUREMENT	G	268-0326	83	85	377	377	377	275	---	102	---	---
BEIRUT UNIVERSITY COLLEGE	G	268-0328	83	83	1,500	1,500	1,500	---	---	---	---	---
POTABLE WATER AND ENVIRON SANITATION	G	268-0330	83	84	2,800	2,750	2,750	2,432	---	---	---	318
LEBANON RELIEF/SCF	G	268-0344	85	85	364	364	364	---	---	364	---	---
LEBANON RELIEF ASSISTANCE/YMCA	G	268-0345	85	85	743	743	743	---	---	743	---	---
TOTAL FOR ACCOUNT					10,784	10,734	14,053	8,520	---	1,209	---	318
GRANTS					10,784	10,734	14,053	8,520	---	1,209	---	318
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
INTERNATIONAL COLLEGE	G	268-0222	84	85	555	1,155	425	277	---	278	---	---
HEALTH SECTOR REHABILITATION	G	268-0305	78	84	4,900	6,900	4,900	3,428	1,000	1,472	---	1,000
RECONSTRUCTION AND REHABILITATION-CRS	G	268-0313	79	84	11,824	7,824	6,824	3,824	---	1,500	---	1,500
VOCATIONAL TRAINING IN BLDG TRADES/YMCA	G	268-0318	81	85	3,090	3,865	3,465	2,740	---	500	---	150
SMALL VALUE PROCUREMENT	G	268-0326	83	86	---	300	100	---	250	100	---	100
RELIEF & REHAB PLANNING	G	268-0327	83	86	---	500	---	---	250	150	---	200
TELECOMMUNICATIONS REHABILITATION	G	268-0329	83	84	4,481	4,481	4,481	4,481	---	---	---	---
POTABLE WATER AND ENVIRON SANITATION	G	268-0330	83	84	4,930	4,930	4,930	---	---	---	---	---

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: LEBANON

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC AND DEV PLANNING ASSIST TO CDR	G	268-0341	83	83	2,250	2,250	2,250	301	---	---	---	---
LEBANON RELIEF ASSISTANCE	G	268-0342	84	87	10,000	29,000	9,672	7,428	15,442	1,000	2,000	3,500
EMERGENCY WATER REPAIR	G	268-0343	85	85	4,000	4,000	4,000	---	---	1,000	---	1,000
BEIRUT UNIVERSITY COLLEGE	G	268-1303	84	85	650	1,827	650	---	---	1,077	---	---
AMERICAN UNIVERSITY OF BEIRUT	G	268-1336	85	86	10,000	15,000	10,000	10,000	5,000	5,000	---	---
TOTAL FOR ACCOUNT					56,680	82,032	51,697	32,479	21,942	12,077	2,000	7,450
GRANTS					56,680	82,032	51,697	32,479	21,942	12,077	2,000	7,450
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					67,464	92,766	65,750	40,999	21,942	13,286	2,000	7,768
GRANTS					67,464	92,766	65,750	40,999	21,942	13,286	2,000	7,768
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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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Morocco

COUNTRY: (608) MOROCCO

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 23,117

PER CAPITA GNP..... (DOLLARS,1983) 760

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 2.9%

ANNUAL RATE OF INFLATION (1973-83) 8.4%

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

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 53.1	MALE 51.6	FEMALE 54.7
(1970)	TOTAL 50.6	MALE 49.3	FEMALE 52.1

ADULT LITERACY RATE (1971) TOTAL 21% MALE 34% FEMALE 10%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) -1.6%

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

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 97

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT ,BARLEY ,.	49%	(1984)
CASH: WHEAT ,ORANGES ,SUGAR BEETS	33%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) ORANGES ,TOMATOES ,FRUIT

MAJOR AGRICULTURAL IMPORTS:(1984) CITRUS FRUIT ,VEGETABLES ,VEGETABLE OILS

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 52%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1978)	3,859 (79)	4,054 (80)	4,454
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1978)	6,363 (79)	5,603 (80)	6,282
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1978)	-2,504 (79)	-1,549 (80)	-1,828

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1980) 20.0% (81) 19.7% (82) 24.9%
AS % OF GNP..... (1980) 6.1% (81) 6.5% (82) 8.3%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 238 (83) 122 (84) 62
EQUIVALENT TO 0.3 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)PHOSPHATES , PHOSPHORIC ACI, FRUITS & VEGET

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 26 (1983) 26 (1984) 32
AS % OF TOTAL EXPORTS (1981) 1% (1982) 1% (1983) 1%

MAJOR IMPORTS(1983)PETROLEUM PRODS,FOODSTUFFS ,CAPITAL GOODS

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982) 258 (1983) 359 (1984) 478
AS % OF TOTAL IMPORTS (1981) 9% (1982) 7% (1983) 12%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -1,556(82) -1,772(83)-1,242

TRADING PARTNERS: FRANCE ,SPAIN ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 95.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 1,120
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 54.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.5% (1978) 2.5% (1985) 2.4%

POPULATION IN URBAN AREAS.....(1970) 35% (1985) 44%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 48 (1985) 37

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1984) 25.4%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 44.2% (15-64YRS) 52.8% (65+ YRS) 3.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 93

PEOPLE PER PHYSICIAN..... (1980) 10,750

MAJOR CAUSES OF
DISEASE (1981) MEASLES ,GONORRHEA ,TRACHOMA
DEATH.. (1971) GASTROINTESTINAL,ACUTE RESP. INFE,MEASLES

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1981) 115%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 55%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1982)	TOTAL 69.4	MALE 85.0	FEMALE 53.3	
SECONDARY..... (1981)	TOTAL 31.3	MALE 35.4	FEMALE 22.1	
POST SECONDARY.. (1977)	TOTAL 3.3	MALE 5.1	FEMALE 1.4	

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 15.3%

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

COUNTRY MOROCCO

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	27.1	55.8	62.9	53.9	83.7	1276.7	425.8	850.9
Loans	5.8	25.0	35.0	27.5	45.0	668.0	425.8	242.2
Grants	21.3	30.8	27.9	26.4	38.7	608.7	-	608.7
a. A.I.D. and Predecessor Agencies	9.1	12.1	11.7	11.2	26.4	461.3	291.4	169.9
Loans	-	-	-	-	-	341.5	291.4	50.1
Grants	9.1	12.1	11.7	11.2	26.4	119.3	-	119.8
(Economic Support Fund)	-	-	-	-	7.0	78.1		
b. Food for Peace (PL 480)	15.7	41.2	48.4	40.2	54.8	781.7	134.4	647.3
Loans	5.8	25.0	35.0	27.5	45.0	326.5	134.4	192.1
Grants	9.9	16.2	13.4	12.7	9.8	455.2	-	455.2
Title I - Total Sales Agreements	5.8	25.0	35.0	27.5	45.0	326.5	134.4	192.1
Repayable in U.S. Dollars - Loans	5.8	25.0	35.0	27.5	45.0	275.3	87.8	187.5
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	51.2	46.6	4.6
Title II - Total Grants	9.9	16.2	13.4	12.7	9.8	455.2	-	455.2
Emerg. Relief, Econ. Develop. & World Food Program	-	1.4	2.7	4.0	0.2	193.8	-	193.8
Voluntary Relief Agencies	9.9	14.8	10.7	8.7	9.6	261.4	-	261.4
c. Other Economic Assistance	2.3	2.5	2.8	2.5	2.5	33.7	-	33.7
Loans	-	-	-	-	-	-	-	-
Grants	2.3	2.5	2.8	2.5	2.5	33.7	-	33.7
Peace Corps	2.3	2.5	2.8	2.5	2.5	33.7	-	33.7
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	25.9	34.4	31.1	101.3	70.4	553.5	305.9	247.6
Credits or Loans	25.0	33.4	30.0	75.0	38.8	436.6	305.9	130.7
Grants	0.9	1.0	1.1	26.3	31.6	116.9	-	116.9
a. MAP Grants	-	-	-	25.0	30.0	84.6	-	84.6
b. Credit Financing - FMS	25.0	33.4	30.0	75.0	38.8	436.6	305.9	130.7
c. Military Assistance Service-Funded (MASF) Grants	0.9	1.0	1.1	1.3	1.6	20.4	-	20.4
d. Transfers from Excess Stocks	-	-	-	-	-	11.9	-	11.9
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	53.0	90.2	94.0	155.2	154.1	1830.2	731.7	1098.5
Loans	30.8	58.4	65.0	102.5	83.8	1104.6	731.7	372.9
Grants	22.2	31.8	29.0	52.7	70.3	725.6	-	725.6
Other U.S. Government Loans and Grants	10.5	22.3	16.6	-	5.4	229.4	235.4	6.0-
a. Export-Import Bank Loans	10.5	22.3	16.6	-	5.4	140.0	131.7	8.3
b. All Other Loans	-	-	-	-	-	89.4	103.7	14.3-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	351.0	312.9	350.3	3213.6
IBRD	308.2	265.8	207.6	2704.0
IFC	40.0	0.0	44.6	146.6
IDA	0.0	0.0	0.0	50.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	10.7	44.1	81.6
UNDP	2.8	0.4	0.0	63.4
OTHER-UN	0.0	0.0	0.0	22.0
EEC	0.0	36.0	54.0	146.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	60.0	47.0	233.0
France	92.6	116.2	702.9
Germany, Fed. Rep.	48.0	25.8	216.8
Belgium	9.0	9.1	77.5
Japan	17.2	11.3	36.7
Other	19.2	9.5	78.6
Total	246.0	218.9	1,345.5

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

CY 1982	CY 1983	CY 1978-83
226.4	N.A.	1,435.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	2,100
Eastern Europe	-	-	215
Total	-	-	2,315

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*
1985								
Loans	13,500	-	-	-	-	-	13,500	
Grants	21,045	9,975	3,850	500	1,800	3,420	1,500	
Total	34,545	9,975	3,850	500	1,800	3,420	15,000	
1986								
Loans	8,000	-	-	-	-	-	8,000	-
Grants	23,484	10,400	3,200	-	1,900	2,500	3,484	2,000
Total	31,484	10,400	3,200	-	1,900	2,500	11,484	2,000
1987								
Loans	18,000	-	-	-	-	-	18,000	
Grants	20,000	9,500	4,000	-	1,500	3,000	2,000	
Total	38,000	9,500	4,000	-	1,500	3,000	20,000	

*Child Survival Funds

FY 1987
PROGRAM HIGHLIGHTS

- $40 million in PL 480 Title I to help meet grain import needs and provide local currency financing of development projects.
- $20 million in ESF to provide additional financing ($9 million) for a private sector development/export promotion project, initiated in FY 1986, and to provide the first tranche of financing ($10 million) for a major new initiative in support of agricultural inputs.
- $18 million in DA to finance ongoing projects in Agriculture, Population, Energy, and Human Resources Development.
- $4.2 million in PL 480, Title II to assist in meeting basic nutritional needs of children of impoverished families.

MOROCCO

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	13,582	8,000	18,000
Grants	16,558	25,763	25,160
Total AID	30,140	33,763	43,160
P.L. 480 **			
Title I	55,000	40,000	40,000
(of which Title III is)	(--)	(--)	(--)
Title II	8,794	5,564	4,163
Total P.L. 480	63,794	45,564	44,163
Total AID and P.L. 480	93,934	79,327	87,323

** 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	FY1985 (Actual)		FY1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	400,000	50,000	292,000	40,000	310,000	40,000
Rice	20,000	5,000				
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	420,000	55,000	292,000	40,000	310,000	40,000
Title II 1/						
Voluntary Agencies	31,364	8,794	26,443	5,564	17,748	4,163
Government - to - Government						
Title II Total	31,364	8,794	26,443	5,564	17,748	4,163
Total P.L. 480	451,364	63,794	328,443	45,564	327,748	44,163

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

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	19.9	24.0	24.0
PASA[b]	3.0	4.0	4.0
TOTAL	22.9	28.0	28.0

[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
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	135	107	242	168	126	294	205	113	318
Regional[e]	2	7	9	2	5	7	1	10	11
TOTAL	137	114	251	170	131	301	206	123	329

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	1	19	20	–	20	20	–	15	15
Regional[e]	–	2	2	–	25	25	–	25	25
TOTAL	1	21	22	–	45	45	–	40	40

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

Development Overview

Two key issues characterize Morocco's development situation: an external debt burden which now exceeds the country's annual GDP, and an economic structure weakened by past policies shaped by over-reliance on centralized direction and control. Lofty aspirations for growth and development, kindled largely by the short-lived phosphate boom of the mid-1970's, encouraged the Government of Morocco (GOM) to borrow heavily abroad to finance an aggressive investment program focusing on the public sector. But protectionist policies and pervasive administrative controls left the economy vulnerable to adverse conditions developing in the late 1970's and early 1980's, the worldwide recession and, more importantly, a lasting drought. Morocco's economic growth came to a virtual standstill. With the war in the Western Sahara siphoning off a portion of the country's total resources, the GOM had to reduce its development investment programs and to request a rescheduling of its debt in 1983. Since then, it has pursued an arduous path of economic stabilization and structural adjustment.

Morocco is striving to achieve the conditions for sustainable economic growth and a more equitable distribution of well-being through a comprehensive program of economic reform and liberalization. Confronted with a critical debt servicing problem and structural deficiencies in the economy, the GOM has embraced a policy of progressively dismantling administrative controls and the protectionist measures of its recent past. It has opted, instead, for an open, liberal economy which relies on markets to allocate resources. The GOM has made considerable progress in reducing tariffs, devaluing the Moroccan dirham, simplifying customs procedures, decontrolling prices and reducing consumer subsidies. At the same time, the Moroccan economy has struggled with the effects of drought, slack demand for its principal export (phosphates), and growing protectionism in its traditional export markets. In spite of these obstacles, export of manufactures have increased, budget deficits have been reduced, and the balance of payments situation has improved.

Because of its willingness to apply a program of fiscal austerity and economic adjustment under World Bank (IBRD) and International Monetary Fund (IMF) guidance, the GOM has received the assistance of major donors in response to its economic problems. In this regard, a World Bank led Consultative Group has been reestablished for Morocco, and the GOM has actively sought support from the Group. The GOM entered into a new Stand-By Arrangement with the IMF in September 1985 for approximately $213 million in Special Drawing Rights (SDR) through February 1987. At the same time, the IMF approved a Compensatory Financing Facility of approximately $122 million to compensate for fluctuations in the cost of cereal imports. In addition, the GOM further devalued the dirham and substantially reduced subsidies on three basic consumer goods: flour, sugar, and edible oils.

Morocco's external debt situation remains difficult, with approximately $13 billion due its creditors. This is now equivalent to over 100% of its annual GDP, a relative debt burden which surpasses that of major debtors in Latin America. However, Morocco successfully rescheduled its official debt in September 1985 for the period through February 1987. Official creditors recognized the serious commitment of the GOM to its austerity and adjustment program in according Morocco favorable terms. The debt rescheduling and Stand-By Arrangement now in place will allow Morocco to pursue limited long-term development objectives at the same time as it restructures the economy. Continued external assistance is required to support the policy changes now underway and maintain development momentum in the face of per capita incomes which, on average, will not increase for the next several years. Once the new policies and structures are firmly in place, Morocco will be able to sustain economic growth, and more importantly, will have achieved the flexibility of an outward-oriented economy accustomed to competing in the world market.

U.S. Interests and Objectives

Morocco and the United States have enjoyed friendly relations for nearly two centuries. The Government of Morocco has frequently evidenced its support of U.S. policies, and has agreed to permit access and transit by U.S. forces at Moroccan bases in certain contingencies. The Government also provides facilities and support for what will be one of the free world's most powerful radio transmitters. It has effectively assumed a moderating leadership role in the Arab World in general, and in the Middle East peace process in particular. This role is not likely to change, despite Morocco's regional agreement with Libya.

Long-term U.S. interests in the economic and political viability of Morocco continue to be well served by an active foreign assistance program. The program manifests U.S. concern over the near-term difficulties facing the Moroccan economy as well as longer-term economic growth. Morocco has made measurable progress in achieving its short-term adjustment objectives, but high levels of U.S. program assistance in the context of continuing Consultative Group guidance will be an important factor in assuring the implementation of the Government's program of economic reform and adjustment. Development Assistance, Economic Support Funds and PL 480 resources during this difficult period will help provide the means to address the needs of the Moroccan poor.

A.I.D. Assistance Strategy

Morocco's economy is undergoing fundamental changes. The Government's stabilization and structural adjustment efforts combine into a far-reaching economic policy reform. Formal undertakings with the IMF and World Bank have led the GOM to emphasize such principles as market pricing to remove distortions, and increased private sector involvement in areas formerly reserved to state action, including the three key sectors of A.I.D.'s strategy -- agriculture, population and health, and energy development. There is urgency in the need to "privatize" and open competition occasioned by a severe contraction of budget resources for subsidies and state enterprises.

In this context, A.I.D. is modifiying its traditional assistance portfolio to include efforts toward market-oriented economic policies and export promotion. In addition to A.I.D. support of GOM policy reforms in specific sectors, an economic policy analysis project will assist the three principal GOM economic ministries to improve their capabilities in policy development, appraisal and management, capabilities which are indispensable to smooth the transition to a market-oriented and competitive economy. A.I.D. in Morocco is concentrating resources in sectors where constraints to development are relatively well defined and susceptible to being addressed through U.S. technical assistance. Accordingly, A.I.D.'s assistance strategy embraces the following program goals: 1) to increase the country's capability to feed itself and to reduce the current deficit in foodgrains through increased food production; 2) to reduce the high rate of population growth while simultaneously addressing basic health needs; 3) to strengthen the Government's capability in energy planning and to reduce growing energy imports by identifying and exploiting domestic sources of conventional and renewable energy; and 4) to promote the growth of Moroccan exports and increase the role of the private sector in the Moroccan economy.

Agriculture: Morocco's growing dependence on food imports and declining *per capita* cereals production have been compounded by the prolonged drought. Nevertheless, Morocco's extensive rainfed agricultural regions have considerable potential for increased production. Small farmer production is constrained by a combination of outdated technology, inadequate access to agricultural inputs and credit, weak public sector services, and a lack of incentive to invest in improved technology due to the gradual loss of markets to imported grain. A.I.D. proposes to combine Development Assistance, P.L. 480 Title I and ESF resources in a concerted effort to bring about increased domestic production of cereals through technology transfer, training, credit, institutional development, and policy change. Policy dialogue has shifted from the past emphasis on assuring adequate public sector investment resources for rainfed cereals production to cereals' pricing and marketing policies and of promoting privatization of service delivery to farmers. Options are being studied for limited assistance to rainfed areas immediately adjacent to irrigation perimeters to gain more immediate output from existing infrastructure.

Population: Morocco's current 2.7% growth per year makes the achievement of all development objectives problematic. Rapid population growth exacerbates the chronic and growing food deficit and has resulted in a negative annual *per capita* agricultural production growth rate over the past several years. The GOM's population strategy, with strong A.I.D. support, focuses on reducing the birth rate and infant and child mortality by the extension of family planning and primary health care services to Morocco's most populated provinces and urban centers. Key project interventions strengthen the managerial capacity of the Ministry of Public Health to furnish family planning and primary health services on a nationwide scale. Family planning education and contraceptive distribution are integrated into the delivery of basic health services, particularly

immunizations and oral rehydration therapy, in order to use the limited numbers of paramedical personnel most effectively. Increased involvement of the private sector in various aspects of health care delivery will broaden its impact and improve its cost-effectiveness.
Energy: More than 45% of Morocco's foreign exchange earnings are spent on energy imports, and the 1984 oil bill approached one billion dollars. A.I.D.'s strategy is to alleviate dislocations caused by this heavy dependence on imported oil through the strengthening of a newly created energy policy analysis and planning unit in the Ministry of Energy and Mines and by hastening the development of domestic conventional and renewable energy sources. A.I.D. activities emphasize the use of cost-effective private sector management principles and techniques to maximize local capabilities in the exploration and production of hydrocarbon resources, to attract foreign joint-venture partners, and to identify and develop renewable energy technologies best suited for Morocco. Through the transfer of computerized energy modeling techniques, the Ministry will be able to rationalize Morocco's energy investments, review energy pricing structures, and promote energy efficiency in key economic sectors. Institution-building is a key element of the A.I.D. energy strategy through support of the Ministry and two important parastatal organizations, the National Corporation for Petroleum Exploration and Development and the Center for the Development of Renewable Energy.

Private Sector Development: It has become increasingly apparent that many of Morocco's economic problems stem from relatively low levels of new productive investment and an overly protected economy. State participation in the economy has been excessive, and private Moroccan enterprises have barely begun to fulfill their export potential. As legal and administrative bottlenecks are broken, a relatively limited amount of additional assistance to the private sector is likely to result in significant increases in productivity and exports. A.I.D. is addressing these constraints through a major ESF-funded private sector export promotion initiative in FY 1986. This effort will follow two small A.I.D. loans to Moroccan private banks in FY 1985 to stimulate export lending. The A.I.D. program is designed to complement the World Bank's trade policy adjustment program, and to increase Morocco's foreign exchange earnings and debt servicing capability.

A.I.D. Program (FYs 1985 - 1986)

A.I.D.'s most recent program initiatives in Morocco have focused on potential areas for policy reform. Active policy dialogue is underway in all major sectors of the A.I.D. program, as well as in the cross-sectoral arena of economic policy. The Economic Policy Analysis Project (608-0191) will assist GOM agencies with direct responsibilities in economic policy formulation and implementation (primarily the Ministries of Finance, Economic Affairs and Plan) in developing their capabilities in policy appraisal and management. Such capabilities are essential to successfully carry out agreed economic policy reforms; they will contribute directly to the transition to a market-oriented and competitive economy. The project will be comprised of several independent subprojects within a common strategic framework. A major subproject will focus on assistance to the

Pricing Directorate in the Ministry of Economic Affairs to enable it to accelerate the deregulation of sensitive prices. Other subprojects now in preparation would support the National Training Program in Project Appraisal and Management and contribute to streamlining the GOM's planning and budgeting process.

Agriculture: FY 1985 was a year of substantial achievement in the implementation of the A.I.D. agricultural portfolio. Recent evaluations have resulted in improvements in implementation of all projects in the sector. Project management techniques have been enhanced through the establishment of integrated annual work plans and budgets which better coordinate A.I.D. and Government of Morocco resources and establish more realistic targets. The portfolio of existing projects provides a base upon which it will be possible to plan and implement new agricultural initiatives in FYs 1986 and 1987.

The adaptation of existing technology and the development of new or improved technologies in plant varieties, seed preparation and production, cultivation and harvesting practices, and small farm mechanization continue to be the principal objectives of the Dryland Agriculture Applied Research Project (608-0136). This project began in 1978 as a very limited initiative to increase cereal production in arid and semi-arid areas. As a result of an evaluation conducted in FY 1983, this activity was expanded to establish a national center for dryland research and a network of outreach stations through the National Institute for Agricultural Research. A team of resident advisers from Mid-America International Agricultural Consortium, a consortium of U.S. Title XII universities, is now in place; long and short-term training of Moroccan staff in various U.S. universities has been undertaken; and additional U.S. agricultural equipment has been purchased and installed. This institution-building and technology transfer project is designed to create a regional "farming systems" research capacity in Morocco to improve the production of small cereal and livestock farmers in semi-arid regions.

The 1983 mid-project evaluation of the Agronomic Institute Project (608-0160) concluded "that this is an excellent project and one which should be used as a model for innovative participant training projects and for the establishment of viable agronomic and veterinary training institutions in other countries." The project is being implemented through a Title XII collaborative arrangement between the University of Minnesota and the Hassan II National Agricultural and Veterinary Institute; its purpose is to provide the trained professional manpower needed to develop Morocco's agriculture. Following the evaluation, the project was extended in FY 1984 for an additional 5 years with continued emphasis on faculty training and greater attention to developing the Institute's library and data processing facilities.

Livestock remains an important facet of rainfed agriculture in Morocco, accounting for approximately 36% of agricultural output. Through the Range Management Improvement Project (608-0145), Utah State University is assisting the Ministry of Agriculture's Livestock Service and local communities to use more effectively rangelands not suited to food crops and to prepare and distribute plant materials for improved forages. U.S. Peace

Corps Volunteers are active in the implementation of this project. Plans for FY 1986 include implementation of improved range management practices and reseeding on public and private rangelands. This Title XII project was evaluated in FY 1984 and, as a result of the evaluation recommendations, has refocused efforts more directly on institution-building objectives.

The United States Department of Agriculture is managing the Planning, Economics and Statistics for Agriculture Project (608-0182), initiated in FY 1983. Through a combination of staff training, technical assistance and up-dated data processing facilities, the project will improve the capacity of the Ministry of Agriculture for making timely crop production and yield estimates, for economic and policy analysis, and for the design and evaluation of agricultural projects. In collaboration with the World Bank, this project is currently financing a major study of agricultural prices and market incentives. The results of this study will be the principal basis for A.I.D.'s policy dialogue on prices, subsidies and privatization in the agriculture sector during FYs 1986 and 1987 and for the development of PL 480, Title I Self-Help Measures.

Initiated in FY 1985, the Small Farm Credit Project (608-0184) provides loan assistance to Morocco's Agricltural Credit Bank (CNCA) to reschedule debts of small dryland farmers seriously affected by the 1981-84 drought. Funds provided will enable small farmers to rebound from the drought and at the same time maintain CNCA's strong outreach performance as a progressive credit institution. The project complements other major donor assistance to CNCA and finances studies aimed at improved credit operations, including lending to private agribusiness by CNCA starting in FY 1986. This project also provides new opportunities for A.I.D. to work with the private sector in Morocco's agriculture.

PL 480, Title I continues to generate the local currency required to support A.I.D.-financed projects in the agriculture sector and priority activities in the development budget of the Ministry of Agriculture and Agrarian Reform. Further, the importance of Title I within the Government of Morocco has resulted in a willingness to adopt Self-Help Measures that lead to significant program-level changes. Measures undertaken during FY 1985 relate to agricultural research and extension, public investment in rainfed agriculture, and economic policy reform.

Population and Health: The Government's population efforts under the Population and Family Support II Project (608-0155) through FY 1984 were aimed at the establishment of a household-level primary care delivery system in 13 provinces, provision of contraceptive supplies through this system, and training of medical and paramedical personnel. The latest demographic data indicate a drop in the total fertility rate in Morocco from 6.3 to 5.8 between 1978 and 1983, and an increase in contraceptive prevalence from 12% to 25.5% over the same period. Much of this success has been achieved by the household level family planning and mother-child health program. As recommended in the 1983 evaluation of the project, the Population and Family Planning Support III Project (608-0171) was initiated in order to continue and extend support for the program. With expansion into six new provinces and nine urban prefectures in 1986, program coverage is intended to reach more than 70% of the target population. The project

supports complementary activities in reproductive health, private sector sales of contraceptives in collaboration with the private Moroccan Family Planning Association, and natural family planning.

As a part of its policy dialogue, A.I.D. is working with GOM policy makers to assure the impact of rapid demographic growth on development prospects and to strengthen GOM resolve to take further steps to accelerate fertility decline. The impact of current growth patterns and potential fertility reduction on key sectors, such as education, housing, health and agriculture, and the integration of the results into development planning are of particular interest.

Morocco still has high rates of infant mortality and morbidity. To address this problem A.I.D. is assisting the Ministry of Health to strengthen its information, education and communication capabilities in support of oral rehydration and immunization programs, and in improving management systems which support primary health care and family planning. With assistance under the Health Management Improvement Project (608-0151), the Ministry has implemented major improvements of its personnel and pharmaceutical logistics systems and is instituting a computerized management information system of all administrative and operational systems.

Continued improvements in the delivery of health and family planning services, however, are seriously affected by the austerity program and compressed GOM budgets. Recognizing the importance of health improvement and reduced population growth for development, A.I.D., as a new aspect of its policy dialogue, has engaged GOM and private officials in a search for means of increasing cost-effectiveness of the public health system through improved cost recovery and greater collaboration with the private sector. A.I.D. resources are being used to identify innovative means of health financing, including private prepaid health care programs. Management of the PL 480, Title II program continued to improve in FY 1985 as more rigorous selection criteria were installed in the mother-child health program, port surveillance increased, and commodities moved faster out of ports. The full phase-over of the program to the Government of Morocco is moving more slowly than anticipated, in part as a result of Morocco's serious economic difficulties. However,, concrete steps have been taken toward purchase of local foods for use in the program.

Energy: Morocco now imports over 85% of its commercial fuel needs for which it pays an oil bill of roughly one billion dollars per year. Morocco's hydroelectric production has dropped sharply due to continuing drought conditions, and the devaluation of the dirham against the dollar caused dollar denominated oil imports to rise in price by another 20% during FY 1985, despite a relatively stable international oil market. Morocco's response to this situation has been to introduce conservation measures, increase domestic prices and step up domestic exploration. A.I.D. responded to this priority effort by initiating two projects in FY 1984, the Energy Planning Assistance Project (608-0180) and the Conventional Energy Management and Training Project (608-0176). Based upon an evaluation of an initial A.I.D. financed pilot effort, the Energy Planning Project will assist the Ministry of Energy and Mines to choose among investment options, initiate and monitor conservation measures, and

establish more rational energy pricing policies. The effort will strengthen the Ministry's energy planning unit to improve its analytical capability and decision-making process.

Significant progress was made during FY 1985 in the managerial reform of the Government of Morocco's National Corporation for Petroleum Exploration and Development (ONAREP), resulting in success in encouraging greater private foreign investment. A.I.D.'s Conventional Energy Project is helping ONAREP establish a better balance between public and private resources to explore and develop Morocco's conventional energy potential, and will further strengthen ONAREP's financial management through advisory assistance and training.

In renewable energy, A.I.D. continues to work with the Moroccan government through the Renewable Energy Development Project (608-0159). The project's second major evaluation was completed in October 1985, with recommendations to further focus project goals and to shift the project away from technology-driven demonstrations towards commercially viable applications of existing technologies. These recommendations are being implemented.

The Winter Snowpack Augmentation Project (608-0190) was initiated in FY 1984 and attempts to alleviate to some degree the disastrous effects of recent drought through the enhancement of winter snowfall in the High Atlas Mountains, the primary source for several of Morocco's major water reservoirs. These reservoirs feed the irrigation systems on the adjacent plains which are Morocco's bread basket. The reservoirs are also the source of a large portion of Morocco's hydroelectric power and water for industrial and commercial use. Implemented under an agreement with the U.S. Bureau of Reclamation, the project is providing training, technical assistance, and scientific equipment to Morocco's National Meteorological Service.

Private Sector Development: The Private Sector Export Promotion Project (608-0189) will be launched in 1986. This project stems from the analysis of Morocco's trade and payments imbalances and upon a lengthy dialogue with Moroccan businessmen, financiers and government officials regarding Morocco's weaknesses in the development of new export markets and new product lines. Three important measures to assist Moroccan entrepreneurs to produce for export will be supported: a reformed export credit insurance program, expanded access to credit for small and medium-size exporters, and technical assistance in production and marketing for export. The A.I.D. initiative will complement the World Bank's Industrial and Trade Policy Adjustment Program.

A.I.D. also plans to continue grants to the International Executive Service Corps to provide to Moroccan businesses technical and managerial expertise by volunteer American executives. A.I.D. has also provided grant assistance to Catholic Relief Services to develop the small business management consulting capabilities of the major business school in Casablanca as one vehicle to assist small businesses. Further, the A.I.D. Mission in Morocco has facilitated two Private Enterprise Bureau loans to private Moroccan banks for export-credits and marketing services. Finally, other private sector initiatives are being explored across other

sectors in the A.I.D. Mission's portfolio. These include "privatization" of veterinary services and distribution outlets for agricultural inputs, the private production of health-care products and health-care financing plans, commercial distribution of contraceptives, and reliance on contracts with private companies for services now provided by the public oil exploration company.

Other Activities: A.I.D.'s program also addresses important Moroccan manpower and urban development needs. Although most of the Mission's projects in all sectors contain training activities, the Sector Support Training Project (608-0178), initiated in FY 1983, goes beyond project-specific training to provide short-term and academic training in management, science and technology for mid- and upper-level officials in government and the private sector. The project is financing more than 100 Master's degrees, 10 Ph.D.'s, and specialized short-term courses in the United States. In line with Mission interest in improving GOM capacity in planning and management of investment and development projects, the project is also supporting in-country training in economic and financial analysis and in specific technical areas.

Internal migration, population growth, and urban expansion in Morocco continue to outpace the development of serviced urban land and the delivery of shelter, especially for families below the median income level. More than one-half of the annual growth of new urban dwellings is in the form of uncontrolled shanty towns and urban squatter settlements. The $17 million authorization for the existing Housing Guaranty Program is aimed at upgrading small and medium sized shanty towns and the provision of core housing. This program has been extended to 1988, allowing the GOM to readjust the program to be consistent with its fiscal austerity policies. A second Housing Guaranty project, Tetouan Urban Development, will upgrade squatter settlements in a major secondary city and prevent their spread. This project was authorized in FY 1985, at a life-of-project total of $25 million. This project will incorporate technical assistance to implementing agencies in areas of particular policy level concern, including cost recovery and municipal tax reform. A.I.D. completed an Urban Development Assessment in FY 1985. This and other follow-on studies will provide an analytical basis for the development of program options with respect to the urbanization phenomenon in Morocco.

Requested Year Program (FY 1987)

Development Assistance: In Agriculture, Rural Development and Nutrition, funds are needed to finance the continuation of Dryland Agricultural Applied Research (608-0136), Renewable Energy Development (608-0159), Agronomic Institute (608-0160), Planning, Economics and Statistics (608-0182), and Agricultural Management and Productivity (608-0185) projects.

In Population, funds are needed for technical assistance, training, contraceptives and local costs of the Family Planning Support III Project (608-0171).

In Education and Human Resources, funds are required to expand the Sector Support Training Project (608-0178) which provides graduate level and short-term technical scholarships for Moroccans to study in American institutions.

In the Selected Development Activities account existing projects in Energy Planning Assistance (608-0180) and Economic Policy Analysis Support (608-0191) will be continued.

Economic Support Funds: Funds will be utilized by the A.I.D. Mission in FY 1987 to provide additional funding for the Private Sector Export Promotion Project (608-0189) initiated in FY 1986. The purpose of this project is to stimulate private investment and economic activities with emphasis on the production or transformation of exportable goods and services. In addition, A.I.D. plans to finance a new Agricultural Inputs Project (608-0192), which will relieve the constraints related to the timely delivery of needed agriculture imports. The project will also address policy and institutional reforms to ameliorate supply shortages caused by excessive government intervention and the relative lack of private sector participation in the delivery of supplies.

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

PROGRAM: MOROCCO

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
DRYLAND AGRICULTURE APPLIED RESEARCH	G	603-0136	78	88	26,323	26,323	11,987	8,521	4,500	4,751	3,548	4,800
RANGE MANAGEMENT IMPROVEMENT	G	608-0145	80	85	5,075	5,075	5,075	4,171	---	905	---	---
RENEWABLE ENERGY	G	608-0159	80	87	9,200	9,200	6,419	3,402	1,000	1,433	952	2,000
AGRONOMIC INSTITUTE	G	608-0160	80	89	28,508	28,508	15,976	12,684	3,200	2,412	3,000	3,000
PLNG, ECON, STAT FOR AGRICULTURE	G	608-0182	83	89	12,567	12,567	4,636	1,258	1,700	2,453	2,000	1,800
TOTAL FOR ACCOUNT					81,673	81,673	44,093	30,036	10,400	11,954	9,500	11,600
GRANTS					81,673	81,673	44,093	30,036	10,400	11,954	9,500	11,600
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
FAMILY PLANNING SUPPORT III	G	603-0171	84	88	17,890	17,890	9,150	1,995	3,200	3,357	4,000	4,600
TOTAL FOR ACCOUNT					17,890	17,890	9,150	1,995	3,200	3,357	4,000	4,600
GRANTS					17,890	17,890	9,150	1,995	3,200	3,357	4,000	4,600
LOANS					---	---	---	---	---	---	---	---
HEALTH												
HEALTH MANAGEMENT IMPROVEMENT	G	608-0151	81	85	3,147	2,685	2,685	2,426	---	210	---	47
SECTOR SUPPORT TRAINING	G	608-0178	83	83	300	300	300	132	---	95	---	73
TOTAL FOR ACCOUNT					3,447	2,985	2,985	2,558	---	305	---	120
GRANTS					3,447	2,985	2,985	2,558	---	305	---	120
LOANS					---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND												
FAMILY PLANNING SUPPORT III	G	603-0171	84	88	---	2,000	---	---	2,000	2,000	---	---
TOTAL FOR ACCOUNT					---	2,000	---	---	2,000	2,000	---	---
GRANTS					---	2,000	---	---	2,000	2,000	---	---
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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: MOROCCO

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
EDUCATION AND HUMAN RESOURCES												
SOCIAL AND ECONOMIC RESEARCH	G	608-0154	79	79	450	450	450	281	---	107	---	61
SOCIAL SERVICES TRAINING	G	608-0157	80	84	5,400	3,880	3,880	3,287	---	---	---	---
STATISTICAL SERVICES	G	608-0162	80	83	1,500	1,500	1,500	1,293	---	208	---	---
SECTOR SUPPORT TRAINING	G	608-0178	83	87	8,126	8,126	6,225	1,345	1,900	1,445	1,500	1,500
TOTAL FOR ACCOUNT					15,476	13,956	12,055	6,206	1,900	1,760	1,500	1,561
GRANTS					15,476	13,956	12,055	6,206	1,900	1,760	1,500	1,561
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
TETOUAN URBAN DEV.	G	608-0001.01	86	86	---	500	---	---	500	100	---	200
ENERGY PLANNING ASSISTANCE	G	608-0180	84	87	4,000	4,000	2,130	2	500	663	1,370	1,200
PEACE CORPS SMALL PROJECT FUND	G	608-0181	84	88	130	280	90	34	---	---	---	---
SMALL ENTERPRISE DEVELOPMENT (OPG)	G	608-0187	85	85	300	300	300	---	---	100	---	100
WINTER SNOWPACK AUGMENTATION	G	608-0190	84	86	1,000	1,000	1,000	---	---	821	---	179
ECONOMIC POLICY ANALYSIS	G	608-0191	85	89	8,600	8,600	1,070	---	1,500	1,000	1,630	1,500
TOTAL FOR ACCOUNT					14,030	14,680	4,590	36	2,500	2,684	3,000	3,179
GRANTS					14,030	14,680	4,590	36	2,500	2,684	3,000	3,179
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
CONVENTIONAL ENERGY	G	608-0176	84	86	5,000	5,000	4,000	1,213	---	1,500	1,000	1,400
DROUGHT RECOVERY	G	608-0184	85	85	1,500	1,500	1,500	---	---	417	---	500
DROUGHT RECOVERY	L	608-0184	85	85	13,500	13,500	13,500	13,500	---	---	---	---
PRIVATE SECTOR SUP & EXPORT PROMOTION	G	608-0189	86	88	---	3,500	---	---	1,484	200	1,000	1,000
PRIVATE SECTOR SUP & EXPORT PROMOTION	L	608-0189	86	88	---	31,000	---	---	8,000	8,000	8,000	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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: MOROCCO

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
«INTER SNOWPACK AUGMENTATION	G	603-0190	84	86	5,000	5,000	3,000	2,047	2,000	1,537	---	1,200
AGRICULTURAL INPUTS	* L	603-0192	87	87	---	40,000	---	---	---	---	10,000	10,000
TOTAL FOR ACCOUNT					25,000	99,500	22,000	16,760	11,484	11,654	20,000	22,100
GRANTS					11,500	15,000	8,500	3,260	3,484	3,654	2,000	4,100
LOANS					13,500	84,500	13,500	13,500	8,000	8,000	18,000	18,000
TOTAL FOR COUNTRY					157,516	232,684	94,873	57,591	31,484	33,714	38,000	43,160
GRANTS					144,016	148,184	81,373	44,091	23,484	25,714	20,000	25,160
LOANS					13,500	84,500	13,500	13,500	8,000	8,000	18,000	18,000

*Refers to the planned project summary sheet

«Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: MOROCCO

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
AGRICULTURAL INPUTS	ESF			FY 1987 10,000	Life of Project Funding 40,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
608-0192 ☐ GRANT ☒ LOAN	☒ NEW ☐ CONTINUING				FY 1987	FY 1988	FY1991

Purpose: To increase small- and medium-scale farm productivity in rainfed areas and hence family incomes through the intensified uses of appropriate agricultural inputs.

Project Description: A.I.D. has identified fertilizer, seed and credit as major constraints to increased agricultural production in Morocco. Moreover, the internal marketing and distribution network of seeds, fertilizers and cereals is currently heavily regulated and subject to major government intervention and control. Effective demand for improved inputs may be significantly greater than Morocco's capacity to supply the market. Likewise, inputs may be hampered by the current and prospective balance of payments situation and the dearth of foreign exchange resources. These concerns are shared by other major donors, including the World Bank. The Agricultural Inputs Project will address removal of these major constraints to expanded agricultural production by increasing the supplies of selected inputs and through policy dialogue and reform in the areas of marketing, pricing, subsidies and the role of the private sector. The project will finance (1) foreign exchange costs of imported inputs of fertilizer (or inputs to fertilizer manufacture); and (2) foreign exchange costs of investments in inputs, storage construction and agricultural machinery.

Relationship of the Project to A.I.D. Strategy: Total food imports currently exceed agricultural exports by some 30%. The Moroccan Government has established increased domestic food production as a leading objective. To assist in this aim, A.I.D. has developed a strategy to achieve substantially higher grain production in Morocco's extensive and long-neglected rainfed agricultural regions, where the majority of Morocco's low-income farmers live. The Agricultural Inputs Project will use ESF funds principally to implement the input supply components of the strategy.

Host Country and Other Donors: The Government of Morocco has already made some preliminary steps in liberalizing fertilizer and seed distribution (privatization of government sales outlets, annual margin adjustments, reduction of subsidies) and has indicated a general willingness to examine further deregulation.

Beneficiaries: An estimated 500,000 small and medium farm families, principally in the targeted rainfed agricultural areas, stand to benefit directly from improved access to inputs and consequent higher income prospects as productivity of agricultural production improves.

Major Outputs: Increased cereal production in rainfed areas of the country and larger incomes for some of Moroccos poorest citizens.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Fertilizer ingredients, imported parts for storage units, machinery and farm implements.	$40,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	---	---	---
Estimated Fiscal Year	---	---	
Estimated Through September 30, 1986	---	---	
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	10,000	30,000	40,000

Principal Contractors or Agencies

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (367) NEPAL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 16,996

PER CAPITA GNP..... (DOLLARS,1983) 160

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 0.1%

ANNUAL RATE OF INFLATION (1973-83) 8.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1977) 4.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 46.8	MALE 47.4	FEMALE 46.1
(1970)	TOTAL 41.4	MALE 42.0	FEMALE 40.8

ADULT LITERACY RATE (1975) TOTAL 19% MALE 33% FEMALE 5%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) -1.1%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1982) 55%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 374

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE ,CORN ,.	80%	(1984)
CASH: JUTE ,POTATOES ,OILSEEDS	3%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) JUTE ,RICE ,.

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 93%

CENTRAL GOVERNMENT FINANCES

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

(1979)	194 (80)	218 (81)	262

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

(1979)	243 (80)	277 (81)	321

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

(1979)	-49 (80)	-59 (81)	-59

DEFENSE EXPENDITURES,

AS % OF TOTAL EXPENDITURES.. (1979)	6.6% (80)	6.7% (81)	6.5%
AS % OF GNP..... (1979)	0.9% (80)	0.9% (81)	0.9%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, ($MILLIONS, U.S.) (1982) 206 (83) 140 (84) 78

EQUIVALENT TO 2.5 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)RICE/OTHR FOODS,JUTE ,TIMBER

EXPORTS TO U.S.

($ MILLIONS, US, FOB) (1982)	2	(1983)	6	(1984)	8
AS % OF TOTAL EXPORTS (1981)	2%	(1982)	3%	(1983)	6%

MAJOR IMPORTS(1983)CONSUMERS GOODS,FUEL ,BLDG MATERIALS

IMPORTS FROM U.S.

($ MILLIONS, US, CIF) (1982)	7	(1983)	8	(1984)	4
AS % OF TOTAL IMPORTS (1981)	3%	(1982)	2%	(1983)	2%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -218(82) -319(83) -372

TRADING PARTNERS: INDIA ,JAPAN ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 38.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,

($ MILLIONS, U.S.).....	(1983)	8
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....	(1983)	8.3%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.0% (1978) 2.5% (1985) 2.7%

POPULATION IN URBAN AREAS.....(1970) 4% (1985) 7%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 42

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 6.8%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 42.9% (15-64YRS) 54.2% (65+ YRS) 2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 107

PEOPLE PER PHYSICIAN..... (1980) 30,062

MAJOR CAUSES OF
DISEASE (1980) INTESTINAL INFEC,TUBERCULOSIS ,TYPHOID FEVER
DEATH.. (1978) ACUTE RESP. INFE,DYSENTERY ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1981) 86%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 14%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.....	(1982)	TOTAL	58.8	MALE	83.6	FEMALE	33.0
SECONDARY.....	(1982)	TOTAL	18.0	MALE	12.3	FEMALE	2.4
POST SECONDARY..	(1980)	TOTAL	2.4	MALE	3.8	FEMALE	1.0

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 10.5%

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

COUNTRY NEPAL

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	20.6	19.8	18.9	18.5	17.5	333.1	3.4	329.7
Loans	-	-	-	-	-	7.6	3.4	4.2
Grants	20.6	19.8	18.9	18.5	17.5	325.5	-	325.5
a. A.I.D. and Predecessor Agencies	13.4	14.0	15.5	13.8	14.1	164.9	0.4	164.5
Loans	-	-	-	-	-	0.4	0.4	-
Grants	13.4	14.0	15.5	13.8	14.1	164.5	-	164.5
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	5.7	4.3	1.7	2.8	1.3	138.2	3.0	135.2
Loans	-	-	-	-	-	7.2	3.0	4.2
Grants	5.7	4.3	1.7	2.8	1.3	131.0	-	131.0
Title I - Total Sales Agreements	-	-	-	-	-	102.5	3.0	99.5
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	102.5	3.0	99.5
Title II - Total Grants	5.7	4.3	1.7	2.8	1.3	35.7	-	35.7
Emerg. Relief, Econ. Develop. & World Food Program	5.7	4.3	1.7	2.8	1.3	35.6	-	35.6
Voluntary Relief Agencies	-	-	-	-	-	0.1	-	0.1
c. Other Economic Assistance	1.5	1.5	1.7	1.9	2.1	30.0	-	30.0
Loans	-	-	-	-	-	-	-	-
Grants	1.5	1.5	1.7	1.9	2.1	30.0	-	30.0
Peace Corps	1.5	1.5	1.7	1.9	2.1	30.0	-	30.0
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	*	0.1	0.1	0.1	0.1	2.5	-	2.5
Credits or Loans	-	-	-	-	-	-	-	-
Grants	*	0.1	0.1	0.1	0.1	2.5	-	2.5
a. MAP Grants	-	-	-	-	-	1.7	-	1.7
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	*	0.1	0.1	0.1	0.1	0.8	-	0.8
d. Transfers from Excess Stocks	-	-	-	-	-	*	-	*
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	20.6	19.9	19.0	18.6	17.6	335.6	3.4	332.2
Loans	-	-	-	-	-	7.6	3.4	4.2
Grants	20.6	19.9	19.0	18.6	17.6	328.0	-	328.0
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	77.7	220.3	153.3	1196.9
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	3.0	0.0	12.3
IDA	28.0	148.8	92.6	613.3
IDB	0.0	0.0	0.0	0.0
ADB	48.4	66.0	60.7	451.8
AFDB	0.0	0.0	0.0	0.0
UNDP	1.3	2.5	0.0	88.3
OTHER-UN	0.0	0.0	0.0	31.2
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	19.0	22.0	70.0
Japan	35.4	28.5	151.0
United Kingdom	16.8	11.2	92.2
Germany, Fed. Rep.	9.7	17.2	89.1
Switzerland	11.8	10.7	50.1
Other	20.9	19.5	84.0
Total	113.6	109.1	536.4

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

CY 1982	CY 1983	CY 1978-83
	N.A.	20.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	30
Eastern Europe	-	-	-
Total	-	-	30

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
1985								
Loans		-	-	-	-	-	-	-
Grants	19,128	12,329	2,600	2,600	1,493	106	-	-
Total	19,128	12,329	2,600	2,600	1,493	106		
1986								
Loans		-	-	-	-	-	-	-
Grants	14,400	9,251	2,100	1,825	1,224	-	-	-
Total	14,400	9,251	2,100	1,825	1,224			
1987								
Loans		-	-	-	-	-	-	-
Grants	14,400	10,219	1,229	1,699	1,253	-	-	-
Total	14,400	10,219	1,229	1,699	1,253			

FY 1987
PROGRAM HIGHLIGHTS

- Natural resource management and forestry in the Hill District, $4.75 million.
- Access to better quality seed and varieties for small farmers in food deficit hill areas, $3.7 million.
- Institutional capability of Government and of farmer user groups to manage irrigation systems for greater efficiency, $.75 million.
- Instruction and research programs and administration of Nepal's only center for advanced agricultural training, $1.0 million.
- Addition of oral rehydration therapy, basic immunization services and treatement of respiratory illnesses to health and family planning services, $2.9 million.
- Participant training for sixty Nepalese to meet public and private sector development needs, $.50 million.
- Improving access to basic education and quality of instruction, $.8 mil.

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1985 (Actual)	FY1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	-	-	-
Grants	19,603	18,898	15,808
Total AID	19,603	18,898	15,808
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480			
Total AID and P.L. 480	19,603	18,898	15,808

** 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	FY1985 (Actual)		FY1986 (Estimated)		FY 1987 (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

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	21	20	20
PASA[b]	-	-	-
TOTAL	21	20	20

[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
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	41	19	60	62	23	85	63	26	89
Regional[e]	1	-	1	1	-	1	1	1	2
TOTAL	42	19	61	63	23	86	64	27	91

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	235	64	299	288	139	427	265	99	364
Regional[e]	1	-	1	-	3	3	-	3	3
TOTAL	236	64	300	288	142	430	265	102	367

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

Development Overview

Nepal's per capita income of $160 places it among the world's most impoverished nations. Mountainous regions cover 80 percent of the country and are populated by about ten million people, often living in extreme isolation and deprivation. Ensuring an adequate food supply is the country's most immediate need.

Agriculture is the livelihood of more than 90 percent of the populace. Only 16 percent of the nation's total area is suitable for cultivation, and population density per unit of arable land is extremely high, approximating that of India. Farm families are increasingly compelled to cultivate marginal lands, with adverse consequences for the environment. Depletion of forests and over-grazing add to environmental deterioration. With an estimated 50 percent of the population at or below subsistence levels, however, relentless exploitation of the fragile resource base is essential to survival. Population growth compounds the issue: at the current 2.66 percent rate of increase, the total population of nearly 17 million will double in less than thirty years.

Public revenues are not keeping pace with budgetary requirements, and the cost of imports chronically and increasingly exceeds export earnings. The Government relies heavily on foreign assistance, which accounts for about 60 percent of the development budget.

Nepal espoused development only in the early 1950's. In less than 35 years since, marked progress has occurred in transportation, communications and nationwide education. These are continuing Nepalese priorities. Current emphasis also includes water resource development, food production, and natural resource management.

Water is Nepal's major natural resource, offering potential for hydroelectric power generation far in excess of foreseeable domestic requirements. Only 22 percent of the country's farmland is irrigated. Harnessing and managing water for agriculture can enable immediate increases in food production. Moreover, declining yields of the principal cereals over the past decade is evidence that Nepalese agriculture has yet to tap the promise of applied research and improved technology. A dearth of natural resources other than water, and openness to the Indian market, make it difficult to identify industries where Nepal has a comparative advantage. The private sector is small and rudimentary. However, if given impetus by public policy, including reduction of state owned enterprises, it could respond with rapid growth.

U.S. Interests and Objectives

Nepal's position between India and China, together with its historical links with both countries, makes it a key buffer state. A stable Nepal is thus important to security in South Asia.

U.S. economic assistance to Nepal therefore is important in humanitarian terms and also is designed to foster the economic development essential to the country's continued internal stability. Nepal's foreign policy stresses non-alignment and moderation and is favorable to American regional and global interests.

A.I.D. Development Strategy

The A.I.D. program is oriented toward the needs of an overwhelmingly rural society and economy. The broad goal is to improve the balance among food supply, population, and exploitation of land and forests. Specific program objectives are to help increase agricultural productivity; conserve the natural resource base; and promote more effective delivery of essential services - family planning, health and education.

The most urgent needs in Nepal are for adequate food supply and control of soil erosion and deforestation. The A.I.D. strategy is to identify and introduce agricultural technology to improve yields. The technological keys are improved seed and varieties, and changes in cropping patterns and farming systems.

A.I.D.'s strategy emphasizes greater attention to natural resource management in policies of the Government of Nepal (GON); and creating the capability to put policy into action in the hills, where environmental deterioration is most evident. Enlarging the influence of local communities in forest management and training Nepalese professionals needed to mount a nationwide conservation program is vital to the strategy.

Access to family planning services and availability of adequate health care for smaller families is essential to the strategy for a better balance between people and environment. A.I.D. will continue to be the lead donor in the population and health sectors.

The magnitude and complexity of the task of implementing development exceeds the resources of the Nepalese Government. Thus, the A.I.D. strategy is to assist local initiative in planning and managing development programs. In policy forums, A.I.D. supports implementation of decentralization measures promulgated by the Government to strengthen local responsibility and capability. In the field A.I.D. project assistance builds the requisite institutional capacity, and provides concrete evidence that decentralization works.

A.I.D. is supporting private enterprise initiatives in improved seed production, social marketing of contraceptives and oral rehydration salts, and marketing fuel efficient stoves. Particular emphasis is being given to support of private enterprise as a strategic priority, and A.I.D. is examining promising avenues for broader involvement in this sector.

Education is essential to enlarging economic opportunity and for development in all sectors. A.I.D.'s strategy continues long-standing U.S.

support for education on a nationwide basis. The participant training program also remains a vital resource for improving Nepal's human resource base.

A.I.D. Program (FYs 1985-86)

The A.I.D. program in FY 1985-86 emphasizes food production and natural resource management, for which 60 percent of bilateral funding is budgeted, and health/family planning which receives nearly 30 percent of the budget. Five new projects began in FY 1985, building upon prior agriculture sector activities and adding irrigation management and girls' education to the program. No new projects are scheduled to begin in FY 1986. The portfolio will consist of eleven active projects at the end of FY 1986.

A. Agriculture, Rural Development and Nutrition

The A.I.D. agriculture program helps the GON improve natural resource management and provide technology for more efficient food production. The Resource Conservation and Utilization (RCU) project (367-0132) is probably the largest field effort in Nepal focused primarily on resource conservation. The program, implemented under a Title XII collaborative agreement with the South-East Consortium for International Development, concentrates on field activities in forestry, erosion control and land use management. Assistance in building the capability of the Institute of Renewable Natural Resources to train Nepalese in conservation, forestry and related disciplines is a principal element of the project. A World Bank loan supports construction of campus facilities for the Institute. During FY 1986 the recommendations of a recent mid-term evaluation will be carried out to redirect RCU project resources to primary activities which have had greatest impact thus far in reducing the rate of environmental degradation. Secondary and tertiary activities will be shifted to the GON for further support.

As a result of policy dialogue by A.I.D and other donors, the GON is making progress in returning control of forested lands to local communities. These efforts must be further accelerated, broadened and combined with greater access to improved conservation technology. This will be the prime policy agenda item for the natural resources sector for some time.

The Agricultural Research and Production project (367-0149) is engaged in improving national agricultural services, specifically research, extension and seed supply, aimed at the complex needs of the hills. It was initiated in FY 1985 to capitalize on successful methods, such as production of better seed and demonstration activities by farmers themselves, developed under prior A.I.D. projects. Also reflecting evaluation findings of these earlier projects, in FY 1986 the Agricultural Research and Production project will begin to enlarge activities in isolated hill locations.

Although water is an abundant resource in Nepal, only sixteen percent of arable land is irrigated. Inefficiencies in existing systems reduce effectiveness dramatically. A new FY 1985 Irrigation Management project

(367-0153) will begin training and research in improved irrigation system management including operations, maintenance and development of small farmer water user groups to more actively participate in water use decisions and maintenance. Activities are targeted on operation and maintenance of existing government-operated small and medium systems.

A.I.D.'s rural development program puts great importance on local participation in planning and conducting resource management, food production and income generating programs. The Rural Area Development - Rapti Zone project (367-0129) is one of nine major rural development programs in Nepal assisted by bilateral and multilateral donors, and is at the forefront of the Government's decentralization process. The project supports activities which increase productivity of rural households, restore the natural environment and establish effective local development capabilities. A substantial number of Peace Corps Volunteers serve with the project in a catalytic and advisory role in remote locations. Like the Resource Conservation and Utilization project discussed above, the Rapti project is being restructured to reflect the outcome of a major evaluation completed early in FY 1986. The scope of activities will be narrowed to concentrate A.I.D. resources on primary operations which have had a demonstrable impact to date, and secondary elements will be shifted to GON responsibility. Also in FY 1986 an A.I.D.-funded feasibility and design study for 200 kilometers of rural roads in the Rapti Zone is being reviewed with other donors with the purpose of securing their contribution to construction.

A.I.D.'s sectoral objectives for agriculture and rural development depend most importantly on education. Accordingly, assistance is being continued in FY 1985 and FY 1986 to the Institute of Agriculture and Animal Science (367-0148) and, under the Resource Conservation and Utilization project, to the Institute of Renewable Natural Resources. In both cases, this support is provided in conjunction with the World Bank, and both include innovations introduced by A.I.D. to increase enrollment of women and students from remote areas.

A.I.D. efforts in training agricultural professionals for Nepal and improving policy-oriented research are supplemented by assistance through Winrock International to the Ministry of Agriculture as part of the Private Voluntary Organization (PVO) Co-Financing project (367-0144).

B. Population and Health

A.I.D.'s population and health sector objectives are to improve and expand rural health and family planning services, and to create awareness of population concerns among various organizations and in Nepalese society. A.I.D. pursues these aims through the Integrated Rural Health/Family Planning project (367-0135). In health the project concentrates on

improving the impact of GON services for reduction in morbidity/mortality, especially among children and women of reproductive age, and malaria control. Family planning strategy focusses on creating demand for and assuring access to safe, convenient means of contraception. The population strategy stresses the creation of understanding of the determinants and consequences of rapid population growth, and encouragement of policies and programs that incorporate population considerations into government programming in other sectors. In FY 1985 a major evaluation of this project strongly recommended continuation of nearly all elements, and a project extension through March 1988 was agreed upon with the GON. Activities concentrating on diarrheal diseases, immunizations and severe respiratory infections are new elements of the Integrated Rural Health/Family Planning project funded with a supplementary $1 million FY 1985 Child Survival Fund grant.

A.I.D.'s population policy and strategy concerns have been advanced through the Population Policy Development project (367-0130) which strengthened the National Commission on Population. The Commission has sponsored a wide variety of population research, and has improved awareness of population issues among influential circles. Since project completion at the end of FY 1985, policy objectives are pursued through the Integrated Rural Health/Family Planning project and through centrally-funded support activities.

Alternative, smaller scale and more intensive systems for health and population education and for the delivery of related services in rural areas are being designed and tested by two Private Voluntary Organizations, Save the Children and World Education, with funds from the PVO Co-Financing project (367-0144).

C. Education and Human Resources

The A.I.D. education program emphasizes improving the quality of instruction at the primary level and increasing girls' enrollment. The Radio Education Teacher Training II project (367-0146) began pilot radio broadcasts during FY 1986, as a cost effective means of improving the knowledge and skills of primary teachers. In FY 1986, in two rural districts, the Girls' Access to Education project (367-0151) is establishing replicable women's education centers, including organization of pre-school and nonformal education programs.

Human resources development in key sectors is supported under the Development Training project (367-0152). During the life of this project over 400 Nepalese will be selected for training in the United States, Israel, India and other Asian countries. The project introduces several innovations: 25 percent of training slots are reserved for women and 10 percent for private sector individuals. The project also provides funding for local private institutions to conduct management skills training in Nepal. The India training element of this project was funded in prior years from a Special Foreign Currency Appropriation (SFCA) of excess Indian rupees. Access to Indian rupees terminated at the end of FY 1985.

E. Human Rights, Section 116 (e) of the Foreign Assistance Act

A.I.D. will continue to provide funding through mid-FY 1986 to both the Nepalese Supreme Court and the Ministry of Law and Justice for legal research and publishing of legal documents such as statutes, regulations and court opinions. As part of the project Strengthening the Legal System of Nepal (367-0150), in FY 1985 A.I.D. began to provide Section 116 (e) funding for a third activity, the Nepal Women's Organization's Women's Legal Services project. The purpose of this latter activity, which is co-financed by the Ford Foundation, is to broaden women's awareness of their rights under Nepalese law.

Requested Year Program (FY 1987)

Development Assistance grant funds requested for FY 1987 will provide final funding for five projects and incremental funding for five projects. Two new projects will be initiated. The portfolio will consist of twelve active projects at the end of FY 1987.

A. Agriculture, Rural Development and Nutrition

Final funding will be provided to improve natural resource management through the Resource Conservation and Utilization project (367-0132). In FY 1987 the project will reflect adjustments made to take into account recommendations flowing from a major evaluation completed in early FY 1986. As a result of this evaluation, a new project, Institute for Renewable Natural Resources (367-0154), will assist development of a new school for advanced training in forestry, natural resource conservation and related disciplines.

The Rural Area Development - Rapti Zone project (367-0129) will receive final funding. As a result of another major FY 1986 evaluation, a new Rapti Development project will be initiated in FY 1987 focused primarily on agriculture and forestry production.

Additional funding is proposed for the Institute of Agriculture and Animal Science II project (367-0148) to improve administration of the Institute and build capacity to train professional agriculturalists and extension agents. By the end of FY 1987 the Institute will be graduating some 480 students annually and the first locally written textbooks will be published. Under a Title XII agreement, Utah State University furnishes advisory and implementation services to the project.

The Agricultural Research and Production project (367-0149) will continue support to improve national agricultural research, extension, and seed supply systems. The project will continue to focus more attention on the chronic food deficit hill areas. It will retain the principle of direct farmer involvement in seed production and demonstration of improved varieties of farmers' own lands. Proposed funding for FY 1987 will maintain the pace of full implementation.

The requested funding will provide continued support for more efficient use of vital water resources for agriculture through the Irrigation Management project (367-0153). The project will develop training and service units for operation and maintenance in the Government's irrigation department. The lack of this capacity has contributed to the inefficiencies characteristic of many irrigation systems installed in Nepal to date.

B. Population and Health

Funding will be continued for the Integrated Rural Health/Family Planning project (367-0135). In FY 1987 the project will promote expansion of a successful contraceptive retail sales program by fifteen percent and test contraceptive marketing techniques in village settings. The project will also build on initiatives begun earlier with Child Survival Funds. These are: to assist promotion of oral rehydration therapy on a national scale; test new systems for basic immunization coverage in target regions of Nepal; and formulate a policy and program with the GON to reduce child deaths from respiratory diseases.

The PVO Co-Financing project (367-0144) will receive additional funding to help continue the small, but high impact programs of U.S. private voluntary organizations and their Nepalese counterparts in the population and health sectors.

C. Education and Human Resources Development

In this functional category, further funding is proposed to continue the Development Training project (367-0152). During FY 1987 an additional sixty Nepalese, including private sector participants, will be sent to the U.S., India and other Asian countries for training in key development sectors. Incremental funding is also requested for the Girls Access to Education project (367-0151) and final funding for Radio Education Teacher Training II project (367-0146).

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

PROGRAM: NEPAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
INSTITUTE OF AG AND ANIMAL SCIENCE	G	367-0102	74	82	5,484	5,484	5,484	5,419	---	---	---	---
RURAL AREA DEVELOPMENT-RAPTI ZONE	G	367-0129	80	87	26,700	24,000	20,199	15,413	2,700	4,300	1,101	2,713
RESOURCE CONSERVATION AND UTILIZATION	G	367-0132	80	87	27,498	27,498	22,588	21,067	3,000	3,185	1,910	2,220
PVO CO-FINANCING	G	367-0144	81	88	1,419	1,800	1,419	1,136	---	180	---	134
INSTITUTE OF AG AND ANIMAL SCIENCE II	G	367-0148	85	88	4,100	4,100	1,010	---	1,000	710	1,045	930
AGRICULTURAL RESEARCH AND PRODUCTION	G	367-0149	85	88	10,000	10,000	1,200	---	1,901	1,720	2,750	2,300
DEVELOPMENT TRAINING & TECHNICAL SUPPORT	G	367-0152	85	90	750	750	750	---	---	500	---	100
IRRIGATION MANAGEMENT PROJECT	G	367-0153	85	90	9,000	9,000	1,500	---	650	1,200	500	1,200
INSTITUTE OF RENEWABLE NATURAL RESOURCES	* G	367-0154	87	94	---	9,800	---	---	---	---	1,000	---
RAPTI DEVELOPMENT	* G	367-0155	87	94	---	20,000	---	---	---	---	1,913	---
TOTAL FOR ACCOUNT					84,951	112,432	54,150	43,035	9,251	11,795	10,219	9,597
GRANTS					84,951	112,432	54,150	43,035	9,251	11,795	10,219	9,597
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
POPULATION POLICY DEVELOPMENT	G	367-0130	79	79	2,000	2,000	2,000	1,826	---	146	---	---
INTEGRATED RURAL HEALTH/FP SERVICES	G	367-0135	80	87	16,200	16,200	13,047	9,141	2,100	2,495	1,029	2,167
PVO CO-FINANCING	G	367-0144	81	88	599	1,049	599	563	---	36	200	120

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: NEPAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT					18,799	19,249	15,646	11,530	2,100	2,677	1,229	2,287
GRANTS					18,799	19,249	15,646	11,530	2,100	2,677	1,229	2,287
LOANS					---	---	---	---	---	---	---	---
HEALTH												
INTEGRATED RURAL HEALTH/FP SERVICES	G	367-0135	80	87	19,000	19,000	15,651	10,287	1,650	3,200	1,699	2,732
PVO CO-FINANCING	G	367-0144	81	88	893	1,151	543	395	175	90	---	90
TOTAL FOR ACCOUNT					19,893	20,151	16,194	10,682	1,825	3,290	1,699	2,822
GRANTS					19,893	20,151	16,194	10,682	1,825	3,290	1,699	2,822
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
RADIO EDUCATION TEACHER TRAINING II	G	367-0146	84	85	1,619	2,120	1,619	121	374	500	127	300
GIRLS' ACCESS TO EDUCATION	G	367-0151	85	86	1,350	1,550	574	---	350	197	626	300
DEVELOPMENT TRAINING & TECHNICAL SUPPORT	G	367-0152	85	90	5,550	10,550	250	---	500	175	500	400
TOTAL FOR ACCOUNT					8,519	14,220	2,443	121	1,224	872	1,253	1,000
GRANTS					8,519	14,220	2,443	121	1,224	872	1,253	1,000
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
STRENGTHENING THE LEGAL SYSTEM OF NEPAL	G	367-0150	83	85	536	536	536	170	---	264	---	102
TOTAL FOR ACCOUNT					536	536	536	170	---	264	---	102
GRANTS					536	536	536	170	---	264	---	102
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					132,698	166,588	88,969	65,538	14,400	18,898	14,400	15,808
GRANTS					132,698	166,588	88,969	65,538	14,400	18,898	14,400	15,808
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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: NEPAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Rapti Development Project		1,913 (G)		FY 1987 1,913 (G)	Life of Project Funding 20,000 (G)

Number 367-0155	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING				FY 1987	FY 1994	FY 1995

Purpose: To increase agriculture and forestry production in the Rapti Zone through local capacity building.

Background: The Rapti Zone is representative of the extreme poverty of the rural areas of Nepal with low household incomes, food production far below requirements, and soil erosion and nutrient depletion so pervasive as to threaten the fundamental life support systems -- agriculture, livestock and forestry.

Since 1980 A.I.D. has supported the Rapti Rural Area Development project (367-0129). As documented in the 1985 evaluation report, the project has established a strong base for a follow-on project focused on increasing agriculture and forestry production.

Project Description: The project will focus on the environmental and agricultural resource base. The project will be implemented in the five districts of the Rapti zone through the Ministry of Agriculture (MOA) and the Ministry of Forestry (MOF) district offices. Agriculture sub-activities will include inter alia: (1) training of extension agents and leader farmers; (2) provision of agricultural inputs; (3) livestock development; and (4) improved linkage of field production activities with national research and other supporting programs. Forestry sub-activities will include: (1) training of extension agents and community leaders; (2) establishment of nurseries and plantations, and (3) seedling distribution.

Relationship of Project to A.I.D. Strategy: The project will establish a model for agricultural and forestry production based on local capacity building, and provide a locale and means for operational field testing of research, training and institutional building efforts carried on by other A.I.D. and donor financed projects.

Beneficiaries: The beneficiaries will be the 1 million rural people of the Rapti zone. The population mostly consists of small farmers with households of less than one hectare of land.

Host Country and Other Donors: The Rapti Development project will promote widespread use of agricultural and forestry technologies already tested in the zone, and will work with other donors on policy issues concerning agricultural development, natural resource management, and local capacity building.

Major Outputs:

Agriculture: Increase in production of major food and cash crops; establish ecologically sound livestock development program; training of extension agents, farmers, local leaders; and, better linkage of production program with national research and other supporting programs.

Forestry: Improved natural resource management and increased production of forest products; and, training of extension agents, farmers, local leaders.

A.I.D. Financed Inputs:	Life of Project ($000)
Technical Assistance	4,000
Commodities	1,000
Training	1,000
Construction	2,000
Operating Program Costs	12,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,913	18,087	20,000

Principal Contractors or Agencies

PROGRAM: NEPAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Institute of Renewable Natural Resources (IRNR)		1,000 (G)		FY 1987 1,000 (G)	Life of Project Funding 9,800

Number 367-0154	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING				FY 1987	FY 1994	FY 1995

Purpose: To improve the capability of the Institute of Renewable Natural Resources (IRNR) to meet Nepal's need for trained foresters and resource managers by building on progress made to date in further strengthening of IRNR.

Background: Forests and other natural resources essential for human survival and sustainable national development are being indiscriminately degraded in Nepal. Sound natural resources management is crucial to preserve the resource base required to meet the basic needs of Nepal's population. IRNR is the only educational institution in Nepal charged with, and capable of, producing professional resource managers.

Project Description: This project builds upon past support to IRNR under the Resource Conservation and Utilization project (RCUP). A.I.D. assistance will provide: (1) technical assistance - expatriate professors will serve as trainers, advisors, and role models guiding junior and less experienced IRNR staff in teaching, research methods, administration and management; (2) instructional equipment and materials - IRNR needs additional supplies and specialized equipment to teach and demonstrate many of the technologies used in resource management; (3) equal access scholarship program - IRNR will continue to actively recruit female and remote area students, who now number some 15 percent of the student body; (4) faculty development - the project will fund 25 masters level and 5 PHD degree training programs; (5) physical facility development - A.I.D. will fund small renovation, construction works, and grounds improvements, and (6) research, visiting scholar and faculty exchange program - to establish IRNR as a recognized natural resource school, the project will fund visiting scholar and faculty exchange programs.

Relationship of Project to A.I.D. Country Strategy: This project directly supports improved natural resource management and institution building objectives by providing trained resource managers able to promote sustainable rural production systems based on interrelationships between forest resources, crops and livestock.

Beneficiaries: Direct beneficiaries will be the eighty IRNR faculty/staff and 1,500 students. Of the 1,500 students, 450 will either be women or remote area students.

Host Country and Other Donors: Resource conservation is given prominent attention in Nepal's current five year plan. The World Bank funded Hill and Terai Community Forestry projects, are examples of serious initiatives by another major donor in the resource management area. In addition, Swiss, Australian, British and PVO donor assistance programs are implementing resource management projects in Nepal.

Major Outputs: A permanent institution capable of training the majority of Nepal's natural resource managers at the certificate and BSc levels.

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	2,450
Training	2,000
Commodities	1,900
Operating Costs	2,750
Construction	700

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	1,000	8,800	9,800

Principal Contractors or Agencies

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FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (272) OMAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 1,228

PER CAPITA GNP..... (DOLLARS,1983) 6,250

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 6.5%

ANNUAL RATE OF INFLATION (1973-83) 17.9%

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

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 53.5	MALE 52.0	FEMALE 55.1
(1970)	TOTAL 43.5	MALE 42.5	FEMALE 44.6

ADULT LITERACY RATE (.) TOTAL .% MALE .% FEMALE .%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (.- .) %

AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 2%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 104

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: DATES ,BANANAS ,COCONUTS	49%	(1984)
CASH: TOMATOES ,ALFALFA ,LIMES	32%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) LIMES ,DATES ,MELONS

MAJOR AGRICULTURAL IMPORTS:(1984) MEATS ,RICE ,WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1982) 61%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1979)	1,889 (80)	2,400 (81)	3,260
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1979)	1,643 (80)	2,374 (81)	3,119
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1979)	246 (80)	26 (81)	140

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1979) 47.4% (80) 49.6% (81) 48.4%
AS % OF GNP..... (1979) 26.0% (80) 21.3% (81) 22.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
.($MILLIONS, U.S.) (1982) 944 (83) 838 (84) 976
EQUIVALENT TO 2.8 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)PETROLEUM ,AGRIC.PROD

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 272 (1983) 340 (1984) 155
AS % OF TOTAL EXPORTS (1981) 9% (1982) 7% (1983) 9%

MAJOR IMPORTS(1983)MACH.TRANSP EQ ,MFRD GOODS FOOD

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982) 214 (1983) 192 (1984) 208
AS % OF TOTAL IMPORTS (1981) 9% (1982) 9% (1983) 8%

TRADE BALANCE($ MILLIONS, U.S.)(1981) 2,292(82) 1,762(83) 1,813

TRADING PARTNERS: JAPAN ,UNITED STATES ,UNITED KINGDOM

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 24.1%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 143
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 3'.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.0% (1978) 5.1% (1985) 3.4%

POPULATION IN URBAN AREAS.....(1970) 5% (1983) 25%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 46

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

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 44.7% (15-64YRS) 52.8% (65+ YRS) 2.5%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 115

PEOPLE PER PHYSICIAN..... (1980) 1,903

MAJOR CAUSES OF
DISEASE (1980) MALARIA ,INTESTINAL INFEC,INFLUENZA
DEATH.. (1979) ACCIDENTS ,ACUTE RESP. INFE,ENTERIC DISEASE

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

POPULATION, WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 32%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1982)	TOTAL 67.6	MALE 82.7	FEMALE 52.0
SECONDARY..... (1982)	TOTAL 20.4	MALE 19.6	FEMALE 6.8
POST SECONDARY.. (1980)	TOTAL 0.7	MALE 0.9	FEMALE 0.4

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 3618%

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

COUNTRY OMAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	5.6	0.7	15.5	15.1	15.0	54.0	*	24.0
Loans	-	-	7.5	12.5	10.0	30.0	*	-
Grants	5.6	0.7	8.0	2.6	5.0	24.0	-	24.0
a. A.I.D. and Predecessor Agencies	5.0	-	15.0	15.0	15.0	50.0	*	20.0
Loans	-	-	7.5	12.5	10.0	30.0	*	*
Grants	5.0	-	7.5	2.5	5.0	20.0	-	20.0
(Economic Support Fund)	5.0	-	15.0	15.0	15.0	50.0		
b. Food for Peace (PL 480)	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	-	-	-	-	-	-	-
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
c. Other Economic Assistance	0.6	0.7	0.5	0.1	-	4.0	-	4.0
Loans	-	-	-	-	-	-	-	-
Grants	0.6	0.7	0.5	0.1	-	4.0	-	4.0
Peace Corps	0.6	0.7	0.5	0.1	-	4.0	-	4.0
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	25.0	25.0	30.1	30.1	40.1	150.3	51.5	98.8
Credits or Loans	25.0	25.0	30.0	30.0	40.0	150.0	51.5	98.5
Grants	*	*	0.1	0.1	0.1	0.3	-	0.3
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	25.0	25.0	30.0	30.0	40.0	150.0	51.5	98.5
c. Military Assistance Service Funded (MASF) Grants	*	*	0.1	0.1	0.1	0.3	-	0.3
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	30.6	25.7	45.6	45.2	55.1	204.3	51.5	122.9
Loans	25.0	25.0	37.5	42.5	50.0	180.0	51.5	98.5
Grants	5.6	0.7	8.1	2.7	5.1	24.3	-	24.3
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	0.0	15.0	23.3	108.3
IBRD	0.0	15.0	23.0	100.0
IFC	0.0	0.0	0.0	2.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	5.5
OTHER-UN	0.0	0.0	0.3	0.8
EEC	0.0	0.0	0.0	0.0

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	5.0	5.0	5.0
Loans	15.0	4.57	13.8
Totals	20.0	9.57	18.8

Development Overview

Prior to 1970, Oman was an isolated, undeveloped country, resisting efforts to modernize, with most of the population engaged in agriculture and fishing. Physical infrastructure was almost totally lacking. Health, education, and other social services were virtually non-existent. Fifteen years under the present Sultan have brought about striking changes in the country. Oman is now a nation tied together by an impressive system of roads, ports, and airports. The number of Omanis in school has risen from a few hundred to over 160,000. Health services are available in over 130 health facilities throughout Oman.

Oil remains the dominant sector of Oman's economy. Proven oil reserves are small by regional standards; oil resources of 4 billion barrels will last for about 22 years at current rates of production. The country has countered declining oil prices by increasing production to 550,000 barrels per day. Projects implemented under Oman's 1981-85 Five Year Plan are being reduced in scope, postponed, or extended over a longer period of implementation. Budget deficits in 1983-85 were met with external aid and commercial eurodollar loans totalling $700 million.

Oman's economic challenge is to diversify its economy by developing non-oil sources of revenue to meet the eventual decline and exhaustion of its oil resources. Agriculture and fisheries, two likely sectors for development, now account for only two to three percent of Gross Domestic Product, although they also account for 61 percent of total employment of Omanis. Modern economic development started in Oman only 15 years ago, and the pace of development has far exceeded the number of trained Omanis for the modern sector. The economy now relies heavily on expatriates, who accounted for 38.9 percent of government employment in 1983 and an even larger share of private sector employment. In addition to diversifying the economy, the government is faced with the difficult task of further developing basic infrastructure and services in the urban and rural areas that can be staffed and maintained in the future by trained Omanis in the face of reduced oil revenue. The harsh and extremely arid climate, the lack of water, the scarcity of proven resources other than oil, and the poorly trained labor force make Oman's development a difficult task.

U.S. Interests and Objectives

Oman occupies a strategic location on the Arabian Peninsula, commanding the southern side of the Strait of Hormuz and bordering on major oil-producing states. The United States has a vital interest in maintaining free passage through the Strait and ensuring stability among the states in this volatile

OMAN

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	8,930	28,540	19,630
Grants	4,451	6,650	7,250
Total AID	13,381	35,190	26,880
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	13,381	35,190	26,880

** 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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

and crucial region. Oman is providing important support for the U.S. military response capability in Southwest Asia by allowing U.S. forces to use certain Omani facilities under agreed conditions. Moreover, Oman has taken moderate positions on international issues. It is one of the few countries in the region to support the Egypt-Israel Treaty.

When the original facilities access agreement was to be signed, the United States and Oman added a development dimension to the predominantly military relationship by creating a Joint Commission on Economic and Technical Cooperation. Under the terms of the August 1980 agreement establishing the Joint Commission, the United States provides annually, subject to Congressional authorization and appropriation, both grant funds to support the operations and technical assistance activities of the Commission and loan assistance to finance specific development projects. The Commission and its projects are intended to provide tangible evidence to the Omani population of the benefits of Oman's relationship with the United States.

A.I.D. Assistance Strategy

The ability of the Government of Oman to continue its constructive role in regional and international affairs depends significantly on its continued progress in developing the country's economy to meet the needs of its people. The United States' assistance strategy is to support Omani development objectives through a program of technical and capital assistance that focuses on the country's priority problems: the scarcity of water; the need for sources of foreign exchange and national revenue beyond the oil sector; and the need for skilled, trained Omanis to take positions in the private and public sectors now held by expatriates. Although U.S. assistance is small in relation to Oman's total resources available for development, U.S. assistance is significant because it is carefully directed to help Oman address its most difficult development problems.

A.I.D. Program (FYs 1985-1986)

A.I.D.'s activities are programmed and managed by the Omani-American Joint Commission. The Commission has as co-chairmen the U.S. Ambassador to Oman and the Omani Undersecretary of Foreign Affairs. An Omani official is Managing Director of the Commission; the A.I.D. Representative is his counterpart. In addition five A.I.D. American staff members are part of the Commission's staff of twelve who work on project development, implementation, and Commission management.

In the water resources development sector the Commission's first major project, the Wadi al-Khawd Aquifer Recharge Dam, was completed on time and within the amount budgeted. This technology transfer project built a dam, the first of its kind in Oman, to test and demonstrate the concept of

retarding the flow of excess rain water to allow this water, which would otherwise run into the sea, to soak into underground aquifers. Design of the Commission's new Water Resources Development Project (272-0104) was initiated in FY 1985. The initial funding for this project will be obligated in FY 1986. This five-year project will be directed toward institution building activities for the Omani agencies responsible for the water sector, toward additional transfer of U.S. technology for water management, and toward articulation of water policy.

In the human resources development sector a third loan was added to the School Construction Project (272-0103) in FY 1985, increasing to 80 the number of elementary and intermediate schools to be constructed. All schools are under construction and will be completed in FY 1986. All can be staffed and equipped upon opening. The Scholarship and Training Project (272-0101.2) is providing short and long-term training for Omanis in the U.S. and in Oman and is providing technical assistance in developing and monitoring training programs in high priority development sectors: health, education, and water resources, among others. Two hundred eighty Omanis have received training in the U.S. to date. This project received most of the grant funding in FY 1985-86.

In developing non-oil revenue sources, the Fisheries Development Project (272-0101.1) continued to provide a U.S. advisory team of seven advisors to assist the government develop its capacity to manage its fisheries resources and to foster the responsible use of fisheries resources by artisanal fishermen and by the private sector, especially private sector production for export. In FY 1986 the project expanded to include assistance to the newly constructed Marine Science and Fisheries Research Center. A consortium of U.S. universities provided a team of advisors to assist the government to open the Center and to develop the institutional capacity to run the Center in the longer term.

Requested Year Program (FY 1987)

In FY 1987 grant and loan funds are requested to finance Joint Commission activities. Loan terms are 5 percent interest, payable over 20 years with a five-year grace period. A small portion of the grant funds will support the operations of the Commission and finance short-term technical assistance and activities which foster the transfer of U.S. technology. The bulk of the grant funds will be allocated to the Scholarship and Training Project to fund graduate and undergraduate training in the U.S. and short-term training in the U.S. and Oman.

The loan funds will be committed as the second in a series of loans to finance the Water Resources Development Project which started in FY 1986. The project will assist the Government of Oman to manage and develop all sources of water for productive uses. Major components of the project include the preparation of a National Water Management Plan, a master plan for the long-term development of water and wastewater in the Capital Region, and pilot water/wastewater projects in several small towns and rural villages.
(-SOUTH-)

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

PROGRAM: OMAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND												
OMANI-AMERICAN JOINT COMMISSION	G	272-0101	80	C	25,000	50,000	25,000	5,925	5,000	6,650	5,000	7,250
WADI AL KHAWD AQUIFIER RECHARGE	L	272-0102	82	82	7,500	7,500	7,500	6,972	---	830	---	---
SCHOOL CONSTRUCTION	L	272-0103	83	85	37,500	37,500	37,500	9,000	---	27,610	---	7,630
WATER RESOURCES DEVELOPMENT	L	272-0104	86	88	---	45,000	---	---	4,570	100	13,800	12,000
TOTAL FOR ACCOUNT					70,000	140,000	70,000	21,897	9,570	35,190	18,800	26,880
GRANTS					25,000	50,000	25,000	5,925	5,000	6,650	5,000	7,250
LOANS					45,000	90,000	45,000	15,972	4,570	28,540	13,800	19,630
TOTAL FOR COUNTRY					70,000	140,000	70,000	21,897	9,570	35,190	18,800	26,880
GRANTS					25,000	50,000	25,000	5,925	5,000	6,650	5,000	7,250
LOANS					45,000	90,000	45,000	15,972	4,570	28,540	13,800	19,630

*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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (391) PAKISTAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 99,199

PER CAPITA GNP..... (DOLLARS,1983) 390

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 2.5%

ANNUAL RATE OF INFLATION (1973-83) 11.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1971) 8.4%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 51.0	MALE 51.8	FEMALE 50.1	
(1970)	TOTAL 46.0	MALE 47.1	FEMALE 44.9	

ADULT LITERACY RATE (1981) TOTAL 26% MALE 36% FEMALE 15%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 0.9%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 25%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 344

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT ,CORN ,PULSES	52%	(1984)
CASH: RICE ,COTTON ,VEGETABLES	27%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RICE ,COTTON ,.

MAJOR AGRICULTURAL IMPORTS:(1984) VEGETABLE OILS ,. ,.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1981) 54%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)				
	(1978)	2,652 (79)	3,066 (80)	4,033
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)				
	(1978)	3,990 (79)	4,884 (80)	5,381
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)				
	(1978)	-1,338 (79)	-1,818 (80)	-1,348
DEFENSE EXPENDITURES,				
AS % OF TOTAL EXPENDITURES..	(1978)	24.5% (79)	21.6% (80)	23.6%
AS % OF GNP.....	(1978)	5.1% (79)	5.0% (80)	5.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 1,526 (83) 2,729 (84) 1,668
EQUIVALENT TO 4.1 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)RICE ,COTTON AND PROD,

EXPORTS TO U.S.

($ MILLIONS, US, FOB)	(1982)	169	(1983)	192	(1984) 263
AS % OF TOTAL EXPORTS	(1981)	9%	(1982)	8%	(1983) 7%

MAJOR IMPORTS(1983)CRUDE PETROLEUM,

IMPORTS FROM U.S.

($ MILLIONS, US, CIF)	(1982)	538	(1983)	506	(1984) 637
AS % OF TOTAL IMPORTS	(1981)	10%	(1982)	10%	(1983) 10%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -2,946(82) -3,404(83)-2,716

TRADING PARTNERS: JAPAN ,UNITED STATES ,SAUDI ARABIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 41.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 831
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 28.9%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1978) 2.9% (1985) 2.6%

POPULATION IN URBAN AREAS.....(1970) 25% (1985) 31%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 44

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1980) 6.4%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 43.5% (15-64YRS) 53.5% (65+ YRS) 2.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 125

PEOPLE PER PHYSICIAN..... (1980) 3,478

MAJOR CAUSES OF
DISEASE (1981) AMOEBIASIS ,TUBERCULOSIS ,TYPHOID FEVER
DEATH.. (1974) MALARIA ,PARASITIC DISEAS,INFECTIOUS DIS.

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 91%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1981) 35%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.....	(1981)	TOTAL	41.5	MALE	52.5	FEMALE	29.1
SECONDARY.....	(1981)	TOTAL	18.7	MALE	36.1	FEMALE	9.7
POST SECONDARY..	(1978)	TOTAL	1.7	MALE	2.4	FEMALE	0.9

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 66.0%

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

COUNTRY PAKISTAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	58.6	76.8	200.2	278.7	307.4	5857.5	1377.6	4479.9
Loans	47.5	47.5	81.5	114.5	122.5	3541.4	1377.6	2163.8
Grants	11.1	29.3	118.7	164.2	184.9	2316.1	-	2316.1
a. A.I.D. and Predecessor Agencies	-	-	100.0	200.0	225.0	3282.7	934.1	2348.6
Loans	-	-	34.0	67.0	75.0	2199.1	934.1	1265.0
Grants	-	-	66.0	133.0	150.0	1083.6	-	1083.6
(Economic Support Fund)	-	-	100.0	200.0	225.0	1114.8		
b. Food for Peace (PL 480)	58.1	76.3	97.5	75.8	79.0	2489.4	443.4	2046.0
Loans	47.5	47.5	47.5	47.5	47.5	1342.2	443.4	898.8
Grants	10.6	28.8	50.0	28.3	31.5	1147.2	-	1147.2
Title I - Total Sales Agreements	47.5	47.5	47.5	47.5	47.5	2101.9	443.4	1658.5
Repayable in U.S. Dollars - Loans	47.5	47.5	47.5	47.5	47.5	861.7	170.5	691.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	1240.2	272.9	967.3
Title II - Total Grants	10.6	28.8	50.0	28.3	31.5	387.5	-	387.5
Emerg. Relief, Econ. Develop. & World Food Program	10.6	28.8	50.0	28.3	31.5	325.2	-	325.2
Voluntary Relief Agencies	-	-	-	-	-	62.3	-	62.3
c. Other Economic Assistance	0.5	0.5	2.7	2.9	3.4	85.4	0.1	85.3
Loans	-	-	-	-	-	0.1	0.1	-
Grants	0.5	0.5	2.7	2.9	3.4	85.3	-	85.3
Peace Corps	-	-	-	-	-	7.3	-	7.3
Narcotics	0.5	0.5	2.7	2.9	3.4	10.2	-	10.2
Other	-	-	-	-	-	67.8	-	67.8
II. MILITARY ASSISTANCE – TOTAL	-	-	0.6	260.8	300.8	1275.8	44.1	1231.7
Credits or Loans	-	-	-	260.0	300.0	567.6	44.1	523.5
Grants	-	-	0.6	0.8	0.8	708.2	-	708.2
a. MAP Grants	-	-	-	-	-	650.3	-	650.3
b. Credit Financing - FMS	-	-	-	260.0	300.0	567.6	44.1	523.5
c. Military Assistance Service-Funded (MASF) Grants	-	-	0.6	0.8	0.8	26.7	-	26.7
d. Transfers from Excess Stocks	-	-	-	-	-	26.8	-	26.8
e. Other Grants	-	-	-	-	-	4.4	-	4.4
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	58.6	76.8	200.8	539.5	608.2	7133.3	1421.7	5711.6
Loans	47.5	47.5	81.5	374.5	422.5	4109.0	1421.7	2687.3
Grants	11.1	29.3	119.3	165.0	185.7	3024.3	-	3024.3
Other U.S. Government Loans and Grants	-	-	-	-	66.9	423.8	396.8	27.0
a. Export-Import Bank Loans	-	-	-	-	66.9	293.8	246.3	47.5
b. All Other Loans	-	-	-	-	-	130.0	150.5	20.5-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	581.1	656.0	1093.2	6467.2
IBRD	75.2	131.5	433.0	1570.3
IFC	90.2	25.3	39.9	241.5
IDA	228.8	174.5	245.3	2222.8
IDB	0.0	0.0	0.0	0.0
ADB	180.1	312.1	375.0	2145.6
AFDB	0.0	0.0	0.0	0.0
UNDP	6.8	12.6	0.0	141.9
OTHER-UN	0.0	0.0	0.0	145.1
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	150.0	104.0	608.0
Japan	107.6	92.7	717.4
Germany, Fed. Rep.	77.5	28.2	344.5
Canada	49.5	57.1	322.2
United Kingdom	32.8	25.2	253.4
Other	96.2	46.3	554.0
Total	513.6	353.5	2,799.5

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

CY 1982	CY 1983	CY 1978-83
99.0	N.A.	610.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	275	n/a	1,210
Eastern Europe	-	-	150
Total	-	-	1,360

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
1985								
Loans	83,000	37,800	-	-	-	-	45,200	-
Grants	167,000	-	12,200	-	-	-	154,800	-
Total	250,000	37,800	12,200				200,000	
1986								
Loans	87,000	2,500	-	-	-	-	84,500	-
Grants	176,250	8,500	6,500	6,500	-	-	154,750	-
Total	263,250	11,000	6,500	6,500			239,250	
1987								
Loans	92,000	-	-	-		-	92,000	-
Grants	183,000	13,200	8,800	-	3,000	-	158,000	-
Total	275,000	13,200	8,800		3,000		250,000	

FY 1987
PROGRAM HIGHLIGHTS

- Continue support for the Agriculture and Energy Sectors.
- Continue assistance in the Population, Health and Rural Development sectors.
- Continue policy dialogue on pricing and regulatory reforms especially in agriculture and energy.
- Continue to accelerate cost recovery through higher user fees in irrigation, energy and health to increase internal financing and reduce subsidies.
- Continue emphasis on reduction of opium poppy cultivation, the role of the private sector and the special development needs of Baluchistan and the Northwest Frontier Province.

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	56,406	91,500	124,500
Grants	66,986	282,867	148,463
Total AID	123,392	374,367	272,963
P.L. 480 **			
Title I	59,000	50,000	50,000
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480	59,000	50,000	50,000
Total AID and P.L. 480	182,392	424,367	322,963

** 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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil	75,000	59,000	96,000	50,000	94,000	50,000
Non-food						
Title I Total	75,000	59,000	96,000	50,000	94,000	50,000
(of which Title III is)						
Title II 1/						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480	75,000	59,000	96,000	50,000	94,000	50,000

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

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	43	43	43
PASA[b]	5	6	4
TOTAL	48	49	47

[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
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	90	303	393	245	661	906	466	900	1,366
Regional[e]	1	10	11	-	-		-	-	
TOTAL	91	313	404	245	661	906	466	900	1,366

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	17	17	-	52	52	12	175	187
Regional[e]	-	-		-	24	24	-	4	4
TOTAL		17	17		76	76	12	179	191

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

PAKISTAN

Development Overview

Pakistan's economy during 1984-85 set a record for GDP growth at 8.4 percent. Agriculture led the way with 9.9 percent growth based mainly on a record cotton crop. The high level of GDP growth represents mostly a recovery from 1984's depressed performance of 3.4 percent which was due in large part to a massive failure in the cotton crop.

Pakistan's annual GDP growth has averaged above 6 percent in recent years, higher than the South Asia average of 4 percent. At the same time Pakistan has had to make heavy expenditures relating to: the presence of over two million Afghan refugees; the modernization of defense capabilities; and high imports of petroleum and vegetable oil. Improved fiscal management by the Government of Pakistan (GOP) and the initiation of economic liberalization have allowed Pakistan to continue its overall economic growth. However, balance of payments difficulties are intensifying due to sluggish export growth, reduced remittances from overseas workers and weak domestic resource mobilization. Restricted energy availability for industry and agriculture, and a likely increased capital/output ratio will make it difficult to sustain the past rate of macro-level performance.

Against the general background of positive economic performance there are a number of unresolved policy concerns which affect longer term development prospects. These are concentrated in five areas: (1) investment pricing regulatory policies in the manufacturing and agricultural sectors which hamper productivity and investment; (2) inefficient public sector ownership and management in both the production and distribution of goods; (3) inadequate resource mobilization, reflected in low user charges for services, combined with spiralling recurrent expenditure requirements and the lack of private sector financing of social services; (4) weak support for health and family planning in spite of the fact that the population will double in less than a generation; and (5) lack of a coordinated education program to address very low literacy rates.

United States Interests and Objectives

The fundamental U.S. interest in South Asia is to promote the stability and peaceful development of the region. A.I.D. assistance to Pakistan is designed to promote the country's economic and political stability and security as part of that overall objective. Pakistan remains key to efforts to prevent the consolidation of Soviet power in Afghanistan and to bring about the withdrawal of Soviet forces as part of a negotiated settlement. The geographic position of Pakistan as a front-line state in this effort places special financial requirements on the government for national security and refugee assistance, further complicating its efforts toward economic development. The purpose of providing A.I.D. assistance to Pakistan is to help offset these burdens and thus contribute to Pakistan's economic and political stability.

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As a reflection of Pakistan's importance to U.S. interests, a unique six year agreement on military and economic assistance between the GOP and the U.S. was formulated in 1981. This commitment is contributing significantly to Pakistan's economic vitality and political self-confidence. The United States is strengthening Pakistan's capacity to withstand the challenge from Soviet-occupied Afghanistan and its ability to seek peaceful and cooperative relations with its neighbors. Specifically U.S. economic assistance aims to:

- Reinforce Pakistan's ability to resist Soviet political and military pressure, give succor to over two million Afghan refugees, and lead international diplomatic efforts to secure the peaceful withdrawal of Soviet forces in Afghanistan;

- Support the Government of Pakistan in its efforts to control narcotics production and trafficking;

- Encourage Pakistan's participation in promoting regional political stability and economic development efforts and its willingness to play a constructive role in such multilateral organizations as the United Nations, the non-aligned movement, and the Islamic conference;

- Foster a sense of national identity and purpose by enhancing economic and social development, improving living standards, especially in rural areas, and supporting the development of functioning national institutions.

A.I.D. Assistance Strategy

U.S. economic assistance constitutes a major development effort whose basic objectives are to provide Pakistan with needed short-term balance of payments support and to promote long-term economic and social development. Primary direct and indirect beneficiaries of this assistance are the millions of rural and urban poor.

A.I.D.'s program is designed to help provide adequate foreign exchange resources to meet the demands of structural change and economic liberalization resulting from A.I.D. policy dialogue efforts. The program is strategically focussed upon the critical development policy constraints cited above.

The composition of A.I.D.'s program reflects United States and Pakistan agreements on long-term developmental priorities. These center on the agriculture and energy sectors, with the social sector focus on family planning and public health interventions. Substantial U.S. assistance is directed to Pakistan's two poorest but strategically important provinces, Baluchistan and the Northwest Frontier Province (NWFP).

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A.I.D. Program FYs 1985-1986

The current A.I.D. program consists of Economic Support Funds (ESF), Development Assistance and PL 480 Title I food aid. FY 1985 and FY 1986 represent the fourth and fifth years of the current six-year program. FY 1986 plans call for the authorization of two new projects. The program will also accelerate the implementation of the twenty projects currently underway.

A. Agriculture and Rural Development

Sixty two percent of A.I.D.'s $1.6 billion program (FY 1982 through FY 1987) will be focused on food, agriculture and rural development. Projects in this sector are strengthening agricultural education, research and extension services; rehabilitating and improving the management and maintenance of irrigation systems and farm-to-market roads; and increasing agricultural production, storage, and distribution. Some projects also contribute to narcotics suppression and support the development of backward regions to increase regional participation in the national economy. PL 480 Title I food aid provides needed vegetable oil, and generates local currency used to support development activities.

Funds previously provided through the Agricultural Research project (391-0296) strengthened Pakistan's institutional base for coordinating agricultural research activities and financed advanced academic training for more than 100 Pakistani agricultural scientists. An evaluation of this project provided the information necessary to design the Management of Agricultural Research and Technology project (391-0489) authorized in FY 1984. The evaluation noted, inter alia, that institution building is a long-term process requiring a lengthly commitment and that appropriate facilities and management are necessary to create a conducive environment for conducting research. This project, utilizing the evaluation findings, is developing a national agricultural research network of provincial and federal research institutions and universities. The research network is setting priorities and coordinating research activities. Emphasis is placed on land use, increased agricultural productivity in the country's arid zones, improved communications, training, and increased productivity in wheat and maize cultivation.

Transformation and Integration of the Provincial Agricultural Network (TIPAN) project (391-0488) is integrating agricultural research with university-level agricultural education in the Northwest Frontier Province. TIPAN is improving the quality of education offered and research undertaken by the Agricultural University at Peshawar, and strengthening linkages with agricultural extension through a problem-solving, farmer-oriented outreach program. Twenty-five percent of the personnel and other resources of the university are devoted to an outreach program. The project will enroll 140 individuals for degree training at U.S. universities and will provide 65 short-term participants with non-degree

training during this eleven year project. It will offer a total of 89 long-term and 46 short-term training opportunities during the approved first phase (1984-1990).

The Food Security Management project (391-0491), begun in FY 1984, is improving the analytical and policy formulation framework, managerial capabilities, and the physical capacity of the GOP to manage the national food security system effectively and efficiently. The project has three related sub-projects: Economic and Policy Analysis (EPA), Agricultural Data Collection (ADC), and Post-Harvest Management (PHM). The EPA sub-project is establishing an economic analysis network to coordinate and implement an increased quantity of policy relevant economic analyses by Pakistani institutions. It is also conducting special studies to address key policy issues in the food grains and ration shop systems. The ADC sub-project is modifying the existing agricultural statistics collection system to make it more accurate and efficient. The PHM sub-project has focused on improved management of both public and private sector storage systems. PHM will finance storage management and operations training; rehabilitation of approximately 700 thousand MT of cereal grain storage structures; and improved storage pest control.

Under the On-Farm Water Management project (391-0413), A.I.D. has helped improve over 1,300 watercourses, and assisted in the precision leveling of 75,000 acres of farm land. Over 50,000 rural farmers with small and medium sized holdings directly benefitted from these improvements. Experience gained from this project -- particularly with respect to recurrent costs and user charges -- was used in designing the Irrigation Systems Management project (391-0467). The latter project (which is co-financed with the World Bank) will rehabilitate 3,500 kilometers of surface drains and 14,000 kilometers of canals. This project will benefit half a million farmers with land holdings of less than 12.5 acres. Project components include (1) policy/planning management improvements in the irrigation system receiving principal financial support; (2) improved water management research; and (3) a Command Water Management (CWM) program co-financed with the World Bank. This program covers 500,000 acres in seven command areas located in all four provinces. CWM will increase agricultural production and farmers' income. The major innovation of this activity is to facilitate and involve farmer and local community participation in the operation and maintenance of the irrigation system and increase coordination among government departments.

The Agricultural Commodities and Equipment project (391-0468) continues to finance the importation of food and commodities which are needed to increase agricultural productivity -- particularly fertilizer, wheat and irrigation rehabilitation equipment. The project also finances agricultural equipment imports by the private sector. This project and the continuing PL 480 Title I food program constitute approximately two-thirds of A.I.D.'s quick-disbursing assistance for balance of payments support. These two projects provide A.I.D. with an important framework for agricultural policy discussions with the GOP. Fertilizer policy

accomplishments to date include: implementation of uniform public and private sector marketing incidentals (storage, transport and handling subsidizes paid to the FDFI - Federal Directorate of Fertilizer Imports) for imported fertilizer, dockside access to imported fertilizer by private distributors, an increased private sector market share in distribution, and an increase in retail fertilizer prices to reflect more accurately the actual cost of fertilizers.

The Forestry Planning and Development project (391-0481) is strengthening the ability of the federal and provincial governments to work with local communities and private farmers to design, implement, and evaluate policies and programs for increasing fuelwood and timber production, primarily on small private farms. Project activities include training, research and field operations. Forty thousand acres of tree plantations will be established on underutilized farm land. Private nurseries will be developed to support these plantings.

The Tribal Areas Development project (391-0471) is strengthening the capacity of local institutions to implement development activities in the extremely rugged and semi-autonomous tribal areas of the country. The project finances the construction of roads, small irrigation works, as well as schools and teacher's quarters.

The Baluchistan Area Development project (391-0479), begun late in FY 1984, will accelerate the integration of the Makran Division in Baluchistan Province, one of Pakistan's least developed areas, into the economic mainstream of the country. It is focusing on the management and conservation of water resources, the rehabilitation of the existing primary road network, and manpower training.

B. Narcotics

Elimination of opium poppy cultivation in Pakistan is an important U.S. foreign policy objective. A primary concern of A.I.D.'s five year Northwest Frontier Area Development project (391-0485) is to facilitate and complement the Government of Pakistan's enforcement effort within a process of rapid socio-economic development of the major poppy producing areas of the Northwest Frontier Province (NWFP). The project, in the Gadoon-Amazai area of the NWFP, includes technical assistance and financing for the introduction of new crops and agronomic practices, establishment of a productive manpower base through skilled training, and infrastructure development including construction of roads, electrification of villages, irrigation/potable water supply systems and education/health facilities. In the remaining provincial opium poppy producing areas of the province, project funds are financing similar activities as a part of a multinational donor effort coordinated by the United Nations Fund for Drug Abuse and Control (UNFDAC). This umbrella project is called the Special Development and Enforcement Program (SDEP).

C. Population and Health

A.I.D's projects in the health and population sectors are designed to control the incidence of malaria, strengthen Pakistan's capability to provide primary health care services, and assist the GOP in mounting an effective, nationwide family planning program. Pakistan's 2.9 percent population growth rate continues to be a major constraint to increasing the benefits from the country's economic development. Under the Population Welfare Planning project (391-0469) in 1985 assistance has been provided which has led to a substantial improvement in the availability of contraceptive supplies. As a result, community clinics are fully resupplied while distribution to clients has increased. The GOP fully approved the establishment of the new National Institute of Population Studies. Support for this Institution is provided by the project as part of the larger effort to strengthen the GOP's capacity to analyze and evaluate population variables. The GOP has begun efforts to more actively involve the private sector in the provision of family-planning services. A coordinating council for non-governmental organizations (NGO) operating population programs has been established and has granted about $500,000 to fund domestic NGO's. The Social Marketing of Contraceptives project (391-0484) received full cabinet-level approval including authorization to use the media. This project is designed to assist a private sector company develop sound marketing and distribution practices of contraceptives. Proposals from marketing and technical-advisory firms have been received and negotiations begun with the top ranked firms.

Under the Malaria Control II project (391-0472), more than eight thousand metric tons of insecticide have been provided to date for Pakistan's anti-malaria spraying campaign. This resulted in the spraying of nearly 60,000 localities, providing malaria protection to more than 60 million people. The current project objective is to assist the GOP in redirection of program strategy to one which decreases dependence on house-spraying with insecticides while at the same time maintaining an acceptable low level of malaria transmission. The project is also addressing the increasing incidence of falciparum malaria in Pakistan as well as the twin problems of increasing mosquito resistance to some insecticides and the emerging chloroquine resistant strains of malaria parasites.

A.I.D.'s Primary Health Care project (391-0475) is strengthening primary health care program management, providing training to medical technicians and community health workers, and improving overall research and evaluation activities in the health sector. More than 3.5 million people are expected to benefit directly from the project. It is intended to increase the quality and quantity of health care services available in the rural areas. Thirteen paramedic training schools will be constructed. The training curriculum for medical technicians is being revised to incorporate field modules with clinical curricula and to place more emphasis on preventive and promotive activities. The project is supporting a communication campaign for control of diarrheal diseases and is funding the training of frontline health workers in the use of oral rehydration therapy.

D. Energy

The energy sector is critical to sustained growth of the Pakistan economy. Oil imports continue to grow and represent nearly 50 percent of export earnings. In recent years, demand for energy has far out-stripped supply, causing severe setbacks to the economy in terms of forced shutdowns in industry due to electricity and gas load shedding. This has resulted in significant production losses and increased unemployment. A.I.D.'s energy-related projects will increase the country's electricity generating capacity, improve the management of electricity distribution, develop Pakistan's indigenous energy resources (particularly coal), increase the supply of fuelwood, improve energy planning and conservation, and increase the efficiency of the power system by cutting transmission losses and providing technical assistance and training to the nation's Water and Power Development Authority (WAPDA).

The Rural Electrification project (391-0473) assists the GOP in meeting its overall energy needs and brings electricity for both productive and social uses to Pakistan's rural areas. The project is focused on institutional and infrastructure reform and development needed to expand the supply of electricity to rural areas. A major reorganization of the distribution function of WAPDA is in progress as a result of this project. One component of the project (in collaboration with the Asian Development Bank) is financing the construction of a 450 megawatt combined cycle generation plant, which will increase Pakistan's electrical supply by nearly 10 percent and help reduce Pakistan's serious deficit in electricity production. Another component addresses the issues of electricity losses during transmission and distribution which is due to antiquated electrical equipment and illegal diversion. The project provides technical assistance to help develop Pakistan's Rural Electrification Master Plan. USAID assistance for rural expansion will not be provided until adequate generation capacity is added to the system. In addition, upgraded training is being designed to assist in implementation of the project and the Master Plan.

The Energy Planning and Development project (391-0478), provides an overall framework for improvement of Pakistan's national energy policies. It assists the GOP in formulating and implementing programs to plan, develop and use Pakistan's indigenous energy resources and increase the efficiency of energy use. The project is developing analytical skills of Pakistani energy sector professionals through technical assistance, manpower development and on-the-job training. Increasing the use of coal in Pakistan's energy sector is being promoted through accelerated coal resource assessment, the use of coal briquettes, and the Lakhra coal-fired power plant project feasibility design work. With regard to the latter, A.I.D. has taken the lead financing role in preparing a total feasibility study for Pakistan's first major coal-fired power plant. This project includes a private sector role in supplying coal to the power plant. This is expected to establish the foundation for coal fired power plants using indigenous coal resources.

The Lakhra feasibility study is scheduled for completion in early 1986. If findings are positive, the project will probably be approved and obligated in early FY 87. Energy conservation measures, an idea to which the GOP has shown a strong positive response, have become a major component of the project. The project also has funds for commercialization of energy technologies to use Pakistan's abundant renewable energy resources (e.g., small hydro-power).

Energy Commodities and Equipment program, (391-0486) begun in FY 1984 also supports Pakistan's efforts to exploit its domestic energy resources and bring the private sector more fully into energy exploration, production, and distribution. This program provides direct balance of payments support for the GOPs Sixth Five Year Plan by providing fast disbursing foreign exchange resources for importation of energy related commodities and equipment for both the private and public sectors. The commodities to be imported are: energy conservation and fuel switching, power sector, coal mining and processing, and oil and gas exploration. This program contributes to a reduction in energy waste by conservation measures in both private and public sectors, and by increased participation of the private sector in meeting energy requirements and in transfering energy related technologies to Pakistan.

E. Other Programs

The Commercial Funding & Investment Corporation (CFIC) project (391-0482), now scheduled for authorization in FY 1986, is intended to assist in the capitalization of a private sector financial institution. This intervention in the financial system complements a wide range of activities through which A.I.D. supports the GOP in its efforts to expand the role of the private sector in meeting Pakistan's overall investment, production, and employment targets.

The Development Support Training project (391-0474) finances short and long-term training for Pakistani managers, administrators and technicians from both the public and private sectors. Ultimately, 1,600 men and women will receive various kinds of professional training under this project. Thus far 248 persons have been provided short and long term training under this project.

The Project Design and Implementation Fund (391-0470) finances some technical assistance required to design and implement projects in the A.I.D. portfolio. It is also utilized for technical and related assistance to implement the recommendations of the joint GOP-Donor Implementation Task Force and to carry out special policy studies and evaluations.

The Road Resources Management project (391-0480) scheduled to begin in FY 86 will assist the Sind Province to establish a maintainable rural roads system on a pilot basis, as well as identify, analyze, and promote policy, management and financial reforms needed to achieve a sustainable road system nationwide.

Requested Year Program (FY 1987)

Under the six year $1.625 billion agreement between the United States and Pakistan, A.I.D. requests Economic Support Funds, Development Assistance and P.L. 480 for the Pakistan program in FY 1987. These funds will be used primarily to sustain our ongoing programs in the three major sectoral areas of concentration. Additional funds will be required to continue A.I.D.'s support for improved irrigation management at all levels within the water distribution systems, for the additional phases of the program to modernize and expand the Northwest Frontier Agricultural University, for continued support to malaria control and population activities, and for the fertilizer, energy and agricultural equipment funded through the commodity import programs.

In keeping with A.I.D.'s social sector objectives, FY 1987 funding will sustain the Baluchistan Area Development project, and continue funding A.I.D.'s innovative Social Marketing of Contraceptives project which seeks to harness market forces and the private sector to broaden the distribution and sale of contraceptive materials. The Tribal Area Development project will also receive further funding.

In FY 1987 we will again provide $50 million in P.L. 480 Title I assistance to assist Pakistan in meeting domestic demand for edible oils. As in past years, PL-480 Title I local currency generations will be used for critical development projects.

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

PROGRAM: PAKISTAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
AGRICULTURAL COMMODITIES AND EQUIPMENT	L	391-0468	82	86	41,300	41,300	37,800	---	2,500	18,000	---	19,800
TRANSFORM INTEGRATE PROVINCIAL AG NETWOR	G	391-0488	84	88	---	8,500	---	---	---	---	6,200	---
MGT OF AGRICULTURAL RESEARCH AND TECH	G	391-0489	84	87	---	12,000	---	---	8,500	---	7,000	2,000
TOTAL FOR ACCOUNT					41,300	61,800	37,800	---	11,000	18,000	13,200	21,800
GRANTS					---	20,500	---	---	8,500	---	13,200	2,000
LOANS					41,300	41,300	37,800	---	2,500	18,000	---	19,800
POPULATION PLANNING												
POPULATION WELFARE PLANNING	G	391-0469	82	87	12,200	25,200	12,200	---	6,500	4,200	8,800	8,000
TOTAL FOR ACCOUNT					12,200	25,200	12,200	---	6,500	4,200	8,800	8,000
GRANTS					12,200	25,200	12,200	---	6,500	4,200	8,800	8,000
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PRIMARY HEALTH CARE	G	391-0475	82	86	---	13,000	---	---	6,500	---	---	2,453
TOTAL FOR ACCOUNT					---	13,000	---	---	6,500	---	---	2,453
GRANTS					---	13,000	---	---	6,500	---	---	2,453
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT SUPPORT TRAINING	G	391-0474	83	87	---	6,500	---	---	---	---	3,000	---
TOTAL FOR ACCOUNT					---	6,500	---	---	---	---	3,000	---
GRANTS					---	6,500	---	---	---	---	3,000	---
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
AGRICULTURAL RESEARCH	G	391-0296	69	82	3,200	3,200	3,200	2,937	---	263	---	---
ON-FARM WATER MANAGEMENT	G	391-0413	77	83	10,000	10,000	10,000	4,050	---	3,379	---	2,600

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: PAKISTAN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
IRRIGATION SYSTEMS MANAGEMENT	G	391-0467	83	88	90,000	90,000	52,900	9,929	---	10,447	22,100	9,731
AGRICULTURAL COMMODITIES AND EQUIPMENT	G	391-0468	82	86	182,000	182,000	172,000	56,278	10,000	124,671	---	7,314
AGRICULTURAL COMMODITIES AND EQUIPMENT	L	391-0468	82	86	151,700	151,700	125,200	94,000	26,500	14,000	---	36,200
POPULATION WELFARE PLANNING	G	391-0469	82	87	27,800	44,800	27,800	14,242	12,250	969	6,200	9,812
PROJECT DESIGN FUND	G	391-0470	82	87	15,000	18,300	15,000	6,597	---	5,300	3,300	4,000
TRIBAL AREAS DEVELOPMENT	G	391-0471	82	87	15,000	24,000	13,000	1,327	---	4,784	9,000	7,000
MALARIA CONTROL II	G	391-0472	82	86	41,000	41,000	35,500	18,644	5,500	13,318	---	11,713
RURAL ELECTRIFICATION	G	391-0473	82	88	43,000	64,000	37,000	11,703	8,000	14,000	9,000	10,000
RURAL ELECTRIFICATION	L	391-0473	82	88	104,000	115,000	61,000	32,727	27,000	28,500	27,000	52,500
DEVELOPMENT SUPPORT TRAINING	G	391-0474	83	87	10,000	25,000	10,000	3,686	5,000	3,725	7,000	2,500
PRIMARY HEALTH CARE	G	391-0475	82	86	20,000	13,500	13,500	2,024	---	6,295	---	2,000
ENERGY PLANNING AND DEVELOPMENT	G	391-0478	83	87	30,000	30,000	19,100	6,187	10,900	12,531	---	6,726
BALUCHISTAN AREA DEVELOPMENT	G	391-0479	84	87	40,000	49,500	11,100	180	17,500	2,507	20,900	3,643
ROADS RESOURCES MANAGEMENT	G	391-0480	86	88	---	40,000	---	---	1,100	500	33,900	4,500
FORESTRY PLANNING AND DEVELOPMENT	G	391-0481	83	87	25,000	25,000	10,000	532	8,000	1,900	7,000	3,050
COMMERCIAL FUNDING AND INVESTMENT CORP.	L	391-0482	86	87	---	30,000	---	---	16,000	---	10,000	15,000
SOCIAL MARKETING OF CONTRACEPTIVES	G	391-0484	84	87	20,000	20,000	8,500	1,729	7,200	2,192	4,300	3,099
NWFP AREA DEVELOPMENT	G	391-0485	83	87	30,000	30,000	16,200	2,653	13,800	5,194	---	5,048
ENERGY COMMODITIES AND EQUIPMENT	G	391-0486	84	86	20,000	50,000	26,000	---	24,000	50,000	---	---
ENERGY COMMODITIES AND EQUIPMENT	L	391-0486	84	86	80,000	50,000	35,000	---	15,000	31,000	---	19,000

*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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: PAKISTAN

CP 87

PROJECT TITLE	•	L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
LAKHRA COAL POWER GENERATION	•	G	391-0487	87	88	---	38,000	---	---	---	---	10,000	6,500
LAKHRA COAL POWER GENERATION	•	L	391-0487	87	88	---	87,000	---	---	---	---	55,000	8,000
TRANSFORM INTEGRATE PROVINCIAL AG NETWOR		G	391-0488	84	88	35,500	27,000	6,000	654	10,000	2,904	4,300	2,639
MGT OF AGRICULTURAL RESEARCH AND TECH		G	391-0489	84	87	30,000	18,000	10,000	674	1,500	6,130	3,000	2,650
FOOD SECURITY MANAGEMENT		G	391-0491	84	87	35,000	45,000	7,000	351	20,000	9,421	18,000	7,423
TOTAL FOR ACCOUNT						1,058,200	1,322,000	725,000	271,104	239,250	353,930	250,000	242,648
GRANTS						722,500	888,300	503,800	144,377	154,750	280,430	158,000	111,948
LOANS						335,700	433,700	221,200	126,727	84,500	73,500	92,000	130,700
TOTAL FOR COUNTRY						1,111,700	1,428,500	775,000	271,104	263,250	376,130	275,000	274,901
GRANTS						734,700	953,500	516,000	144,377	176,250	284,630	183,000	124,401
LOANS						377,000	475,000	259,000	126,727	87,000	91,500	92,000	150,500

*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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: PAKISTAN

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Lakhra Coal Mine Development and Coal-Fired Thermal Power Generation Project	ESF			FY 1987 65,000	Life of Project Funding 125,000

Number 391-0487	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☒ LOAN	☐ CONTINUING				FY 1987	FY 1987	FY 1991

Purpose: To develop the indigenous coal industry in Pakistan, to enhance private sector participation in the development of a modern coal industry, and to install the first of a series of large-scale thermal power generation units using indigenous coal.

Project Description The shortage of electric power is one of Pakistan's most serious obstacles to development.

The current A.I.D.financed Lakhra Coal Mine and Power Generation Feasibility studies are designed to establish to the satisfaction of potential donor agencies, e.g. the World Bank, Asian Development Bank and A.I.D. that the project is technically, economically and financially feasible to develop coal mines. Feasibility studies are examining 300 MW and 350 MW size plants may also include a determination of whether or not environmentally acceptable and socially sound manner.

This project will also assist Pakistan to develop the Lakhra Coal Field and to design and construct the first of a series of large power plants fired with Lakhra coal. The project will consist of two major components. The coal mining component will assist Pakistan to develop the Lakhra coal field through surface and possibly underground mining. The power generation component will assist Pakistan to construct the first of a series of large power plants fired by Lakhra coal.

Relationship of the Project to A.I.D. Country Strategy: This project assists Pakistan provide the energy required to sustain self-reliant agro-business and industrial development. Power made available through the project will be used to meet the rising energy requirements for farms, land reclamation programs, electrification of villages and for the establishment of agro-based small-scale and cottage industries in rural areas.

The project offers an excellent opportunity to address a number of key policy issues that the Government of Pakistan (GOP) faces in providing sufficient energy supplies to achieve its economic growth targets.

Host Country and Other Donors: Pakistan's Sixth Five-Year Plan assigns a high priority to energy development and encourages the role and participation of the private sector in development.

Discussions are underway with the GOP, the World Bank and the Asian Development (ADB) regarding the joint financing of the foreign exchange cost of the project.

Beneficiaries: All sectors of the national economy will benefit from the project. Electricity generated at Lakhra will be connected to the national grid and serve the needs of Karachi, Pakistan's largest urban center, and surroundings.

A.I.D.-Financed Inputs	Life-of-Project ($ million)
- Fx costs of boiling/steam generator system	47.6
- Fx costs of A/G Services and Construction Management	23.1
- Training	7.0
- Institutional Development	5.0
- Operations Management	3.0
Contingency	9.1
Escalation	25.0
Interest During Construction	5.2

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1985	-	-	-
Estimated Fiscal Year 1986	-	-	
Estimated Through September 30, 1986	-	-	-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	65,000	60,000	125,000

Principal Contractors or Agencies

AID 370-7 (11-85)

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COUNTRY: (492) PHILIPPINES

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 56,808

PER CAPITA GNP....., (DOLLARS,1983) 760

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 2.9%

ANNUAL RATE OF INFLATION (1973-83) 11.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975) 5.5%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 65.4	MALE 63.5	FEMALE 67.3
(1970)	TOTAL 59.0	MALE 57.4	FEMALE 60.5

ADULT LITERACY RATE (1980) TOTAL 83% MALE 84% FEMALE 83%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) -0.5%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1984) 25%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1984) 494

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: CORN ,RICE ,ROOTS AND TUBERS	60%	(1984)
CASH: COCONUTS ,SUGARCANE ,BANANAS	32%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COCONUTS ,RAW SUGAR ,BANANAS

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,CORN ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1983) 50%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1982)	4,474 (83)	4,104 (84)	3,422
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1982)	6,160 (83)	4,779 (84)	4,021
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1982)	-1,686 (83)	-675 (84)	-599

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1982) 10.6% (83) 11.8% (84) 9.4%
AS % OF GNP..... (1982) 1.7% (83) 1.7% (84) 1.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 1,711 (83) 864 (84) 890
EQUIVALENT TO 1.8 MONTHS OF IMPORTS (1984)

FOREIGN TRADE

MAJOR EXPORTS(1984)SEMICONDUCTORS ,COCONUT OIL ,ELEC MICROCIRCU

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982)1,576 (1983)1,785 (1984)2,003
AS % OF TOTAL EXPORTS (1982) 31% (1983) 36% (1984) 37%

MAJOR IMPORTS(1984) PETROLEUM , MACHINERY , ELECTRC EQUIP

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982)1,861 (1983)1,831 (1984)1,713
AS % OF TOTAL IMPORTS (1981) 29% (1982) 27% (1983) 26%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -2,646(83) -2,485(84) -679

TRADING PARTNERS: UNITED STATES ,JAPAN ,MALAYSIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 36.3%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 1,252
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 25.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.9% (1978) 2.5% (1983) 2.5%

POPULATION IN URBAN AREAS.....(1970) 33% (1985) 39%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 40 (1983) 34

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1983) 33.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 40.2% (15-64YRS) 56.9% (65+ YRS) 3.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 53

PEOPLE PER PHYSICIAN..... (1980) 7,966

MAJOR CAUSES OF
DISEASE (1978) INFLUENZA ,ENTERITIS ,BRONCHITIS, ETC.
DEATH.. (1978) PNEUMONIA ,TUBERCULOSIS ,HEART DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1982) 89%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1983) 73%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.....	(1982)	TOTAL	105	MALE	106	FEMALE	104
SECONDARY.....	(1982)	TOTAL	43.8	MALE	32.8	FEMALE	34.8
POST SECONDARY..	(1980)	TOTAL	21.5	MALE	19.7	FEMALE	23.3

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 16.1%

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

COUNTRY PHILIPPINES

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	83.3	97.6	107.1	102.8	106.3	2506.7	314.5	2192.2
Loans	31.1	28.4	25.6	24.3	23.1	696.6	314.5	382.1
Grants	52.2	69.2	81.5	78.5	83.2	1810.1	-	1810.1
a. A.I.D. and Predecessor Agencies	59.7	68.5	89.4	86.8	84.3	1099.1	95.0	1004.1
Loans	31.1	28.4	25.6	24.3	23.1	450.6	95.0	355.6
Grants	28.6	40.1	63.8	62.5	61.2	648.5	-	648.5
(Economic Support Fund)	20.0	30.0	50.0	50.0	50.0	395.3		
b. Food for Peace (PL 480)	18.8	24.1	12.6	10.7	17.1	479.1	102.2	376.9
Loans	-	-	-	-	-	142.8	102.2	40.6
Grants	18.8	24.1	12.6	10.7	17.1	336.3	-	336.3
Title I - Total Sales Agreements	-	-	-	-	-	155.5	102.2	53.3
Repayable in U.S. Dollars - Loans	-	-	-	-	-	123.1	86.5	36.6
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	32.4	15.7	16.7
Title II - Total Grants	18.8	24.1	12.6	10.7	17.1	323.6	-	323.6
Emerg. Relief, Econ. Develop. & World Food Program	3.9	4.5	1.6	1.2	0.1	53.2	-	53.2
Voluntary Relief Agencies	14.9	19.6	11.0	9.5	17.0	270.4	-	270.4
c. Other Economic Assistance	4.8	5.0	5.1	5.3	4.9	928.5	117.3	811.2
Loans	-	-	-	-	-	103.2	117.3	14.1-
Grants	4.8	5.0	5.1	5.3	4.9	825.3	-	825.3
Peace Corps	4.8	5.0	5.1	5.3	4.9	80.9	-	80.9
Narcotics	-	-	-	-	-	0.9	-	0.9
Other	-	-	-	-	-	743.5	-	743.5
II. MILITARY ASSISTANCE – TOTAL	75.5	75.6	51.2	51.4	51.5	1258.6	179.8	1078.8
Credits or Loans	50.0	50.0	50.0	50.0	50.0	344.1	179.8	164.3
Grants	25.5	25.6	1.2	1.4	1.5	914.5	-	914.5
a. MAP Grants	25.0	25.0	-	-	-	610.2	-	610.2
b. Credit Financing - FMS	50.0	50.0	50.0	50.0	50.0	344.1	179.8	164.3
c. Military Assistance Service-Funded (MASF) Grants	0.5	0.6	1.2	1.4	1.5	39.5	-	39.5
d. Transfers from Excess Stocks	-	-	-	-	-	98.1	-	98.1
e. Other Grants	-	-	-	-	-	166.7	-	166.7
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	158.8	173.2	158.3	154.2	157.8	3765.3	494.3	3271.0
Loans	81.1	78.4	75.6	74.3	73.1	1040.7	494.3	546.4
Grants	77.7	94.8	82.7	79.9	84.7	2724.6	-	2724.6
Other U.S. Government Loans and Grants	27.8	69.3	8.4	-	78.8	1034.9	926.4	108.5
a. Export-Import Bank Loans	27.8	69.3	8.4	-	78.8	724.6	573.4	151.2
b. All Other Loans	-	-	-	-	-	310.3	353.0	42.7-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	757.3	523.3	448.0	6883.2
IBRD	502.7	183.2	254.0	4308.8
IFC	5.6	0.0	48.1	218.1
IDA	0.0	0.0	0.0	122.2
IDB	0.0	0.0	0.0	0.0
ADB	235.2	337.8	145.9	2120.2
AFDB	0.0	0.0	0.0	0.0
UNDP	3.0	2.8	0.0	68.4
OTHER-UN	10.8	0.0	0.0	45.5
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	65.0	141.0	450.0
Japan	160.0	174.0	847.3
Germany, Fed. Rep.	20.9	36.0	108.5
Australia	15.6	14.9	70.9
Belgium	7.6	3.2	31.2
Other	39.5	20.8	147.3
Total	308.6	389.9	1,655.2

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

CY 1982	CY 1983	CY 1978-82
2.3	N.A.	13.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	-
Eastern Europe	-	-	80
Total	-	-	80

PHILIPPINES

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
1985								
Loans	18,817	16,250	0	0	0	2,567	0	-
Grants	156,559	9,583	0	4,500	300	1,200	140,000	976
Total	175,376	25,833	0	4,500	300	3,767	140,000	976
1986								
Loans	0	0	0	0	0	0	0	-
Grants	138,505	12,030	0	4,840	300	1,710	119,625	-
Total	138,505	12,030	0	4,840	300	1,710	119,625	
1987								
Loans		0	0	0	0	0	0	-
Grants	118,000	13,850	4,000	1,450	650	3,050	95,000	-
Total	118,000	13,850	4,000	1,450	650	3,050	95,000	

* Disaster Relief Assistance

FY 1987
PROGRAM HIGHLIGHTS

A. Development Assistance: ($23 Million)
- Improve policy and institutional framework to increase rural productivity; Develop private sector institutions to support rural enterprise growth.
- Improve access to and cost-effective services for maternal & child survival; Strengthen family planning activities and epidemiological surveillance.

B. Economic Support Fund: ($95 Million)
Balance of payments support for agriculture, rural enterprise and productive infrastructure.

C. P.L. 480 ($7.7 Million)
Title II, MCH and school feeding activities

PHILIPPINES

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	6,579	20,131	18,064
Grants	70,596	94,156	156,524
Total AID	77,175	114,287	174,588
P.L. 480 **			
Title I	40,000	35,000	-
(of which Title III is)	(-)	(-)	(-)
Title II	11,543	7,723	7,682
Total P.L. 480	51,543	42,723	7,682
Total AID and P.L. 480	128,718	157,010	182,270

*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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	-	-	189,000	25,000		
Rice	154,000	40,000	33,000	10,000		
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total (of which Title III is)	154,000	40,000	222,000	35,000		
Title II 1/						
Voluntary Agencies	48,092	11,543	38,296	7,723	38,296	7,682
Government - to - Government	-	-	-	-	-	-
Title II Total	48,092	11,543	38,296	7,723	38,296	7,682
Total P.L. 480	202,092	51,543	260,296	42,723	38,296	7,682

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

PHILIPPINES

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	36	37	37
PASA[b]	0	0	0
TOTAL	36	37	37

[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 PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	43	59	102	30	98	128	21	76	97
Regional[e]	4	0	4	4	0	4	2	0	2
TOTAL	47	59	106	34	98	132	23	76	99

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	0	19	19	0	79	79	0	38	38
Regional[e]	115	403	518	110	540	650	110	580	690
TOTAL	115	422	537	110	619	729	110	618	728

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

Development Overview

The Philippines is in its worst economic crisis of the postwar era. Real gross national product (GNP) declined by 5.3 percent in 1984 and continues to fall. The following declines are projected for 1985: real GNP - 5.5 percent, investment - 17 percent, and industrial production - 13 percent. Real GNP per capita in 1985 is about 17 percent below the 1983 level. With economic activity severely depressed, inflation declined from an annual average of about 50 percent in 1984, to an estimated 22 percent for the year 1985.

The current economic crisis stems from a confluence of factors starting with the import substitution industrial strategy adopted in the 1950s and 1960s. During this period, capital-intensive urban industries received substantial production incentives and increasing government protection from imports while the agriculture sector and small industries suffered from low investment and inadequate production incentives. In spite of these reversals, the country's rich natural resource base and availability of relatively cheap credit from foreign banks after 1973 enabled the Philippines to maintain respectable growth rates until the late 1970s.

The worldwide recession of the early 1980s exposed the structural weaknesses of the economy. Rising interest rates greatly reduced the flow of foreign loans on which the economy was dependent. With increasing debt service requirements, pressure on available foreign exchange for debt payments escalated. Likewise, lack of foreign exchange for imports caused a decline in industrial activity which is largely dependent on imported raw materials. Many businesses and financial institutions failed and the Government of the Philippines (GOP) assumed the debts of several large companies. The GOP became increasingly burdened by large budget deficits created by its assumption of these bad debts and reduced taxes from imports. The Aquino assassination in August 1983 eroded confidence in the political, investment, and credit climate, thus hastening massive capital flight and a sharp decline in availability of foreign loans from commercial sources. Unable to service its $25 billion debt, the GOP declared a moratorium on debt repayment in October 1983.

The GOP, donors and the international financial community have reached broad consensus on a package of fiscal and monetary reforms and structural policy changes necessary to stabilize the economy and, in time, to move it towards a sustainable growth path. This package is contained in the Philippines Program for Policy Action for 1985 and 1986. Stabilization elements of the program require slower monetary growth to minimize inflation, lower budget deficits through tax reforms and expenditure cutbacks, and a more flexible exchange rate to stimulate exports and minimize non-essential imports. To support GOP implementation of these measures, in late 1984 the International Monetary Fund (IMF) approved the GOP's request for an 18-month SDR 615 million Standby Credit Arrangement

that cleared the way for debt rescheduling. The "Paris Club" members rescheduled about $875 million in debt in December 1984. In May 1985 commercial banks rescheduled $5.3 billion of non-trade obligations and principal payments, and agreed to provide $925 million in new money and nearly $3.0 billion for a revolving trade facility.

GOP implementation of the reform agenda has been mixed. Monetary and fiscal policy initiatives are proving moderately successful. The GOP has sharply reduced the runaway inflation of 1983/84, limited overall public capital outlays while keeping expenditures in check. Weaknesses on the revenue side of the GOP account have handicapped efforts to control the public deficit. Although prices of staple crops, rice and corn, have been deregulated, and interest rates have been increased to reflect the real cost of money, other major areas of structural reform have seen little progress. Import liberalization is evidenced largely in rhetoric, not in practice. Basic actions to dismantle monopolies and quasi-monopolies in sugar, coconuts, and wheat/flour have not been fully implemented. Reform and divestiture of public sector corporations and unsound public sector financial institutions have been the subject of much discussion but little action. Financial deregulation has made some progress, but much remains to be done. The GOP has made some efforts to restructure the public investment program, but has not settled on firm priorities. In sum, there is a well-defined and agreed agenda for reform in trade regime, finance, agriculture and public investment, but only the most limited evidence of GOP performance. The duration of the current economic contraction and the pace of eventual recovery will depend upon the degree to which the GOP musters the political will to carry out the policy reforms and structural changes needed to bring efficiency and growth to the Philippine economy.

U.S. Interests and Objectives

U.S. interests in the Philippines stem from long standing U.S. foreign policy objectives that include mutual security, economic development and promotion of a democratic form of government. The historical backdrop of the two countries is characterized by strong linkages underscored by friendly and cooperative relations.

It is the intention of the U.S. Government to maintain and enhance this relationship. To this end, U.S. interests in the Philippines focus on three primary objectives. The first is to actively support efforts leading to revitalization of the country's democratic institutions. In doing so, it is our belief that the democratic process will provide a viable and peaceful means to accommodate constructive social reforms. A corollary to this is implicit in the second objective which seeks to encourage and buttress short- and long-term economic recovery measures to promote stability and broadly-based economic growth. The third objective is to support the professionalization of the Armed Forces of the Philippines through security assistance. Along with revitalization of the country's democratic institutions and its economy, a highly professional military is

essential to cope with increasing insurgency. Within this framework, A.I.D. activities focus directly on the second objective while indirectly contributing to the first objective.

U.S. Assistance Strategy

The long-term goal of U.S. assistance is to improve the well-being of the majority of Filipinos by supporting conditions necessary for self-sustaining and equitable economic growth. The strategy to achieve this goal has three basic components: macroeconomic; agriculture and rural enterprise; and population, health, and nutrition.

The Macroeconomic Strategy focuses on programs and policies designed to overcome the current severe economic crisis and to give the Philippine economy a solid foundation for growth. Our DA assistance will support the conditions and reforms contained in the GOP's agreements with the IMF and World Bank. Policy dialogue is an essential component of the strategy; A.I.D. stresses the importance of the IMF and World Bank programs in direct discussions with the GOP and with other donors. In addition to macroeconomic policy dialogue efforts, A.I.D. provides financial assistance to alleviate selected macroeconomic problems while simultaneously achieving development objectives.

Agriculture and Rural Enterprise is the centerpiece of A.I.D. strategy because it has great potential for growth and is a stated GOP priority. A.I.D. has a comparative advantage in this sector. In the short term the sector has been plagued by poor weather, unfavorable world prices, and shrinking credit availability. These short term problems add to longer term problems arising from urban biased development policies, adverse terms of trade for rural producers, and limited access by the majority of rural people to resources and markets. The strategy has four elements: agricultural policy reform; agricultural development; rural enterprise development; and local government and rural infrastructure.

The policy reform strategy involves: careful A.I.D. analysis of policy issues; identification of critically needed reforms; flexible use of U.S. assistance; donor collaboration in support of reforms; sustained efforts to ensure that reforms are implemented; and improved GOP capability to undertake policy analysis. The first reforms A.I.D. is addressing include rural credit delivery systems and deregulation of markets for agricultural inputs and commodities.

Agricultural development and growth of rural enterprises are mutually reinforcing. The agricultural development strategy emphasizes increased investment in research and extension, irrigation management, and environmental conservation. The rural enterprise strategy involves both direct assistance to private sector as well as development of GOP institutions and policies that encourage the growth of rural enterprises.

The local government and rural infrastructure strategy focuses on enhancing the capabilities of local governments to undertake participatory development activities; to mobilize and manage resources; and to plan, implement and maintain rural infrastructure.

The Population, Health, and Nutrition Strategy is primarily concerned with improving both the supply and demand for these services, particularly in rural areas. Rapid population growth is a serious obstacle to long-term economic development. The A.I.D. population strategy has three basic thrusts: policy dialogue leading to national consensus on the need for a strong population program; improving GOP collaboration, program organization, and execution; and exploring alternative mechanisms for supporting private sector services. The Health strategy focuses on reducing mortality and morbidity by improving effectiveness of rural primary health care, i.e., encouraging needed health policy reforms, demonstrating viability of private sector financing schemes, improving cost-effectiveness of current services, implementing better epidemiological surveillance, and adapting new biomedical technologies.

ESF Programming is significantly influenced by the linkage between the military bases agreement and Philippine Economic Support Funds (ESF). During FY 1980-1984, the A.I.D. and GOP strategy allocated ESF primarily to areas around the military bases for construction of rural infrastructure such as schools, roads, markets, town drainage systems, and municipal slaughterhouses. In FY 1985 the strategy shifted; A.I.D. obligated $47.5 million for rural infrastructure nationwide and an additional $92.5 million to support selected donor-assisted rural development projects throughout the Philippines.

A.I.D. is prepared to obligate up to half of FY 1986 ESF for program assistance; the other half will support local government and rural infrastructure development nationwide. For FY 1987 and beyond, ESF programming will continue to support overall U.S. assistance strategy in the Philippines by addressing constraints to sustained economic growth, particularly in agriculture and rural enterprise. ESF programming decisions will be made within the context of a continuing policy dialogue with the GOP in coordination with other donors.

A I.D. Program FY 1985-1986

A. Macroeconomic

Policy dialogue with the GOP and other donors contributes to implementation of the conditions and reforms of the IMF Standby Agreement, the World Bank's structural adjustment program and the GOP's Program for Policy Action. A.I.D. stresses macroeconomic objectives through annual Consultative Group (CG) Meetings as well as through meetings of the Ad Hoc subcommittee of the CG. Furthermore, A.I.D. consults regularly with the IBRD and Asian Development Bank (ADB) concerning their projects and the macroeconomic reform process.

The Rural Productivity Support Program (492-0383) and Development Support Program (492-0400), both initially obligated in FY 1985 with ESF funds, provide the GOP with $92.5 million to help assure timely implementation of key foreign-assisted (AID, IBRD and ADB) development projects at a time of GOP budget austerity. In addition, the DA financed Technology Transfer for Energy Management Project (492-0381) seeks to lower future demand for foreign exchange by reducing the bill for imported energy. The project focuses on improving energy efficiency in private sector industrial and commercial enterprises.

B. Agriculture and Rural Enterprise

The A.I.D. strategy in this sector is being implemented through a number of activities which involve policy reform, institutional development, the private sector, and construction of rural infrastructure.

The DA funded Rural Financial Services Project (492-0394), which is associated with the IBRD's Agricultural Credit Project, will introduce policy and institutional reforms essential for strengthening the rural financial system. The Central Bank is establishing market-oriented interest rates and rediscounting, as well as other policy and procedural changes to in an effort to improve domestic resource mobilization and to expand and strengthen financial intermediation between private commercial banks and private borrowers in rural areas.

The new Accelerated Agricultural Production Project (492-0385), also DA financed, will strengthen the economic, technical and market support conditions essential for sustained growth in the agricultural sector. The project will operate as a sector program, building on past A.I.D. investment and assistance. The three major components are: (1) policy development and implementation; (2) agricultural research, verification and dissemination; and (3) subsector investments in areas such as irrigation operations and maintenance, fertilizer, price stabilization programs for food grains, and agricultural export diversification.

The FY 1985 PL 480 Title I agreement provides a framework for introducing market liberalization measures in key areas of the agriculture and food sectors. Self-help measures contained in the agreement provide for deregulation of importation, distribution and pricing of key commodities such as rice, wheat/flour, and fertilizer. Additional self-help measures include improved procedures for announcing support prices for rice and divestiture of two food-related public enterprises. Local currency proceeds from the sale of PL 480 commodity imports will support agricultural research, rice price stabilization programs, improved performance of fertilizer and grain marketing systems, and small-scale infrastructure development.

A.I.D. is continuing its DA supported institutional development efforts in agricultural research and extension. Twelve agroforestry pilot sites and six farming systems sites of the Rainfed Resources Development Project

(492-0366) are testing approaches to improve community-based management of rainfed agricultural areas. Studies of ongoing community-level resource management systems are underway along with biotechnology research and training and policy analysis. Implementation has accelerated following a streamlining of the project decision making process and improving coordination among GOP agencies.

The Farming Systems Development Project - Eastern Visayas (492-0356) made substantial progress in identifying constraints to improving productivity in the rainfed areas. A mid-term evaluation indicates more involvement of farmers in problem identification and introduction of change into existing farming systems. Institutional linkages for research and training have been established between six field research sites and the Visayas State College of Agriculture. An FY 1986 amendment supports more technology verification activities and development of appropriate extension approaches for farming systems technology.

In response to implementation problems revealed by the A.I.D. monitoring system, A.I.D undertook a comprehensive evaluation of the Small Farmer Systems II Project (492-0334) which resulted in adding technical assistance to improve the institutional capacity of the GOP implementing agency.

A.I.D. also undertook a comprehensive assessment of the technical, economic and institutional feasibility of each component of the Rural Energy Development Project (492-0375) in 1985. Assessment findings led to decisions to eliminate the wood-fired power plants component, continue development of the charcoal production component, and limit the gasifier component to improving performance of existing units.

In the area of private sector support, A.I.D. emphasizes: improving the policy environment for private sector growth; developing private sector institutions and processes to support rural enterprise growth; and providing financial and technical assistance to the private sector. The Small and Medium Enterprise Development (SMED) Project (492-0359) is piloting several innovative activities for developing private sector institutions and processes to support rural enterprise growth. Results of a major FY 1986 SMED evaluation are being used to determine final design of the Private Enterprise Promotion Project (492-0377) which will extend and further develop ideas piloted under SMED. The new Private Sector Development Activities Project (492-0395) provides direct assistance to private firms to facilitate new development activities.

Support to Philippine and American Private Voluntary Organizations (PVOs) under the PVO Co-Financing II Project (492-0367) increased from about $2 million in FY 1984 to over $3 million in FY 1985 and FY 1986. The grants support a variety of private sector rural development activities involving agriculture, rural enterprise, health, and training.

Improved local government administration and infrastructure development are critical to economic development in rural areas. An in-house project assessment of the Local Resource Management Project (492-0358) concluded that training greatly enhanced the ability of both local officials and project beneficiaries to plan and implement local development activities. An improved management information system is tracking beneficiary involvement in decentralized planning and decision making.

The existing ESF funded Regional Development Fund Project (492-0374), Municipal Development Fund Project (492-0361), and Markets Project (492-0365) continue to assist local governments to provide necessaryinfrastructure such as roads, schools, markets, drainage, and health facilities. The new Local Government and Infrastructure Development and Maintenance Project (492-0391) will support local governments in planning, implementing and maintaining priority rural infrastructure activities.

C. Health, Population, and Nutrition

In this sector, programs contribute to improving access to and cost-effectiveness of services focused on maternal and child survival. The Population Planning III Project (492-0341) finances an outreach program, contraceptive purchases, clinical programs, natural family planning, and private sector family planning activities. The level and shape of future assistance in population will be dependent upon findings of the FY 1986 evaluation, discussions and dialogue with GOP, World Bank, and U.N. Fund for Population Assistance, and GOP sector plans for 1987-92.

Under the Primary Health Care Financing Project (492-0371) several research and service entities are studying ways to improve cost effectiveness and to test financing schemes. In addition to providing commodities, service-related activities, and training, a new Oral Rehydration Therapy (ORT) component will transfer the production and distribution of Oral Rehydration Salts from the GOP to the private sector. Results of a FY 1986 project evaluation will be used to direct project resources to priority areas.

As a new activity, the USAID Mission plans to support a Vitamin A research program, the findings of which could contribute to the reduction of childhood morbidity. Funds will be used to pay local expenses for such a program.

The FY86 Technology Development for Primary Health Care Project (492-0386) will enhance targetting of health services by improving epidemiological surveillance and planning. It also will increase effectiveness of child survival services by supporting biomedical research on new technologies for diagnosis, treatment and prevention of infant and childhood diseases.

The Barangay Water II Project (492-0333) has experienced implementation problems, though over 600 rural water systems have been constructed. As a result of these problems A.I.D. undertook an indepth evaluation with a view toward efficient completion of A.I.D. assistance to rural water activities. However, the evaluation identified ways to overcome implementation problems and recommended developing a new rural water project. A.I.D. is assessing this possibility.

The FY 1985 PL 480 Title II program provided food for maternal child health services and school feeding. The FY 1986 program is supplying food for similar purposes. In response to a special appeal from the Catholic Church, A.I.D. is providing substantial rice rations to low income Manila families through the Catholic Relief Services.

Requested Year Program FY 1987

A. Macroeconomic

A.I.D. will identify opportunities to program ESF resources to address macroeconomic problems through the utilization of ESF as program assistance.

B. Agriculture and Rural Enterprise

To support agricultural strategy objectives. A.I.D. requests continued financing of: the Accelerated Agricultural Production Project (492-0385); Farming Systems Development- Eastern Visayas Project (492-0356); and Training and Development Issues Project (492-0340) which aims to improve GOP ability to analyze policies affecting agriculture, rural development, and other sectors.

To implement A.I.D.'s private sector strategy, funds are requested to continue the Private Sector Development Activities Project (492-0395), The Private Enterprise Promotion Project (492-0377), and The PVO Co-Financing II Project (492-0367).

To support the economic growth potential of rural areas, A.I.D. requests continued funding to improve local government institutions and infrastructure through the Local Resources Management Project (492-0358), and the ESF-funded Local Government and Infrastructure Development and Maintenance (492-0391), and Project Design (492-0343) projects.

C. Population, Health and Nutrition

A.I.D. requests funds to pursue its population strategy by initiating a new Population Sector Support Project (492-0396) that will provide program assistance based upon progress toward mutually agreed upon objectives. To implement the health and nutrition strategy, we request funds to continue activities under the Technology Development for Primary Health Care Project (492-0386) and maintain food distribution levels under the P.L. 480 Title II Program.

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D. Selected Development

A.I.D. requests funds, through initiation of a new Financial Management Improvement Project (492-0403), to assist the GOP in introducing more efficient and decentralized financial management systems to support rural growth. Funds are also requested for the Technology Transfer for Energy Management Project (492-0381) to complete planned support for energy activities.

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

PROGRAM: PHILIPPINES

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PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
VITAMIN A RESEARCH	G	492-YYYY	86	86	---	880	---	---	880	---	---	---
AGRICULTURE RESEARCH II	L	492-0286	79	81	10,000	8,044	8,319	7,962	---	85	---	---
BICOL INTEGRATED AREA DEV III (RINCONADA	L	492-0289	79	80	5,000	3,501	3,501	2,175	---	350	---	---
RURAL SERVICE CENTERS	G	492-0304	78	84	2,987	2,790	2,790	2,461	---	120	---	---
BICOL INTEGRATED AREA DEV II (BULA)	L	492-0310	78	78	3,000	2,241	2,241	2,091	---	---	---	---
SMALL FARMER SYSTEMS II	G	492-0334	81	86	1,250	1,250	820	214	180	787	250	---
SMALL FARMER SYSTEMS II	L	492-0334	81	86	7,100	4,600	4,600	2,886	---	597	---	---
PVO CO-FINANCING I	G	492-0345	80	83	3,831	3,184	3,185	2,261	---	740	---	---
FARMING SYSTEMS DEV-EASTERN VISAYAS	G	492-0356	81	87	2,321	4,321	2,321	1,175	1,000	548	1,000	148
FARMING SYSTEMS DEV-EASTERN VISAYAS	L	492-0356	81	87	1,600	1,600	1,600	774	---	190	---	62
LOCAL RESOURCES MANAGEMENT	G	492-0358	82	87	3,680	6,680	3,680	289	---	1,000	1,500	138
LOCAL RESOURCES MANAGEMENT	L	492-0358	82	87	10,220	10,220	10,220	789	---	1,250	---	1,150
SMALL AND MEDIUM ENTERPRISE DEVELOPMENT	G	492-0359	83	83	1,500	1,500	1,500	27	---	405	---	610
SMALL AND MEDIUM ENTERPRISE DEVELOPMENT	L	492-0359	83	83	13,500	13,500	13,500	203	---	1,500	---	2,000
RAINFED RESOURCES DEVELOPMENT	G	492-0366	82	87	6,852	9,852	4,852	304	1,000	771	1,500	500
RAINFED RESOURCES DEVELOPMENT	L	492-0366	82	87	20,200	17,400	17,400	960	---	1,358	---	2,400
PVO CO-FINANCING II	G	492-0367	84	91	5,000	12,500	3,810	723	1,690	1,457	2,000	900
ACCELERATED AGRICULTURAL PRODUCTION	G	492-0385	86	87	---	30,430	---	---	7,030	---	7,050	3,000
RURAL FINANCIAL SERVICES	G	492-0394	85	88	2,600	2,600	2,600	---	---	250	---	625

*Refers to the planned project summary sheet

CLevel of effort activity

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RURAL FINANCIAL SERVICES	L	492-0394	85	88	17,400	17,400	16,250	---	---	2,000	---	3,000
PRIVATE SECTOR DEVELOPMENT ACTIVITIES	G	492-0395	86	90	---	4,750	---	---	250	---	550	250
TOTAL FOR ACCOUNT					118,041	159,243	103,189	25,794	12,030	13,408	13,850	14,783
GRANTS					30,021	80,737	25,558	7,954	12,030	6,078	13,850	6,171
LOANS					88,020	78,506	77,631	17,840	---	7,330	---	8,612
POPULATION PLANNING												
POPULATION PLANNING III	G	492-0341	81	84	28,135	17,638	17,638	11,972	---	3,200	---	3,850
POPULATION PLANNING III	L	492-0341	81	84	26,915	15,087	15,087	9,450	---	1,412	---	---
POPULATION SECTOR SUPPORT	* G	492-0396	87	91	---	35,000	---	---	---	---	4,000	2,000
TOTAL FOR ACCOUNT					55,050	67,725	32,725	21,422	---	4,612	4,000	5,850
GRANTS					28,135	52,638	17,638	11,972	---	3,200	4,000	5,850
LOANS					26,915	15,087	15,087	9,450	---	1,412	---	---
HEALTH												
BICOL INTEGRATED HEALTH	L	492-0319	79	79	2,500	1,106	1,106	1,050	---	---	---	---
BARANGAY WATER II	G	492-0333	80	82	2,537	2,537	2,537	1,661	---	875	---	---
BARANGAY WATER II	L	492-0333	80	82	19,600	14,100	14,100	3,673	---	5,428	---	5,000
POPULATION PLANNING III	G	492-0341	81	84	1,700	1,700	1,700	18	---	---	---	---
PVO CO-FINANCING I	G	492-0345	80	83	1,500	1,500	1,500	1,047	---	130	---	---
PVO CO-FINANCING II	G	492-0367	84	91	1,500	3,375	600	83	1,840	1,000	450	120
PRIMARY HEALTH CARE FINANCING	G	492-0371	83	85	6,200	6,200	6,200	707	---	1,700	---	950
PRIMARY HEALTH CARE FINANCING	L	492-0371	83	85	10,000	9,800	9,800	306	---	3,000	---	2,250
TECHNOLOGY DVLP FOR PRIMARY HEALTH CARE	G	492-0386	86	88	---	3,500	---	---	1,000	---	1,000	800
WATER SANITATION FOR RURAL COMMUNITIES	G	492-0401	86	90	---	25,000	---	---	2,000	---	---	---

*Refers to the planned project summary sheet

G Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
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TOTAL FOR ACCOUNT					45,537	68,818	37,543	8,545	4,840	12,133	1,450	9,120
GRANTS					13,437	43,812	12,537	3,516	4,840	3,705	1,450	1,870
LOANS					32,100	25,006	25,006	5,029	---	8,428	---	7,250
EDUCATION AND HUMAN RESOURCES												
TRAINING AND DEVELOPMENT ISSUES	G	492-0340	83	87	1,200	1,450	1,200	140	---	238	---	171
TRAINING AND DEVELOPMENT ISSUES	L	492-0340	83	87	3,300	3,300	3,300	241	---	330	---	412
PVO CO-FINANCING I	G	492-0345	80	83	919	919	913	717	---	190	---	---
PVO CO-FINANCING II	G	492-0367	84	91	1,500	3,375	600	126	300	150	400	130
PRIVATE SECTOR DEVELOPMENT ACTIVITIES	G	492-0395	86	90	---	1,000	---	---	---	---	250	---
TOTAL FOR ACCOUNT					6,919	10,044	6,013	1,224	300	908	650	713
GRANTS					3,619	6,744	2,713	983	300	578	650	301
LOANS					3,300	3,300	3,300	241	---	330	---	412
SELECTED DEVELOPMENT ACTIVITIES												
NON-CONVENTIONAL ENERGY DEVELOPMENT	G	492-0294	78	78	1,550	1,550	1,550	1,298	---	195	---	48
NON-CONVENTIONAL ENERGY DEVELOPMENT	L	492-0294	78	78	5,600	5,600	5,600	2,453	---	2,516	---	629
PVO CO-FINANCING I	G	492-0345	80	83	750	537	537	299	---	110	---	---
PVO CO-FINANCING II	G	492-0367	84	91	2,000	3,750	800	153	360	127	650	150
PRIVATE ENTERPRISE PROMOTION	G	492-0377	86	88	---	5,000	---	---	500	---	900	400
TECH TRANSFER FOR ENERGY MANAGEMENT	G	492-0381	85	88	2,000	2,000	800	---	600	293	500	384
TECH TRANSFER FOR ENERGY MANAGEMENT	L	492-0381	85	88	3,000	3,000	2,567	---	---	115	---	1,161
PRIVATE SECTOR DEVELOPMENT ACTIVITIES	G	492-0395	86	90	---	1,250	---	---	250	100	250	150

*Refers to the planned project summary sheet

CLevel of effort activity

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FINANCIAL MANAGEMENT IMPROVEMENT	* G	492-0403	87	89	---	5,000	---	---	---	---	750	---
TOTAL FOR ACCOUNT					14,900	27,687	11,854	4,203	1,710	3,456	3,050	2,922
GRANTS					6,300	19,087	3,687	1,750	1,710	825	3,050	1,132
LOANS					8,600	8,600	8,167	2,453	---	2,631	---	1,790
ECONOMIC SUPPORT FUND												
PROGRAM SUPPORT	G	492-XXXX	86	88	---	135,000	---	---	72,125	---	47,500	47,500
PROJECT DESIGN	G	492-0343	80	88	18,000	18,000	9,000	4,454	3,300	2,800	3,000	3,800
CLARK ACCESS AND FEEDER ROADS	G	492-0348	81	81	5,000	4,500	4,500	3,130	---	1,370	---	---
MUNICIPAL DEVELOPMENT FUND	G	492-0361	81	88	70,000	68,000	55,000	24,512	---	10,000	---	16,000
MARKETS	G	492-0365	82	85	21,000	21,000	21,000	10,435	---	3,200	---	4,000
REGIONAL DEVELOPMENT FUND	G	492-0374	82	88	187,000	187,000	121,500	70,566	---	15,000	---	25,000
RURAL ENERGY DEVELOPMENT	G	492-0375	82	83	25,000	6,000	6,000	4,081	---	400	---	400
RURAL PRODUCTIVITY SUPPORT PROGRAM	G	492-0383	85	85	47,500	47,500	47,500	47,500	---	---	---	---
LOCAL GOV'T & INFRASTRUCTURE DEVELOPMENT	G	492-0391	86	87	---	88,700	---	---	44,200	2,000	44,500	44,500
DEVELOPMENT SUPPORT PROGRAM	G	492-0400	85	85	45,000	45,000	45,000	---	---	45,000	---	---
TOTAL FOR ACCOUNT					418,500	620,700	309,500	164,678	119,625	79,770	95,000	141,200
GRANTS					418,500	620,700	309,500	164,678	119,625	79,770	95,000	141,200
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					658,947	954,217	500,824	225,866	138,505	114,287	118,000	174,588
GRANTS					500,012	823,718	371,633	190,853	138,505	94,156	118,000	156,524
LOANS					158,935	130,499	129,191	35,013	---	20,131	---	18,064

*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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: Philippines

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Population Sector Support	DA			FY 87 4,000	Life of Project Funding 35,000

Number 492-0396	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING	4,000			FY 87	FY 91	FY 92

Purpose: *To support the Government of Philippines (GOP) goal* of increasing the prevalence of voluntary family planning.

Project Description: The GOP objective is to increase the number of current users of family planning methods by 1.84 million or 83 percent over the next decade. Achievement of this ambitious objective will require the energetic contributions of both public and private sector population program resource institutions. Since 1967 AID has provided about $100 million in population assistance to the Philippines. The impact on fertility reduction has been dissappointing suggesting the need for a new approach to assistance.

To assist achievement of GOP population objectives, A.I.D. assistance to the GOP will shift from project to program support. A.I.D. will also increase assistance to U.S. PVOs and universities in support of private sector family planning programs in the Philippines. The primary objective is to use a simple, achievement oriented mechanism to support the GOP family planning efforts. Transfer of funds will be based on achievement of program objectives. Near the end of each year, the GOP will prepare an annual report and mplementation plan for the following year. At that time, a multi-donor review of the annual report and program progress will be initiated. All major donors (A.I.D., the World Bank and the United Nations Fund for Population Assistance) will be asked to participate. The review team will be supplemented as necessary with consultants whose skills match perceived program issues. The team will make two sets of annual recommendations. First, the team will recommend to A.I.D. a plan for disbursements of percentage of funds based on progress toward a mutually agreed purpose. Second, the team will provide recommendations to the GOP regarding program needs.

The secondary objective is to strengthen the contributions of private sector family planning organizations toward achievement of the GOP family planning objectives.

Relationship of Project to A.I.D. Country Strategy: The population sector support activity contributes directly to the A.I.D. strategy of reducing rapid population growth which is a serious obstacle to long term economic growth.

Host Country and Other Donors: With A.I.D., I.B.R.D., and U.N.F.P.A. population projects all scheduled to end in 1986, we will forge improved collaboration and cooperation in joint planning and evaluation. In addition, we will explore the prospects for joint financing with other donors.

Beneficiaries: Primary beneficiaries will be married couples of reproductive ages (6.471 million in 1984 and a projected 8.047 million in 1993). Benefits will be lower fertility and improved maternal and child health.

Major Outputs:	All Years
Performance payments for progress toward objectives represented by such indicators as new acceptors of family planning, prevalence of voluntary family planning, or fertility rate.	X

A.I.D Financed Inputs:	Life-of-Project ($000)
Performance Payments	25,000
Private Sector Support	10,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1984	-0-	-0-	-0-
Estimated Fiscal Year 1985	-0-	-0-	
Estimated Through September 30, 1986	-0-	-0-	-0-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	4,000	31,000	35,000

Principal Contractors or Agencies

PROGRAM: Philippines

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Financial Mgmt. Improvement Project	DA			FY 1987 750	Life of Project Funding 5,000

Number 492-0403	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING			750	FY 1987	FY 1989	FY 1991

Project Purpose: To support the Government of Philippines (GOP) initiative to improve financial recording, monitoring, reporting and auditing systems at all levels of the Philippine Government.

Project Description: The project is a pilot effort to provide technical assistance and commodities to the GOP to embark on a nation-wide program to design and computerize new financial management and accounting systems for the GOP.

In order to begin this massive undertaking the GOP has indicated a preference for U.S. technical assistance and computer equipment. The new system will include all accounting transactions as input, many standard reports as well as the capacity to develop non-standard reports, summarization of financial information, automated input of the summary information to the next highest organizational level, and sub-systems to audit all components of the system. The government envisions that the design of the pilot financial system will take approximately two years and that the installation, testing and implementation of the system will take an additional three years to complete. The pilot will be tested at all levels of government from municipalities to the national account ministries such as Ministry of Finance, Office of Budget and Management and the Commission on Audit.

Relationship of Project to A.I.D Country Strategy: The principal theme of A.I.D.'s development strategy is that there are significant structural constraints which impede rural growth and the efficient use at financial and human resources. One such impediment is the almost archaic, highly centralized financial and auditing systems being used by the government. A.I.D.'s past efforts aimed at improving the technical and administrative capacities at local government to plan, finance, and carry out development activities at the village and provincial levels. Thus, our strategy focus, among other things, is on further improving the capability of local governments to provide services, including, improving the financial and auditing systems which support rural growth.

Host Country and Other Donors: The GOP initiated this proposal through its Commission on Audit which has been working for the past 18 months with the national computer center to develop eight preliminary modules needed to computerize the country's accounting systems. While initial steps have been taken, the GOP has expressed the need for assistance and advice from more experienced accounting firms. Although other donors have not expressed interest at this time, it is anticipated the world-wide financial management improvement initiative of the World Bank may support the expansion of this pilot effort.

Beneficiaries: Primary beneficiaries will be the GOP at all levels, and those individuals who directly receive the training. Other beneficiaries are the general population who will receive the benefits of a more efficient and decentralized financial management and accounting system.

Major Outputs:	All Years
National automated financial management and auditing system including long-range system expansion plans	X

A.I.D. Financed Inputs:	Life of Program ($000)
Technical Assistance	2,000
Commodities-computers, software, books, etc.	2,750
Training	250

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1984	-0-	-0-	-0-
Estimated Fiscal Year 1985	-0-	-0-	
Estimated Through September 30, 1986	-0-	-0-	-0-
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	750	4,250	5,000

Principal Contractors or Agencies

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COUNTRY: (150) PORTUGAL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 10,265

PER CAPITA GNP..... (DOLLARS,1983) 2,230

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 3.7%

ANNUAL RATE OF INFLATION (1973-83) 20.1%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1974) 7.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1984)	TOTAL 71.7	MALE 68.9	FEMALE 74.6
(1970)	TOTAL 67.4	MALE 64.2	FEMALE 70.8

ADULT LITERACY RATE (1970) TOTAL 71% MALE 78% FEMALE 65%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 0.4%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 8%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 245

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT ,CORN ,PULSES	30%	(1984)
CASH: GRAPES ,OLIVES ,FRUIT	29%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) WINE ,TOMATOES ,.

MAJOR AGRICULTURAL IMPORTS:(1984) CORN ,COTTON ,SOYBEANS

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 28%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1977)	4,682 (83)	5,000 (84)	4,690
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1977)	5,757 (83)	7,239 (84)	7,046
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1977)	-1,075 (83)	-2,239 (84)	-2,356
DEFENSE EXPENDITURES,			
AS % OF TOTAL EXPENDITURES.. (.)	. % (83)	7.8% (84)	10.2%
AS % OF GNP..... (.)	. % (83)	2.7% (84)	2.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, ($MILLIONS, U.S.) (1982) 6,078 (83) 5,594 (84) 5,690
EQUIVALENT TO 6.1 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)COTTON TEXTILES,CORK AND PROD ,CANNED FISH

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 257 (1983) 279 (1984) 453
AS % OF TOTAL EXPORTS (1981) 6% (1982) 7% (1983) 6%

MAJOR IMPORTS(1983)PETROLEUM ,COTTON ,INDUSTRIAL MACH

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982)1,026 (1983)1,143 (1984)1,070
AS % OF TOTAL IMPORTS (1981) 15% (1982) 13% (1983) 16%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -4,847(83) -2,400(84)-2,026

TRADING PARTNERS: GERMANY, FEDER ,UNITED KINGDOM ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 54.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 1,853
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 35.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) -0.6% (1978) 0.3% (1985) 0.5%

POPULATION IN URBAN AREAS.....(1970) 26% (1985) 34%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 20 (1985) 14

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1979) 78.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 24.9% (15-64YRS) 64.5% (65+ YRS) 10.6%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 18

PEOPLE PER PHYSICIAN..... (1983) 487

MAJOR CAUSES OF
DISEASE (1981) HEPATITIS ,GONORRHEA ,SYPHILIS
DEATH.. (1979) STROKE ,HEART DISEASE ,SENILITY

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 125%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 78%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1981)	TOTAL 120	MALE 119	FEMALE 120
SECONDARY..... (1977)	TOTAL 46.5	MALE 45.6	FEMALE 47.4
POST SECONDARY.. (1979)	TOTAL 9.0	MALE 9.4	FEMALE 8.6

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 8.8%

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

COUNTRY PORTUGAL

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	78.0	25.0	20.0	20.0	40.0	948.0	486.5	461.5
Loans	38.0	-	-	-	-	691.9	486.5	205.4
Grants	40.0	25.0	20.0	20.0	40.0	256.1	-	256.1
a. A.I.D. and Predecessor Agencies	40.0	25.0	20.0	20.0	40.0	628.5	323.3	305.2
Loans	-	-	-	-	-	426.7	323.3	103.4
Grants	40.0	25.0	20.0	20.0	40.0	201.8	-	201.8
(Economic Support Fund)	40.0	25.0	20.0	20.0	40.0	487.9		
b. Food for Peace (PL 480)	38.0	-	-	-	-	319.5	163.2	156.3
Loans	38.0	-	-	-	-	265.2	163.2	102.0
Grants	-	-	-	-	-	54.3	-	54.3
Title I - Total Sales Agreements	38.0	-	-	-	-	265.2	163.2	102.0
Repayable in U.S. Dollars - Loans	38.0	-	-	-	-	261.8	159.4	102.4
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.4	3.8	0.4-
Title II - Total Grants	-	-	-	-	-	54.3	-	54.3
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
Voluntary Relief Agencies	-	-	-	-	-	54.3	-	54.3
c. Other Economic Assistance	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	31.9	52.8	67.4	111.2	107.9	824.4	0.9	823.5
Credits or Loans	-	-	45.0	52.5	45.0	142.5	0.9	141.6
Grants	31.9	52.8	22.4	58.7	62.9	681.9	-	681.9
a. MAP Grants	30.0	51.0	20.0	56.6	60.0	613.9	-	613.9
b. Credit Financing - FMS	-	-	45.0	52.5	45.0	142.5	0.9	141.6
c. Military Assistance Service-Funded (MASF) Grants	1.9	1.8	2.4	2.1	2.9	29.6	-	29.6
d. Transfers from Excess Stocks	-	-	-	-	-	24.1	-	24.1
e. Other Grants	-	-	-	-	-	14.3	-	14.3
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	109.9	77.8	87.4	131.2	147.9	1772.4	487.4	1285.0
Loans	38.0	-	45.0	52.5	45.0	834.4	487.4	347.0
Grants	71.9	77.8	42.4	78.7	102.9	938.0	-	938.0
Other U.S. Government Loans and Grants	48.0	67.4	-	-	-	777.8	868.8	91.0-
a. Export-Import Bank Loans	1.7	67.4	-	-	-	242.7	233.8	8.9
b. All Other Loans	46.3	-	-	-	-	535.1	635.0	99.9-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	248.0	172.3	146.2	1736.4
IBRD	166.7	72.6	66.0	1081.8
IFC	0.3	14.5	0.2	26.2
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	1.0	0.2	0.0	3.2
OTHER-UN	0.0	0.0	0.0	0.2
EEC	80.0	85.0	80.0	625.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	33.0	26.0	321.0
Germany, Fed. Rep.	19.2	22.2	153.1
Norway	5.1	4.6	38.7
France	8.3	5.8	20.7
Sweden	0.9	0.2	19.7
Other	1.5	1.7	20.0
Total	68.0	60.5	573.2

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

PORTUGAL

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	80.0	76.6	80.0

Development Overview

Portugal, a founding member of the North Atlantic Treaty Organization (NATO) has important security, commercial and institutional linkages to the United States and remains a close and reliable ally. On the political front, Portugal has made significant progress since the 1974 revolution. The threat of a communist takeover was successfully resisted and parliamentary democracy has been firmly established. In December 1983, Portugal signed a new agreement with the United States which authorizes continued U.S. use of facilities in the Azores until 1991.

Despite some significant economic advances, Portugal remains the poorest country in Western Europe with an estimated per capita income in 1984 of about $1,900. Portugal's present difficult economic conditions are a legacy of its colonial-era economic policies and, in the aftermath of the 1974 revolution, the repatriation of some 700,000 refugees from former African colonies, the nationalization of key sectors of the economy, and the expansion of public sector employment and public social services.

The government dealt successfully with a balance of payments crisis in 1977 and 1978 through a stabilization program supported by the International Monetary Fund (IMF) and bilateral donors, including the United States. However, the economic situation began to deteriorate again in 1980. By 1982, the government budget deficit had reached 12 percent of the Gross Domestic Product (GDP) and inflation had accelerated to 22 percent. In response, an emergency economic stabilization program was introduced in June 1983. Negotiation of an IMF standby agreement followed. Interest rates were increased, tight credit ceilings imposed, credit subsidies reduced, public expenditures curtailed and the escudo devalued. These measures, while reducing the deficits to manageable levels (9 percent of GDP for the budget; 3 percent of GDP for the current account in 1984), threw the economy into a severe recession entailing a high social cost. Real wages declined by 10 percent in 1983, and 9 percent in 1984. Domestic inflation averaged 29.3 percent in 1984, but declined in late 1984 and 1985.

Recent Government policy has aimed at relaunching economic growth, reducing unemployment (currently 11 percent) and reducing inflation. However, major structural economic problems remain and will have to be addressed, especially in light of Portugal's anticipated entry into the European Economic Community (EEC) in 1986.

PORTUGAL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans			
Grants	80,975	82,305	82,189
Total AID	80,975	82,305	82,189
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	80,975	82,305	82,189

** 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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

PORTUGAL

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	1	1	1
PASA[b]	2	2	1
TOTAL	3	3	2

[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
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	15	53	68	21	55	76	21	40	61
Regional[e]	–	10	10	–	12	12	–	15	15
TOTAL	15	63	78	21	67	88	21	55	76

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]									
Regional[e]									
TOTAL									

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

PORTUGAL

U.S. Interests and Objectives

Major United States interests and objectives are:

- To strengthen bilateral security cooperation;
- To help Portugal assume increased NATO responsibilities;
- To support the continuing development of democratic institutions;
- To foster Portugal's economic recovery and development; and
- To collaborate in "trilateral" A.I.D. initiatives in selected former Portuguese African colonies.

A.I.D.'S Assistance Strategy

The A.I.D. assistance program inaugurated in 1975 included training, feasibility studies for project development and investment planning, and a housing investment guaranty. This initial program was overtaken by the massive influx of returnees from former Portuguese Africa which required emergency relief and resettlement grants. Following this crisis, A.I.D. undertook project loans for social infrastructure and grants for technical assistance and training. Seven loans and two housing guarantees were made for low income housing, school construction, basic sanitation, and rural health. When the economy faltered in 1977-78, the United States loaned Portugal $300 million as part of a highly successful multilateral economic stabilization program. Since then, most U.S. assistance has been related to mutual security arrangements. Much of the funding provided has been used by the Government of Portugal for economic development in the Azores. The United States also provided emergency relief and reconstruction support following the 1980 earthquake in the Azores.

A.I.D. completed and put in operation 45 primary and secondary schools, 14 rural health centers and a nursing school in the Azores. A total of 7,400 housing units and 69 water and sewage systems were also completed. Azores earthquake rehabilitation and reconstruction was completed in 1985.

From the inception of its program in Portugal, A.I.D. emphasized technical cooperation and the development of enduring linkages between U.S. and Portuguese institutions. Important areas of collaboration were, and continue to be, business management, investment promotion, science and technology transfer, agricultural development as well as other activities designed to increase the efficiency and effectiveness of key institutions.

The A.I.D.-financed technical cooperation program is being phased down. The Agricultural Production Program will continue through FY 1987 and the Technical Consultations and the Training (T.A.) grant has been extended to cover the completion of major technical cooperation activities and provide technical support for the new Housing Guaranty Program authorized in FY 1984.

PORTUGAL

In 1985 the Government of Portugal established the Luso-American Development Foundation, which will allow for the continuation of selected technical cooperation, principally in the private sector and in the area of science and technology. A.I.D. worked closely with the Government to ensure that the Foundation would be appropriately structured and have adequate financial flexibility, within the limits of Portuguese law, to achieve its broad purpose, which is to contribute to the economic and social development of Portugal through the promotion of scientific, technical, cultural, educational, commercial and business cooperation between Portugal and the United States. To this end, the Foundation has the authority to provide assistance to activities which are designed to modernize the Portuguese economy, increase levels of investment and exports, and promote joint business ventures by the private sectors of both countries.

A.I.D. Program (FYS 1985-1986)

With the exception of cash transfer payments related to security agreements, FY 1981 was the last year for new economic assistance to Portugal. As of the end of FY 1985, only about $6.2 million under two grant-financed projects remained in the pipeline.

Using a portion of the FY 1985 cash transfer, the Government of Portugal provided the Luso-American Development Foundation with an initial endowment of $38 million. As economic cooperation with the United States continues, the Government of Portugal has indicated that it plans to provide additional funding. The Minister of Finance also requested that $2 million of the cash tranfer be added to the T.A. Grant for continuing programs and is expected to request an additional allocation for this purpose in FY 1986.

The first $25 million tranche of the planned $75 million Housing Guarantee Program was authorized by A.I.D. late in FY 1984. The first borrowing ($10 million) was contracted for in U.S. capital markets in late 1985 and the balance of the first $25 million is expected to be contracted in 1986. In addition to providing the Government with hard currency and reducing the critical shortage of low cost and affordable housing in Portugal, the program also has significant policy objectives related to the reduction of subsidies and costly construction standards, and to encouraging private sector participation in housing.

Requested Year Program (FY 1987)

As in FY 1985, it is anticipated that half of the $80 million requested for FY 1987 will support the Azores development budget. The remainder will be used to capitalize the Luso-American Development Foundation and possibly to continue selected technical assistance in key areas not covered by the Foundation.

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

PROGRAM: PORTUGAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
ECONOMIC SUPPORT FUND												
CASH TRANSFER (LADF)	G	150-K608	85	85	38,000	38,000	38,000	38,000	---	---	---	---
CASH TRANSFER (AZORES)	G	150-K609	85	85	40,000	40,000	40,000	40,000	---	---	---	---
CASH TRANSFER (LADF)	G	150-K610	86	86	20,000	36,560	---	---	36,560	36,560	---	---
CASH TRANSFER (AZORES)	G	150-K611	86	86	20,000	40,000	---	---	40,000	40,000	---	---
TECHNICAL CONSULTANTS AND TRAINING	G	150-0001	75	85	12,750	12,750	12,750	10,048	---	1,000	---	1,000
AGRICULTURE PRODUCTION PROGRAM	G	150-0023	80	80	10,000	10,000	10,000	6,544	---	2,000	---	---
CASH TRANSFER	• G	150-8004	87	87	---	80,000	---	---	---	---	80,000	80,000
TOTAL FOR ACCOUNT					140,750	257,310	100,750	94,592	76,560	79,560	80,000	81,000
GRANTS					140,750	257,310	100,750	94,592	76,560	79,560	80,000	81,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					140,750	257,310	100,750	94,592	76,560	79,560	80,000	81,000
GRANTS					140,750	257,310	100,750	94,592	76,560	79,560	80,000	81,000
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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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South Pacific
Regional Program

SOUTH PACIFIC 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
1985								
Loans		-	-	-	-	-	-	-
Grants	6,023	2,800	-	300	2,123	800	-	-
Total	6,023	2,800		300	2,123	800		
1986								
Loans								
Grants	5,457	2,400	-	400	1,000	700	957	-
Total	5,457	2,400		400	1,000	700	957	
1987								
Loans								
Grants	6,000	2,300	-	400	1,100	700	1,500	-
Total	6,000	2,300		400	1,100	700	1,500	

FY 1987
PROGRAM HIGHLIGHTS

- Continue Development Support Training project to provide short - and long-term training for islanders from public/private sectors, $600,000.
- Assist University of the South Pacific (USP) satellite communications and agricultural research, education and extension programs, $1.5 million.
- Support private and voluntary organizations and Peace Corps self-help development projects which have basic human needs, rural employment and income-generation objectives, $2.4 million.
- Continue support to Regional Private Enterprise Development project, Regional Fisheries project and to the regional development assistance programs of the South Pacific Commission (SPC), $1.5 million.

SOUTH PACIFIC REGIONAL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	--	--	--
Grants	6,650	5,400	4,300
Total AID	6,650	5,400	4,300
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	6,650	5,400	4,300

**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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	4	4	4
PASA[b]	–	–	–
TOTAL	4	4	4

[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
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	7	50	57	14	60	74	16	70	86
Regional[e]	–	–		–	3	3	1	4	5
TOTAL	7	50	57	14	63	77	17	74	91

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	1	18	19	3	25	28	4	30	34
Regional[e]	–	–		–	3	3	–	3	3
TOTAL	1	18	19	3	28	31	4	33	37

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*

[b] *Academic: degree seeking.*

[c] *Technical: non-degree seeking.*

[d] *Participants funded under bilateral programs.*

[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

SOUTH PACIFIC REGIONAL

Development Overview

The South Pacific Regional program area, comprising ten island nations with diverse geographic, demographic and economic characteristics, falls into three major ethnic areas: Cook Islands, Niue, Tonga, Tuvalu and Western Samoa are Polynesian; Fiji, Papua New Guinea, Solomon Islands and Vanuatu are Melanesian; and Kiribati is part of Micronesia. The diverse makeup of historical, cultural, environmental and political systems in the region makes development difficult.

Collectively the nations comprise over 1,300 islands and atolls covering a total area of more than 5.6 million square miles, of which approximately 65% is ocean. Approximately 4.6 million people reside in the region, most of whom live in Papua New Guinea (70%) and Fiji (15%).

Population growth rates range from 1.1% in Western Samoa, to 2.7% in Papua New Guinea and 3.2% in Vanuatu and Solomon Islands. Life expectancy is generally between 50-60 years. Most Pacific Islanders are rural, with a high of 91% rural dwellers in the Solomon Islands and a low of 63% in Fiji. An estimated 2.9 million people, 89% of the population, reside in rural areas in Papua New Guinea.

Most of the workforce is engaged in agriculture and fisheries. While this proportion has been declining for some time in relation to the non-agricultural and services sectors, it remains the major part of the cash economy. The level of employment in subsistence agriculture is very high. Unfavorable balance of payments positions and low foreign exchange levels are common regional problems.

The general employment situation is similar to that in many developing countries, with widespread unemployment in urban centers, especially among youth. Government priorities in most nations are aimed at finding suitable employment opportunities. Significant industrial development is unlikely to generate alternative employment for traditional farmers and fishermen, resulting in continued emigration of the young to developed, industrialized countries.

Melanesia in particular suffers from a variety of serious health problems. Drug-resistant malaria is endemic to most of the region. Infant mortality rates range from 90 to 150 per thousand. Life expectancy of women in some rural areas is below thirty years and accommodates an abysmal quality of life, exacerbated by high fertility rates maintained to compensate equally high infant mortality. Response to these problems is inadequate and slow, compounded by both a lack of technical expertise and relatively low literacy (10-15% in some rural areas). Natural disasters are common

and climatic conditions can be extremely harsh. While rainfall is generally high, droughts have occasionally devastated cash crops in much of the area. Cyclones occur frequently in the southwest area.

United States Interests and Objectives

The cornerstone of U.S. policy in the South Pacific is strategic denial of the region to the Soviet Union and its surrogates, and maintenance of access to the region's ports. The Soviet Union has challenged this objective in recent years, with a coordinated and carefully focused effort to gain a permanent foothold in the region by offering the island states financially attractive fisheries offers. While only Kiribati has accepted an offer so far, other island states are watching the situation closely to see if the financial benefits of a relationship with the USSR outweigh the potential dangers. New Zealand's ban of U.S. warships has encouraged anti-nuclear activists in the South Pacific to pressure island governments to follow a similar policy.

Major U.S. interests in the region that derive from this policy objective are: (1) to counteract efforts by anti-nuclear forces to close the region to U.S. ships and aircraft; (2) to assist friendly governments that pursue policies supportive of U.S. interests both in the region and in international fora; (3) to preserve and restore regional goodwill toward the United States, which has suffered from a lack of any real U.S. presence in the region since the end of World War II; and (4) to preserve U.S. access to the fish seabed resources in the region's exclusive economic zones.

A.I.D. Development Strategy

Our objective is to maintain a useful and meaningful presence in the region, in concert with and supplemental to the major donors. A.I.D. provides assistance from its South Pacific Regional Development Office (SPRDO) located in Suva, the capital of the Fiji Islands. For the most part this assistance is provided through intermediaries to the ten independent island countries; namely U.S. and indigenous private and voluntary organizations (representing about 60% of the current program), South Pacific regional institutions and SPRDO regional programs for training and private enterprise development (about 30%), and the Peace Corps, which has primary responsibility for a small grants program throughout the region, emphasizing self-help employment and income-generation rural development projects. Also, for the first time in the region A.I.D. will enter into a bilateral assistance program, for Fiji, in FY 1986.

A.I.D. assistance consists of both "grass roots" community projects and regional programs, aimed at increasing developmental skills at lower levels of society and assisting island governments to better utilize bilateral and multilateral programs conducted by other countries. A 1984-85 review of its South Pacific program resulted in an increased focus in the agriculture and health sectors, supported by training activities.

SOUTH PACIFIC REGIONAL

A.I.D. Program: (FYs 1985-1986)

A. Regional Organizations and Programs

U.S. policy supports regional activities through the University of the South Pacific (USP) and the South Pacific Commission (SPC); from its offices in Fiji, A.I.D. also makes available and manages regional Development Support Training and Private Enterprise Development programs.

The largest A.I.D. grant in the South Pacific Regional program is a Title XII collaborative assistance grant with the USP and the Universities of Hawaii and Cornell for South Pacific Regional Agricultural Development (879-0267). The project, started in FY 1980, is upgrading the faculty and facilities of the USP School of Agriculture and supporting the School's research, education and extension services to countries served by USP. Hawaii and Cornell Universities provide technical assistance. Six lecturers from USP are receiving graduate training at U.S. institutions. Three Master's degree participants returned to the School of Agriculture from 1983-1985. A mid-term evaluation, completed during FY 1984, was used to design an interim extension of the project during FY 1985, which will lead to a planned Phase II of the project in FY 1986 and beyond.

A 1984 A.I.D. evaluation of the USP Satellite Communications project concluded that continuing use of satellite communications was essential for the USP to function effectively as a regional institution. Then, following an August 1985 A.I.D. "Study of Alternative Options for Restoration of USP Net Services", A.I.D. began working with USP to analyze its options, and will begin a new project of assistance to USP Extension Services which will link USP communications into existing and foreseen commercial satellite systems.

In FY 1985 four activities funded through the South Pacific Commission (SPC) were consolidated into a single SPC Multi-Project Support (SPC-MPS) project (879-0006) which will both increase A.I.D. support for the SPC and improve managerial efficiency in administering the assistance.

A.I.D. is continuing its private sector focus begun by a regional conference held in FY 1984, and in several FY 1985 private enterprise development workshops, which helped to identify regional opportunities for private enterprise and trade development. These activities have helped to determine the design of a new Regional Private Enterprise Development project (879-0003), beginning in FY 1986. Although past training has promoted institution building through the development of mid-level managers to replace expatriates, and training has always been emphasized in individual projects assisted by A.I.D., there has not been a more generalized way for A.I.D. to assist regional training. Consequently, a new Development Support Training project (879-0004) was launched during FY

1985 to provide short- and long-term training for islanders in both the public and private sectors. Sixty-five islanders received training in FY 1985.

In response to Soviet fishing initiatives and in support of the U.S.-South Pacific tuna negotiations, A.I.D. is beginning planning and design of a fisheries assistance project in FY 1986. Congress will be notified as A.I.D. is able to provide a project description.

B. Private and Voluntary Organizations (PVOs)

PVO assistance remains an important mode of the South Pacific regional program. A number of PVO activities involve technology transfer, such as development of ferro-cement water tanks and catchments; utilization of solar power in rural areas; developing technical skills that can be used to supplement farm income; building of epoxy and fiberglass boats and other products; and manufacture of simple refrigeration devices. PVOs also foster institution building through development of agricultural skills, maternal and child nutrition and primary health care, and women's organizations. There is also a private sector focus through assistance to small-scale employment and income-generating private enterprises.

C. Small Grants program

In FY 1979, A.I.D. started the Accelerated Impact Program (AIP) (879-0256), primarily in cooperation with the U.S. Peace Corps. By the end of FY 1985, the Peace Corps, communities and local governments had initiated 373 self-help activities at the village and community level under this program, 50 in FY 1985. One-third of the AIP projects have been for agriculture development, with others in fisheries, forestry, health, water systems, and village sanitation. A particularly successful activity with the Peace Corps in the Cook Islands helped establish a nationwide rural appropriate technology program, bringing capital saving improvements in energy and food production to remote islands.

An FY 1984 evaluation confirmed the basic appropriateness and effectiveness of Accelerated Impact Program procedures, and concluded that AIP was directly meeting the needs of village populations. The AIP has been slightly redirected to follow the evaluation's recommendations that more emphasis be placed on income-generating projects (to include small rural infrastructure), and that program activities be more equitably distributed among all countries.

D. Agriculture, Rural Development and Nutrition (ARDN)

For FY 1986, funds in the ARDN sector will continue assistance to the PVO Co-Financing project (879-0001), begin the Regional Private Enterprise Development project (879-0003), and begin a new phase of assistance to the on-going Title XII program with USP (879-0267); ARDN funding in the SPC Multi-Project Support (SPC-MPS) project (879-0006) will continue A.I.D. support for the Tuna and Billfish Assessment Program.

E. Health

Health funding will support PVO Co-Financing projects, primarily for the visually handicapped, and for primary health care in the Melanesian countries, as well as for the SPC Rural Water and Sanitation Program within the SPC-MPS.

F. Education and Human Resources

For FY 1986 funding will continue for training through the new Development Support Training project (879-0004), a new phase of A.I.D. assistance to USP Regional Satellite Communications (879-0007), the SPC's Community Education Training Center (as part of the SPC-MPS, project 879-0006), and on-going education activities under PVO Co-Financing.

G. Selected Development Activities

Funds will be used in a modestly increased Accelerated Impact Program (879-0256) to encourage and support self-help, Peace Corps-initiated projects at the village level, PVO activities in alternative and renewable energy, and for helping to begin the new Regional Private Enterprise Development project (879-0003).

Requested Year Program (FY 1987)

In FY 1987, the SPC Multi-Project Support project (879-0006) will have new component activities, most likely in health education, development administration, and rural development. The new USP Regional Satellite Communications project (879-0007) will be in operation for its first full fiscal year, as will the new Regional Private Enterprise Development project (879-0003).

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

PROGRAM: SO PACIFIC REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PVO CO-FINANCING	G	879-0001	84	89	7,500	6,573	3,673	1,624	800	800	400	800
REGIONAL PRIVATE ENTERPRISE DEVELOPMENT	G	879-0003	86	91	---	1,350	---	---	300	100	300	150
SPC MULTI-PROJECT SUPPORT	G	879-0006	85	89	1,100	1,100	300	---	200	200	200	100
SOUTH PACIFIC REGION AGRICULTURAL DEV	G	879-0267	80	90	5,640	8,140	4,640	2,908	1,100	1,200	1,400	1,800
TOTAL FOR ACCOUNT					14,240	17,163	8,613	4,532	2,400	2,300	2,300	2,850
GRANTS					14,240	17,163	8,613	4,532	2,400	2,300	2,300	2,850
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PVO CO-FINANCING	G	879-0001	84	89	1,255	955	355	169	200	100	200	175
SPC MULTI-PROJECT SUPPORT	G	879-0006	85	89	800	800	100	---	200	100	200	100
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	879-0251	78	83	803	803	803	745	---	---	---	---
TOTAL FOR ACCOUNT					2,858	2,558	1,258	914	400	200	400	275
GRANTS					2,858	2,558	1,258	914	400	200	400	275
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
PVO CO-FINANCING	G	879-0001	84	89	9,345	5,540	3,539	1,529	300	900	300	800
DEVELOPMENT SUPPORT TRAINING	G	879-0004	85	89	3,000	3,000	375	---	500	575	600	400
SPC/HEALTH EDUCATION	G	879-0005	84	84	67	67	67	8	---	---	---	---
SPC MULTI-PROJECT SUPPORT	G	879-0006	85	89	600	600	---	---	100	75	100	100
USP/SATELLITE REGIONAL COMMUNICATIONS	G	879-0007	86	87	---	400	---	---	100	75	100	75
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	879-0251	77	83	7,611	5,399	5,399	5,224	---	---	---	---
SPC/WOMEN IN DEVELOPMENT	G	879-0274	82	84	287	287	287	175	---	112	---	---

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: SO PACIFIC REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT					20,910	15,293	9,667	6,936	1,000	1,737	1,100	1,375
GRANTS					20,910	15,293	9,667	6,936	1,000	1,737	1,100	1,375
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PVO CO-FINANCING	G	879-0001	84	89	1,900	832	532	32	100	250	100	150
REGIONAL PRIVATE ENTERPRISE DEVELOPMENT	G	879-0003	86	91	---	1,350	---	---	200	150	200	175
ACCELERATED IMPACT PROGRAM	G	879-0256	78	89	3,000	3,000	1,618	1,503	400	350	400	350
TOTAL FOR ACCOUNT					4,900	5,182	2,150	1,535	700	750	700	675
GRANTS					4,900	5,182	2,150	1,535	700	750	700	675
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
FISHERIES DEVELOPMENT	G	879-0009	86	90	---	5,000	---	---	957	200	1,500	600
TOTAL FOR ACCOUNT					---	5,000	---	---	957	200	1,500	600
GRANTS					---	5,000	---	---	957	200	1,500	600
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					42,908	45,196	21,688	13,917	5,457	5,187	6,000	5,775
GRANTS					42,908	45,196	21,688	13,917	5,457	5,187	6,000	5,775
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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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COUNTRY: (152) SPAIN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 38,829

PER CAPITA GNP..... (DOLLARS,1983) 4,780

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 3.0%

ANNUAL RATE OF INFLATION (1973-83) 16.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1974) 5.7%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 74.6	MALE 71.6	FEMALE 77.7
(1970)	TOTAL 72.2	MALE 69.6	FEMALE 74.9

ADULT LITERACY RATE (1981) TOTAL 93% MALE 96% FEMALE 90%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 1.1%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 6%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 122

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT ,BARLEY ,PULSES	32%	(1984)
CASH: OLIVES ,GRAPES ,CITRUS FRUIT	20%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) CITRUS FRUIT ,WINE TOMATOES

MAJOR AGRICULTURAL IMPORTS:(1984) SOYBEANS ,CORN ,COFFEE

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1979) 17%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1978)	34,809 (79)	47,471 (80)	52,448
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1978)	38,267 (79)	54,407 (80)	61,536
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1978)	-3,458 (79)	-6,936 (80)	-9,088
DEFENSE EXPENDITURES,			
AS % OF TOTAL EXPENDITURES.. (1978)	4.0% (79)	4.8% (80)	4.1%
AS % OF GNP..... (1978)	1.0% (79)	1.4% (80)	1.2%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982)11,321 (83)11,229 (84)15,787
EQUIVALENT TO 4.9 MONTHS OF IMPORTS (1984)

FOREIGN TRADE

MAJOR EXPORTS(1983)IRON AND STEEL ,MACHINERY ,AUTOMOBILES

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982)1,324 (1983)1,420 (1984)2,252
AS % OF TOTAL EXPORTS (1982) 7% (1983) 7% (1984) 10%

MAJOR IMPORTS(1983)FUELS ,MACHINERY ,CHEMICALS

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982)4,360 (1983)3,455 (1984)3,250
AS % OF TOTAL IMPORTS (1982) 16% (1983) 13% (1984) 12%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -9,250(83) -7,362(84)-4,059

TRADING PARTNERS: FRANCE ,UNITED STATES ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (.) %

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

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.9% (1978) 0.9% (1985) 0.6%

POPULATION IN URBAN AREAS.....(1970) 66% (1985) 77%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 20 (1985) 11

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 50.7%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 24.0% (15-64YRS) 64.9% (65+ YRS) 11.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 9

PEOPLE PER PHYSICIAN..... (1979) 454

MAJOR CAUSES OF
DISEASE (1981) INFLUENZA ,CHICKEN POX ,MEASLES
DEATH.. (1979) STROKE ,HEART DISEASE ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 131%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(.) .%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1981)	TOTAL 92.2	MALE 93.0	FEMALE 91.4
SECONDARY..... (1981)	TOTAL 103	MALE 99.0	FEMALE 102
POST SECONDARY.. (1980)	TOTAL 18.7	MALE 20.6	FEMALE 16.7

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 33.9%

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

COUNTRY SPAIN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	7.0	7.3	22.0	12.0	12.0	1108.0	353.4	754.6
Loans	-	0.3	-	-	-	336.8	353.4	16.6-
Grants	7.0	7.0	22.0	12.0	12.0	771.2	-	771.2
a. A.I.D. and Predecessor Agencies	7.0	7.0	22.0	12.0	12.0	669.6	132.3	537.3
Loans	-	-	-	-	-	99.0	132.3	33.3-
Grants	7.0	7.0	22.0	12.0	12.0	570.6	-	570.6
(Economic Support Fund)	7.0	7.0	22.0	12.0	12.0	576.5		
b. Food for Peace (PL 480)	-	-	-	-	-	438.1	221.0	217.1
Loans	-	-	-	-	-	237.5	221.0	16.5
Grants	-	-	-	-	-	200.6	-	200.6
Title I - Total Sales Agreements	-	-	-	-	-	247.4	221.0	26.4
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	247.4	221.0	26.4
Title II - Total Grants	-	-	-	-	-	190.7	-	190.7
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	3.8	-	3.8
Voluntary Relief Agencies	-	-	-	-	-	186.9	-	186.9
c. Other Economic Assistance	-	0.3	-	-	-	0.3	0.1	0.2
Loans	-	0.3	-	-	-	0.3	0.1	0.2
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	125.9	126.2	127.0	402.5	403.0	2541.3	495.4	2045.9
Credits or Loans	120.0	120.0	125.0	400.0	400.0	1527.3	495.4	1031.9
Grants	5.9	6.2	2.0	2.5	3.0	1014.0	-	1014.0
a. MAP Grants	3.8	3.6	-	-	-	694.2	-	694.2
b. Credit Financing - FMS	120.0	120.0	125.0	400.0	400.0	1527.3	495.4	1031.9
c. Military Assistance Service-Funded (MASF) Grants	2.1	2.6	2.0	2.5	3.0	51.2	-	51.2
d. Transfers from Excess Stocks	-	-	-	-	-	82.7	-	82.7
e. Other Grants	-	-	-	-	-	185.9	-	185.9
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	132.9	133.5	149.0	414.5	415.0	3649.3	848.8	2800.5
Loans	120.0	120.3	125.0	400.0	400.0	1864.1	848.8	1015.3
Grants	12.9	13.2	24.0	14.5	15.0	1785.2	-	1785.2
Other U.S. Government Loans and Grants	67.5	91.9	38.8	-	-	2059.2	1943.1	116.1
a. Export-Import Bank Loans	66.5	91.9	37.8	-	-	2048.4	1929.9	118.5
b. All Other Loans	1.0	-	1.0	-	-	10.8	13.2	2.4-

*LESS THAN $60,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	105.4	105.0	140.0	828.1
IBRD	0.0	0.0	0.0	416.3
IFC	0.4	0.0	0.0	11.6
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	8.6
OTHER-UN	0.0	0.0	0.0	1.6
EEC	105.0	105.0	140.0	390.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	-	-	-7.0
Germany, Fed. Rep.	-	-	39.3
Italy	-	-	2.0
Japan	-	-	0.5
Austria	-	-	0.4
Other			0.1
Total			35.3

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

SPAIN

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	12.0	11.5	12.0

No country narrative is provided for Spain. For a program description see the Department of State Congressional Presentation Document.

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

PROGRAM: SPAIN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND												
USIA TRANSFER	G	152-AAAA	85	85	5,000	5,000	5,000	---	---	3,000	---	2,000
OES TRANSFER	G	152-BBBB	85	85	7,000	7,000	7,000	---	---	4,000	---	3,000
ECONOMIC SUPPORT FUND	G	152-XXXX	80	84	60,000	60,000	60,000	44,375	---	4,000	---	---
ECONOMIC SUPPORT FUND	G	152-XX86	86	86	---	11,484	---	---	11,484	1,000	---	5,000
ECONOMIC SUPPORT FUND	* G	152-XX87	87	87	---	12,000	---	---	---	---	12,000	---
TOTAL FOR ACCOUNT					72,000	95,484	72,000	44,375	11,484	12,000	12,000	10,000
GRANTS					72,000	95,484	72,000	44,375	11,484	12,000	12,000	10,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					72,000	95,484	72,000	44,375	11,484	12,000	12,000	10,000
GRANTS					72,000	95,484	72,000	44,375	11,484	12,000	12,000	10,000
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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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COUNTRY: (383) SRI LANKA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 15,599

PER CAPITA GNP..... (DOLLARS,1983) 330

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 2.9%

ANNUAL RATE OF INFLATION (1973-83) 14.5%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1982) 3.7%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 69.9	MALE 67.9	FEMALE 71.9
(1970)	TOTAL 63.6	MALE 62.5	FEMALE 64.8

ADULT LITERACY RATE (1981) TOTAL 86% MALE 91% FEMALE 81%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 0.7%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 27%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1979) 763

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE ,. ,.	48%	(1984)
CASH: TEA ,RUBBER ,COCONUTS	35%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) TEA ,RUBBER ,COCONUTS

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,SUGAR ,RICE

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

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1980) 972 (81) 933 (82) 972

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1980) 1,707 (81) 1,486 (82) 1,650

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1980) -735 (81) -553 (82) -678

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1980) 1.7% (81) 1.7% (82) 1.5%
AS % OF GNP..... (1980) 0.7% (81) 0.6% (82) 0.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 364 (83) 308 (84) 510
EQUIVALENT TO 1.5 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1984)TEA ,TEXTILES&GARMEN,RUBBER

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 143 (1983) 184 (1984) 280
AS % OF TOTAL EXPORTS (1982) 14% (1983) 17% (1984) 19%

MAJOR IMPORTS(1984)PETROLEUM ,MACH & EQUIP ,TEXTILES& MATL

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982) 112 (1983) 115 (1984) 164
AS % OF TOTAL IMPORTS (1982) 6% (1983) 6% (1984) 9%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -629(82) -783(83) -665

TRADING PARTNERS: JAPAN ,SAUDI ARABIA ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 72.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 167
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 15.7%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.9% (1978) 1.9% (1984) 1.3%

POPULATION IN URBAN AREAS.....(1970) 22% (1981) 22%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 30 (1985) 27

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1982) 54.9%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 34.2% (15-64YRS) 61.4% (65+ YRS) 4.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 28

PEOPLE PER PHYSICIAN..... (1980) 7,172

MAJOR CAUSES OF
DISEASE (1979) PREGNANCY-RELATE,ACUTE RESP. INFE,PARASITIC DISEAS
DEATH.. (1981) CIRCULATORY ,INJURY ,INFECTIOUS DIS.

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 98%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1981) 70%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.....	(1983)	TOTAL	102	MALE	105	FEMALE 99.1
SECONDARY.....	(1976)	TOTAL	54.7	MALE	52.9	FEMALE 63.6
POST SECONDARY..	(1980)	TOTAL	2.3	MALE	2.5	FEMALE 2.0

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 7.1%

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

COUNTRY SRI LANKA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	60.3	70.8	70.8	80.4	75.5	825.5	119.2	706.3
Loans	49.6	61.1	58.7	66.9	59.7	636.1	119.2	516.9
Grants	10.7	9.7	12.1	13.5	15.8	189.4	-	189.4
a. A.I.D. and Predecessor Agencies	31.4	46.1	48.5	50.7	44.7	345.8	30.5	315.3
Loans	25.8	43.8	42.0	45.5	34.7	289.4	30.5	258.9
Grants	5.6	2.3	6.5	5.2	10.0	56.4	-	56.4
(Economic Support Fund)	-	-	-	-	-	7.2		
b. Food for Peace (PL 480)	28.9	24.7	22.3	29.7	30.4	477.7	88.7	389.0
Loans	23.8	17.3	16.7	21.4	25.0	346.7	88.7	258.0
Grants	5.1	7.4	5.6	8.3	5.4	131.0	-	131.0
Title I - Total Sales Agreements	23.8	17.3	16.7	21.4	25.0	351.6	88.7	262.9
Repayable in U.S. Dollars - Loans	23.8	17.3	16.7	21.4	25.0	332.8	74.7	258.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	18.8	14.0	4.8
Title II - Total Grants	5.1	7.4	5.6	8.3	5.4	126.1	-	126.1
Emerg. Relief, Econ. Develop. & World Food Program	-	-	*	3.7	0.4	25.9	-	25.9
Voluntary Relief Agencies	5.1	7.4	5.6	4.6	5.0	100.2	-	100.2
c. Other Economic Assistance	-	-	-	*	0.4	2.0	-	2.0
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	*	0.4	2.0	-	2.0
Peace Corps	-	-	-	*	0.4	2.0	-	2.0
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	*	0.1	2.1	0.1	0.1	6.2	0.4	5.8
Credits or Loans	-	-	2.0	-	-	2.3	0.4	1.9
Grants	*	0.1	0.1	0.1	0.1	3.9	-	3.9
a. MAP Grants	-	-	-	-	-	3.2	-	3.2
b. Credit Financing - FMS	-	-	2.0	-	-	2.3	0.4	1.9
c. Military Assistance Service-Funded (MASF) Grants	*	0.1	0.1	0.1	0.1	0.7	-	0.7
d. Transfers from Excess Stocks	-	-	-	-	-	*	-	*
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	60.3	70.9	72.9	80.5	75.6	831.7	119.6	712.1
Loans	49.6	61.1	60.7	66.9	59.7	638.4	119.6	518.8
Grants	10.7	9.8	12.2	13.6	15.9	193.3	-	193.3
Other U.S. Government Loans and Grants	-	0.3	11.3	-	-	29.8	21.9	7.9
a. Export-Import Bank Loans	-	-	11.3	-	-	14.6	5.0	9.6
b. All Other Loans	-	0.3	-	-	-	15.2	16.9	1.7-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	86.2	93.0	206.4	1524.3
IBRD	0.0	12.1	62.0	190.2
IFC	7.4	0.1	4.0	43.5
IDA	32.0	55.0	72.0	785.3
IDB	0.0	0.0	0.0	0.0
ADB	39.8	20.7	68.4	405.3
AFDB	0.0	0.0	0.0	0.0
UNDP	3.7	5.1	0.0	75.9
OTHER-UN	3.3	0.0	0.0	21.1
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	53.0	62.0	296.0
Japan	66.4	79.1	331.7
United Kingdom	58.3	44.7	278.7
Germany, Fed. Rep.	27.1	45.9	179.4
Canada	33.7	36.5	175.6
Other	82.8	91.6	506.7
Total	321.3	359.8	1,768.1

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

CY 1982	CY 1983	CY 1978-83
1.5	N.A.	23.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	100
Eastern Europe	-	-	93
Total	-	-	193

SRI LANKA

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
1985								
Loans	18,846	13,246	-	5,600	-	-	-	-
Grants	15,816	10,710	-	4,600	200	306	-	-
Total	34,662	23,956		10,200	200	306		
1986								
Loans	8,000	8,000	-	-	-	-	--	-
Grants	12,000	8,350	-	2,000	100	1,550	-	-
Total	20,000	16,350		2,000	100	1,550		
1987								
Loans	13,000	13,000	-	-	-	-	-	
Grants	7,000	6,000	-	-	-	1,000	-	-
Total	20,000	19,000				1,000		

FY 1987 PROGRAM HIGHLIGHTS

- AID's FY 1987 Program will emphasize:

- increasing agricultural production, rural incomes and employment by supporting the development and rehabilitation of irrigation systems, improved water management, agricultural research on diversified crops and the strengthening of Sri Lankan development institutions. $9.0 million.
- stimulating rural enterprise development to provide off-farm employment opportunities in areas served by major irrigation systems. Emphasis will be on private sector development and the removal of contraints faced by the private sector. $10.0 million.
- supporting the government's agriculture, food and nutrition strategy and related policies, and providing food supplements for malnourished infants, young children and mothers. $21.0 million in PL 480.

SRI LANKA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	63,374	22,818	10,490
Grants	4,665	10,973	12,467
Total AID	68,039	33,791	22,957
P.L. 480 **			
Title I	26,000	26,000	19,000
(of which Title III is)	(-)	(-)	(-)
Title II	3,855	2,746	2,029
Total P.L. 480	29,855	28,746	21,029
Total AID and P.L. 480	97,894	62,537	43,986

**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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	175,000	26,000	193,000	26,000	147,000	19,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	-	-	-	-
Non-food	-	-	-	-	-	-
Title I Total	175,000	26,000	193,000	26,000	147,000	19,000
(of which Title III is)	-	-	-	-	-	-
Title II 1/						
Voluntary Agencies	14,011	3,855	11,470	2,746	8,442	2,029
Government - to - Government	-	-	-	-	-	-
Title II Total	14,011	3,855	11,470	2,746	8,442	2,029
Total P.L. 480	189,011	29,855	204,470	28,746	155,442	21,029

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

Development Overview

For 30 years following independence in 1948, the Government of Sri Lanka (GSL) emphasized expenditures on health, education and social programs, but provided little investment in economic productivity. The policies resulted in an impressive performance in social development, with food consumption by the mid-1970s increasing to 2,200 calories per capita, and life expectancy to 68 years, while infant mortality was reduced to 42 per 1,000 and the net population growth rate to 1.9 percent. The adult literacy rate grew to 85 percent, the highest in the developing countries of Asia.

Unfortunately, these impressive gains were being undermined by a stagnant economy and deteriorating public services. Welfare-oriented policies and increased reliance upon the public sector of the economy, combined with droughts and unfavorable prices for basic exports, resulted in low gross national product (GNP) growth (2.9 percent) and even lower growth in agricultural production (2 percent). The most serious consequences were widespread unemployment (about 25 percent) and massive food deficits. Since 1977 a far-reaching program has been launched to accelerate economic growth and employment. This program is based upon the liberalization and opening of the economy. Particular attention has been given to: (1) self-sufficiency in rice production; (2) accelerating the growth of exports; (3) stabilizing the price level and growth of imports through budgetary discipline, subsidy reduction, and the encouragement of private savings and investment. From 1977 to 1982, GNP growth averaged 6.2 percent and unemployment fell to about 14 percent. Concurrently, rice production increased at an average of over 7 percent per annum, even in the face of serious droughts and floods. In spite of communal disturbances in 1983, economic growth for the year recorded a strong 4.9 percent. Due to lower tea prices, growth in 1985 is expected to remain near 5%.

For the 1985-89 planning period, the GSL remains committed to the objectives of an open economy, accelerating economic growth, and employment generation, while safeguarding the living standards of the poor. The highest priority remains the Accelerated Mahaweli Development Program to provide employment, increase food production, and expand power capacity. The plan stresses the need for operations and maintenance, and takes the position that the government will not undertake activities which could be more easily and efficiently handled by the private sector. Public investment over the next five years will concentrate on quick-yielding, production-oriented projects, essential infrastructure, and urgent needs in social services. Mahaweli expenditures are followed in importance by power, transport, plantations and field crops.

Adequate donor support is critical if Sri Lanka is to overcome its economic problems and maintain its sound economic policies. Substantial aid is required to help strengthen institutions, expand the country's productive capacity further and improve social services.

SRI LANKA

U.S. Interests and Objectives

U.S. interests are to support a viable, independent, and democratic Sri Lanka. The country has a strong record of free elections and social equity. It plays a moderating role in the nonaligned movement, keeps its ports open to the navies of all nations, and is active in international fora in a responsible way. U.S. interest in Sri Lanka also is reflected in the increasing trade between the two countries. The United States is now Sri Lanka's largest export market (about $280 million in 1984) and third largest source of imports (approximately $164 million in 1984). In 1983 the U.S. ranked sixth as a source of imports. As a result of the GSL economic reforms and private sector incentives, U.S. investment in Sri Lanka has risen from $500,000 in 1978 to an estimated $30 million in 1984.

In addition, the GSL's development program, which now encourages private enterprise, offers an opportunity to the United States to demonstrate that development can best be achieved by taking a free market approach. Sri Lanka thus serves as a model of the type of economic development that the United States promotes and supports throughout the world.

Sri Lanka's record is threatened by its festering communal crisis and insurgency. The U.S. supports a political settlement fair to Sri Lanka's constituencies which preserves its tradition of freedom, growth and equity.

A.I.D. Development Strategy

The A.I.D. development strategy centers on the constraints of low agricultural productivity and low, slowly-growing income levels. In order to overcome these development constraints, the GSL will need to make better use of available resources, and that will require some hard decisions. Opportunities for assistance will be based on the GSL's awareness of the need for such decisions and its willingness to make and support them. The insurgency also may affect the project portfolio.

Over 80% of Sri Lanka's population lives in rural areas. Most of the rural work force is engaged in agriculture although few are fully employed at it. Small farms predominate. Poverty is most extensive in the rural areas. The strategy, therefore, has as an objective improving agricultural productivity and farm incomes. Priority attention will be given to development of the private and public sector institutions which service the new settlement areas of the Accelerated Mahaweli Development Program where the GSL, A.I.D. and other donors have already made substantial investment. However, this attention will not be exclusive of other parts of the country where successful interventions can contribute to an equitable pattern of growth.

Creating jobs continues as a top priority of the GSL. The need for employment in the rural areas is evident in the fact that over 40% of the

work force there works less than 100 days a year. More than increased farm labor is required, as the number of landless within the agriculturally dependent population is increasing (7% in 1973 to 20% in 1981). In addition, nutritional standards for low income groups, particularly the rural poor, have been deteriorating. Income generating opportunities must be created both on and off the farm.

A.I.D. views the creation of jobs off the farm to be a role of the private sector. Thus, the strategy will focus on providing the environmental setting and support services necessary to stimulate off-farm employment and rural enterprise growth in the private sector. Policy dialogue with the GSL to this end will be as critical as the projects discussed below. Again, the Mahaweli region will receive priority but not exclusive attention. Agribusiness is expected to be a primary investment target.

A.I.D. Program (FYs 1985-1986)

A.I.D.'s current program includes Development Assistance, PL 480 Titles I and II and a Housing Guaranty.

A. Agriculture, Rural Development and Nutrition

Four ongoing projects in the rural development sector -- Mahaweli Basin Development I and II (383-0056 and 383-0073), Mahaweli Environment (383-0075), Reforestation and Watershed Management (383-0055) and a project which was completed in FY 1985, Mahaweli Sector Support (383-0078) -- contribute to the GSL's large, multi-year, multi-donor Mahaweli River Basin development schemes. They help finance the design and construction of an irrigation system encompassing about 68,000 hectres of rice land and homesites for some 68,000 settler families. On-farm support systems will be developed to assure productive use of the agricultural base established through irrigation and settlement. Also included is the reforestation of over 24,000 acres of degraded land in the upper catchment of the Mahaweli River and the planting of 35,000 acres of fuelwood forests in the Mahaweli dry zone. Additionally, special attention is being given to developing the institutional capacity to plan and manage natural resources, conserve the environment, increase farmer participation and improve water management and maintenance

Six additional projects seek to improve the productivity of Sri Lanka's agricultural sector. The Agricultural Education Development project (383-0049) is helping to establish a highly trained Faculty of Agriculture at the Postgraduate Institute of Agriculture of the University of Peradeniya, together with necessary facilities and equipment, to double the number of indigenously trained college graduates and triple the indigenously trained post graduates in the field of agriculture. The FY 86 Development Management and Training project (383-0085) is increasing the productivity of available resources and improving the GSL and A.I.D.

program effectiveness by improving the management of public sector development activities primarily in the agriculture/rural development sector. The project will provide assistance through introduction of modern management practices, selected institutional support and in-country and external training in management and technical fields. These priorities were selected following an evaluation of a predecessor project which was not as focused. The Water Management project (383-0057) has focused on the "software" aspects of irrigation, including the greater efficiency of water use, farmer participation, and systems operation and maintenance, while also funding the rehabilitation of older irrigation systems. The FY 86 Irrigation Systems Management project (383-0080), building on experience with the Water Management project, and evaluations of it and other Asia irrigation projects, will develop the GSL's institutional capacity to better manage and maintain major irrigation systems. It will also emphasize the participation of farmers in the decision making process for irrigation systems. Under the Diversified Agricultural Research project (383-0058), A.I.D. assistance will help improve the GSL's institutional capability to plan and carry out research, seed development and extension on subsidiary field crops which offer significant agricultural potential. Rice, as the most important food grain, will continue to receive some support. Based on experience with the A.I.D.-assisted National Agriculture, Food and Nutrition Strategy of Sri Lanka, A.I.D. is providing assistance through the FY 86 Agricultural Planning and Analysis project (383-0083) to improve resource allocation and management for agriculture and rural development programs. Efforts are being directed at strengthening the analysis and planning capacities at both the national and local levels.

The PL 480 Title I food assistance program contributes to: (1) supporting the government's National Agriculture, Food and Nutrition Strategy and related policies, (2) supporting agriculture and rural development, and (3) reducing Sri Lanka's balance-of-payments gap. Wheat flour milled from Title I wheat is distributed to cooperatives, bakeries and registered retail outlets. Low-income families purchase wheat flour and bread from outlets under the GSL's food stamp program, which replaced a non-targeted ration that had been provided to everyone. Local currency sales proceeds are used by the government for agriculture and rural development, with emphasis on irrigation and water management activities.

B. Health

A.I.D. currently has four projects in this sector. The Malaria Control project (383-0043) has been successful in helping to reduce the incidence of malaria since 1977. A.I.D. efforts are now focussed on effective institutionalization of the malaria control program. Assistance also includes the introduction of new technologies for alternative vector control measures and decreasing levels of financing for insecticides as the GSL phases these costs into its budget. The National Institute of Health Sciences project (383-0062) supports the construction of additional training facilities for primary health care

workers. The Water Supply and Sanitation Sector project (383-0088) is improving the institutional capacity of the GSL to plan and implement potable water and sanitation programs as they finance the design and installation of such systems. This project will also help to educate the public in basic health and sanitation measures.

PL 480 Title II voluntary agency programs are administered through CARE, which manages a school-feeding program in collaboration with the Ministry of Education Services, and a Maternal/Child Health (MCH) program and other smaller programs in collaboration with the Ministry of Health. The MCH program addresses three nutritional problems in Sri Lanka: protein-calorie malnutrition, nutrition anemia and vitamin A deficiency. The program reaches approximately 550,000 medically-selected, pregnant and lactating mothers and pre-schoolers through the monthly issuance of a pre-cooked food supplement, Thriposha. A.I.D. is phasing out its support for the school-feeding program over the FY 1985-1987 period. An evaluation of Title II assistance in FY 1982 found the Thriposha program to be one of the better MCH activities sponsored under Title II worldwide, but could not document the nutritional impact of the school-feeding program. A subsequent GSL nutrition study, which indicates that the level of malnutrition in Sri Lanka has increased over the last 10 years, appears to support the view that the school-feeding program is not an effective means of combating this malnutrition problem. As a result, in policy discussions with the GSL, A.I.D. will be encouraging the GSL to focus its resources on combating malnutrition at an earlier stage in the growth cycle through mutually supportive national programs. At the same time, we will be working with the GSL to strengthen the MCH program.

C. Selected Development Activities

The GSL has taken encouraging steps since 1977 to liberalize the economy and stimulate private sector development. Rigid controls over foreign exchange and imports have been relaxed, and several tax and other incentives have been introduced to encourage private investment. Promotion of such private investment, both domestic and foreign, which is essential for achieving sustained economic growth, expanded employment, and profitable utilization of Sri Lanka's rich natural resource base is the purpose of the Private Enterprise project (383-0082). This project's principal components are: pre-feasibility studies, investment promotion, management training, entrepreneurial development, selected private sector support, and the establishment of a Sri Lankan Business Development Center.

The Low-Income Housing Guaranty program has been assisting the GSL to finance its primarily rural, low cost housing program. In FY 1985 the program's Phase III was authorized to assist those settler households who move to new lands in the Mahaweli area as well as assist the ongoing "Million Houses Program." In addition, assistance will be provided to Sri Lanka's first, newly created savings and loan association, the

Housing Development Finance Corporation, and the re-organized State Mortgage and Investment Bank. The capital cost of these programs is supported by A.I.D.'s Housing Guaranty Loan Program. Technical assistance and training are also provided to assist the GSL in the areas of cost recovery, development of appropriate automated management information systems, support for the development of a national housing finance system and national housing policy, and the strengthening of the private sector's role in private housing construction and finance.

The Private Voluntary Organization (PVO) Co-financing project (383-0060) will continue to provide opportunity for local communities to participate in their own development by assisting indigenous and U.S. PVOs to undertake collaborative activities which improve the lives of the poor. Six activities were completed during FY 1985 bringing the total number completed under the project to 15. Eight of the nine activities now in various stages of implementation will be completed in FY 1986, while work will commence on seven new PVO activities during the year. Some of the planned achievements for the period are: reforestation of an additional 1,090 acres of land in the Mahaweli Project area; establishment of 40 pre-schools and improvement of children's services in 40 fishing villages; small enterprise development for rural women in six districts; and community-based development of 20 villages, and the establishment of 1,800 home gardens.

Requested Year Program (FY 1987)

One new and three continuing projects are included in the FY 1987 requested program level. The proposed Development Assistance program is designed to assist the GSL in making more productive use of its available resources.

A. Agriculture, Rural Development and Nutrition

In FY 1987 the A.I.D. program in Sri Lanka will shift to an almost exclusive focus on rural development in seeking to increase agricultural productivity and farm incomes and to provide opportunities for off-farm employment and rural enterprises. Irrigation Systems Management (383-0080) will continue work on improving the operations and maintenance capabilities for major irrigation systems while simultaneously helping to rehabilitate selected systems. Planning, evaluation and management improvement are highlighted in the Agricultural Planning and Analysis(383-0083) and Development Management and Training (383-0085) projects which will receive incremental funding. A new Rural Enterprise Development project (383-0090) will stimulate rural enterprise development linked to major irrigation systems and settlement schemes in Sri Lanka. The project will include a wide range of enterprise development activities addressing the needs of micro-level, small to medium and large scale commercial and industrial businesses. Emphasis will be on private sector development and the removal of constraints faced by the private sector.

B. Other Programs

PL 480 Title I - Food assistance will contribute to reducing Sri Lanka's food gap; support the GSL's national agriculture, food and nutrition strategy and related policies; and generate local currency to support rural development activities with a priority on irrigation, water management and diversified agricultural production.

PL 480 Title II - Voluntary agency Maternal/Child Health programs will continue; however, school-feeding programs will be phased out during the year.

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

PROGRAM: SRI LANKA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
DEVELOPMENT SERVICES AND TRAINING	G	383-0044	78	84	5,750	5,750	5,750	5,423	---	---	---	---
AGRICULTURAL EDUCATION DEVELOPMENT	G	383-0049	78	82	7,500	7,500	7,500	6,670	---	830	---	176
REFORESTATION AND WATERSHED MANAGEMENT	G	383-0055	80	85	1,450	1,450	1,450	984	---	290	---	---
REFORESTATION AND WATERSHED MANAGEMENT	L	383-0055	80	85	9,000	6,843	6,843	1,461	---	210	---	147
MAHAWELI BASIN DEVELOPMENT I	L	383-0056	80	80	10,000	10,000	10,000	5,396	---	669	---	500
WATER MANAGEMENT I	G	383-0057	79	84	5,100	4,800	4,800	4,235	---	150	---	---
WATER MANAGEMENT I	L	383-0057	79	84	10,800	8,800	8,800	7,064	---	800	---	---
DIVERSIFIED AGRICULTURAL RESEARCH	G	383-0058	84	85	7,900	7,900	7,900	69	---	950	---	1,200
DIVERSIFIED AGRICULTURAL RESEARCH	L	383-0058	84	85	3,500	3,500	3,500	13	---	1,030	---	1,900
PVO CO-FINANCING	G	383-0060	79	87	2,500	2,500	2,500	517	---	500	---	700
MAHAWELI BASIN DEVELOPMENT II	G	383-0073	81	86	3,000	6,000	3,000	302	2,000	1,718	---	980
MAHAWELI BASIN DEVELOPMENT II	L	383-0073	81	86	107,000	107,000	107,000	82,252	---	13,042	---	---
MAHAWELI ENVIRONMENT	G	383-0075	82	84	5,000	5,000	5,000	318	---	1,400	---	2,000
IRRIGATION SYSTEMS MANAGEMENT	G	383-0080	86	89	---	4,700	---	---	3,525	100	1,175	1,300
IRRIGATION SYSTEMS MANAGEMENT	L	383-0080	86	89	---	11,000	---	---	5,000	500	6,000	2,000
PRIVATE ENTERPRISE PROMOTION	G	383-0082	83	83	1,500	1,500	1,500	348	---	300	---	400
AG PLANNING AND ANALYSIS	G	383-0083	86	87	---	4,525	---	---	1,625	230	275	320
AG PLANNING AND ANALYSIS	L	383-0083	86	87	---	3,300	---	---	1,500	430	1,000	570

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: SRI LANKA

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
DEVELOPMENT MANAGEMENT AND TRAINING	G	383-0085	86	89	---	3,200	---	---	1,200	400	550	800
DEVELOPMENT MANAGEMENT AND TRAINING	L	383-0085	86	89	---	1,500	---	---	1,500	150	---	250
RURAL ENTERPRISE DEVELOPMENT *	G	383-0090	87	90	---	10,000	---	---	---	---	4,000	800
RURAL ENTERPRISE DEVELOPMENT *	L	383-0090	87	90	---	25,000	---	---	---	---	6,000	1,000
TOTAL FOR ACCOUNT					180,000	241,768	175,543	115,052	16,350	23,699	19,000	15,043
GRANTS					39,700	64,825	39,400	18,866	8,350	6,868	6,000	8,676
LOANS					140,300	176,943	136,143	96,186	8,000	16,831	13,000	6,367
HEALTH												
MALARIA CONTROL	G	383-0043	78	85	4,000	3,000	3,000	707	---	1,000	---	1,000
MALARIA CONTROL	L	383-0043	78	85	26,000	25,500	25,500	19,966	---	3,587	---	1,793
PVO CO-FINANCING	G	383-0060	79	87	1,224	1,224	924	432	---	150	---	150
NATIONAL INSTITUTE OF HEALTH SCIENCES	G	383-0062	80	82	2,200	1,900	1,900	240	---	800	---	500
MARKET TOWN WATER SUPPLY	L	383-0063	80	82	6,000	5,100	5,100	3,309	---	---	---	---
WATER SUPPLY & SANITATION SECTOR	G	383-0083	84	89	5,000	5,000	3,000	110	2,000	1,100	---	1,091
WATER SUPPLY & SANITATION SECTOR	L	383-0088	84	89	7,300	7,300	6,400	50	---	2,000	---	2,080
TOTAL FOR ACCOUNT					51,724	49,024	45,824	24,814	2,000	8,637	---	6,614
GRANTS					12,424	11,124	8,824	1,489	2,000	3,050	---	2,741
LOANS					39,300	37,900	37,000	23,325	---	5,587	---	3,873
EDUCATION AND HUMAN RESOURCES												
PVO CO-FINANCING	G	383-0060	79	87	959	959	859	452	100	150	---	150
TOTAL FOR ACCOUNT					959	959	859	452	100	150	---	150
GRANTS					959	959	859	452	100	150	---	150
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: SRI LANKA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PVO CO-FINANCING	G	383-0060	79	87	1,800	1,856	1,106	265	750	250	---	250
PRIVATE ENTERPRISE PROMOTION	G	383-0082	83	83	1,500	1,500	1,500	495	---	605	---	400
PRIVATE ENTERPRISE PROMOTION	L	383-0082	83	83	1,000	1,000	1,000	251	---	400	---	250
DEVELOPMENT MANAGEMENT AND TRAINING	G	383-0085	86	89	---	1,800	---	---	800	50	1,000	250
TOTAL FOR ACCOUNT					4,300	6,156	3,606	1,011	1,550	1,305	1,000	1,150
GRANTS					3,300	5,156	2,606	760	1,550	905	1,000	900
LOANS					1,000	1,000	1,000	251	---	400	---	250
TOTAL FOR COUNTRY					236,983	297,907	225,832	141,329	20,000	33,791	20,000	22,957
GRANTS					56,383	82,064	51,689	21,567	12,000	10,973	7,000	12,467
LOANS					180,600	215,843	174,143	119,762	8,000	22,818	13,000	10,490

*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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: SRI LANKA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Rural Enterprise Development		6,000 (L) 4,000 (G)		FY 1987 6,000 (L) 4,000 (G)	Life of Project Funding 25,000 (L) 10,000 (G)

Number 383-0090	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [X] LOAN	[ ] CONTINUING				FY 1987	FY 1990	FY 1993

Purpose: The purpose of the project will be to stimulate rural enterprise development and employment linked to major irrigation systems settlements in Sri Lanka.

Project Description: The Rural Enterprise Development project will seek ways to maximize the employment generation potential linked to Sri Lanka's major irrigation-based agricultural production areas. The project will focus geographically on the new settlement areas included in the Mahaweli Development schemes and on the older settlement areas dependent on other major tank irrigation systems. The project will include a wide range of enterprise development sub-activities addressing the needs of micro-level, small/medium-level and large-scale commercial and industrial businesses. Emphasis throughout will be on private sector business and the removal of constraints faced by the private sector. Clients will include businesses serving consumer demand in the settlement areas, manufacturing or commercial enterprises providing inputs for general agricultural production and firms involved in the processing of agricultural products for sale in the domestic or export market. Specific project components will include institution-building for enterprise promotion organizations serving the project-assisted areas, technology/product development, pilot project test marketing, investor services/investment promotion, entrepreneur development/business skill training and credit facilities.

Relationship of Project to A.I.D. Country Strategy: The project will directly address the strategy objective of increased off-farm employment and rural enterprise. It will also indirectly address the strategy objective of increased agricultural productivity and farm incomes, through the stimulation of businesses engaged in both buying crops from and providing inputs to farm families in the settlement areas.

Beneficiaries: The immediate beneficiaries will be all those having a role in businesses supported or created through assistance provided by the project. Indirectly, through multiplier effects, the anticipated increased level of business activity will benefit a much wider group in the project-assisted areas.

Host Country and Other Donors: The project will be coordinated with principal private sector organizations, other enterprise promotion activities being conducted by government agencies, by public and private commercial and development banks, and by other donors (e.g. World Bank's Small and Medium Industry credit program and A.I.D.'s Private Enterprise Promotion Project).

Major Outputs: Agro-industrial estates with a centralized support facility utilizing out-growers, mini-industrial estates located in established township centers, a revolving credit fund and a training center for small industries.

A.I.D.-Financed Inputs	Life-of-Project ($000)
Grants to finance (a) training for investment promotion and business development, study tours to examine similar schemes in the region, and in-country training for entrepreneurial development; and (b) technical assistance in the areas of credit, farm management small business promotion, and development of new crops.	$10,000
Loan funds to capitalize a revolving credit fund and to support the infrastructural development of agricultural production zones.	25,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	10,000	25,000	35,000

Principal Contractors or Agencies

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (493) THAILAND

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 51,546

PER CAPITA GNP..... (DOLLARS,1983) 820

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 4.3%

ANNUAL RATE OF INFLATION (1973-83) 8.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1976) 5.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 63.9	MALE 62.0	FEMALE 65.8
(1970)	TOTAL 58.1	MALE 56.1	FEMALE 60.3

ADULT LITERACY RATE (1980) TOTAL 88% MALE 92% FEMALE 84%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 1.9%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 23%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 250

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE ,. ,.	50%	(1984)
CASH: CORN ,CASSAVA ,.	17%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) RICE ,ROOTS AND TUBERS ,RUBBER

MAJOR AGRICULTURAL IMPORTS:(1984) COTTON ,DAIRY PRODS. ,OILSEEDS

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1983) 70%

CENTRAL GOVERNMENT FINANCES

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

(1982)	5,072 (83)	6,008 (84)	6,373

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

(1982)	7,174 (83)	7,628 (84)	8,036

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

(1982)	-2,102 (83)	-1,620 (84)	-1,663

DEFENSE EXPENDITURES,

AS % OF TOTAL EXPENDITURES.. (1982) 20.6% (83) 19.9% (84) 19.8%

AS % OF GNP..... (1982) 3.8% (83) 3.8% (84) 3.9%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 2,652 (83) 2,556 (84) 2,689
EQUIVALENT TO 2.4 MONTHS OF IMPORTS (1984)

FOREIGN TRADE

MAJOR EXPORTS(1983)RICE ,SUGAR CORN

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 881 (1983) 953 (1984)1,276
AS % OF TOTAL EXPORTS (1982) 14% (1983) 16% (1984) 18%

MAJOR IMPORTS(1983)MACH,TRANSP EQ ,FUELS/LUBRICANT,BASE METALS

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982)1,144 (1983)1,299 (1984)1,391
AS % OF TOTAL IMPORTS (1982) 17% (1983) 15% (1984) 15%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -750(83) -2,871(84)-1,927

TRADING PARTNERS: JAPAN ,UNITED STATES ,SINGAPORE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 26.7%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 949
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 15.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.8% (1978) 2.1% (1985) 1.7%

POPULATION IN URBAN AREAS.....(1970) 13% (1985) 16%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 39 (1985) 26

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 59.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 36.5% (15-64YRS) 60.2% (65+ YRS) 3.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 57

PEOPLE PER PHYSICIAN..... (1979) 7,104

MAJOR CAUSES OF
DISEASE (1981) MALARIA ,INFLUENZA ,SHIGELLOSIS
DEATH.. (1978) ACUTE RESP. INFE,SENILITY ,ILL-DEFINED CAUS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 104%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 63%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1980)	TOTAL 99.5	MALE 102	FEMALE 97.7
SECONDARY..... (1981)	TOTAL 28.2	MALE 23.4	FEMALE 20.0
POST SECONDARY.. (1981)	TOTAL 15.6	MALE 4.8	FEMALE 3.6

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 20.0%

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

COUNTRY THAILAND

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	29.6	30.8	36.4	28.8	41.9	877.4	96.9	780.5
Loans	5.8	12.2	17.7	7.0	18.1	179.9	96.9	83.0
Grants	23.8	18.6	18.7	21.8	23.8	697.5	-	697.5
a. A.I.D. and Predecessor Agencies	26.0	26.2	31.2	22.6	35.9	790.3	80.6	709.7
Loans	5.8	12.2	17.7	7.0	18.1	156.3	80.6	75.7
Grants	20.2	14.0	13.5	15.6	17.8	634.0	-	634.0
(Economic Support Fund)	2.0	2.0	5.0	5.8	9.1	438.7		
b. Food for Peace (PL 480)	-	-	-	-	-	23.0	9.2	13.8
Loans	-	-	-	-	-	17.4	9.2	8.2
Grants	-	-	-	-	-	5.6	-	5.6
Title I - Total Sales Agreements	-	-	-	-	-	17.4	9.2	8.2
Repayable in U.S. Dollars - Loans	-	-	-	-	-	13.8	4.0	9.8
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.6	5.2	1.6-
Title II - Total Grants	-	-	-	-	-	5.6	-	5.6
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	*	-	*
Voluntary Relief Agencies	-	-	-	-	-	5.6	-	5.6
c. Other Economic Assistance	3.6	4.6	5.2	6.2	6.0	64.1	7.1	57.0
Loans	-	-	-	-	-	6.2	7.1	0.9-
Grants	3.6	4.6	5.2	6.2	6.0	57.9	-	57.9
Peace Corps	1.7	2.1	2.3	2.7	3.0	42.3	-	42.3
Narcotics	1.9	2.5	2.9	3.4	3.0	15.7	-	15.7
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	37.4	54.6	80.7	96.2	101.2	1997.7	176.1	1821.6
Credits or Loans	36.0	53.4	74.7	76.0	94.0	468.0	176.1	291.9
Grants	1.4	1.2	6.0	20.2	7.2	1529.7	-	1529.7
a. MAP Grants	0.6	0.4	4.5	18.5	5.0	1187.1	-	1187.1
b. Credit Financing - FMS	36.0	53.4	74.7	76.0	94.0	468.0	176.1	291.9
c. Military Assistance Service-Funded (MASF) Grants	0.8	0.8	1.5	1.7	2.2	82.0	-	82.0
d. Transfers from Excess Stocks	-	-	-	-	-	243.2	-	243.2
e. Other Grants	-	-	-	-	-	17.4	-	17.4
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	67.0	85.4	117.1	125.0	143.1	2875.1	273.0	2602.1
Loans	41.8	65.6	92.4	83.0	112.1	647.9	273.0	374.9
Grants	25.2	19.8	24.7	42.0	31.0	2227.2	-	2227.2
Other U.S. Government Loans and Grants	23.4	4.3	24.4	-	16.3	290.1	228.1	62.0
a. Export-Import Bank Loans	21.7	4.3	24.4	-	16.3	256.0	187.8	68.2
b. All Other Loans	1.7	-	-	-	-	34.1	40.3	6.2-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	671.1	290.4	477.2	5779.3
IBRD	393.1	152.6	112.5	3582.0
IFC	62.8	57.7	0.6	232.3
IDA	0.0	0.0	0.0	125.1
IDB	0.0	0.0	0.0	0.0
ADB	210.6	75.0	364.1	1719.8
AFDB	0.0	0.0	0.0	0.0
UNDP	4.6	1.6	0.0	70.8
OTHER-UN	0.0	3.5	0.0	49.3
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	24.0	24.0	102.0
Japan	189.3	272.6	1,186.0
Germany, Fed. Rep.	31.1	28.9	233.8
Australia	13.2	15.9	70.8
Canada	8.2	9.9	38.7
Other	31.7	21.9	153.8
Total	297.5	373.2	1,785.1

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

CY 1982	CY 1983	CY 1978-83
32.7	N.A.	56.7

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

THAILAND

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
1985								
Loans	10,100	500	-	-	-	9,600	-	-
Grants	22,009	1,109	1,500	700	-	10,700	8,000	-
Total	32,109	1,609	1,500	700		20,300	8,000	
1986								
Loans	9,000	8,000	-	1,000	-	-	-	-
Grants	15,000	4,850	900	200	-	4,050	5,000	-
Total	24,000	12,850	900	1,200		4,050	5,000	
1987								
Loans	9,000	7,600	-	500	-	900	-	-
Grants	15,000	4,600	-	200	-	5,200	5,000	-
Total	24,000	12,200		700		6,100	5,000	

FY 1987
PROGRAM HIGHLIGHTS

- Assistance in dealing with Thailand's emerging rural unemployment problem through promotion of small and medium-scale rural industries, $3 million;
- Scientific and technological modernization, $9 million;
- Improved national development policy formulation, planning and management, $5 million;
- Acceleration of efforts to reduce national population growth;
- Greater participation of Thai private and voluntary organizations in the development process, $1 million;
- Continued ESF support for Thai villagers affected by refugee inflows from Cambodia and Laos, $5 million; and
- Fewer but larger projects, more intensive project management, and greater focus on monitoring and evaluation.

THAILAND

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	10,035	15,907	22,343
Grants	12,432	22,824	21,295
Total AID	22,467	38,731	43,638
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	22,467	38,731	43,638

** 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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

PERSONNEL DATA

Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	22.3	22.8	21
PASA[b]	1	1	0
TOTAL	23	23	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
PARTICIPANTS IN TRAINING IN THE U.S.[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	26	37	63	40	67	107	50	60	110
Regional[e]	–	–		–	–		–	–	
TOTAL	26	37	63	40	67	107	50	60	110

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA
PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]

Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	–	32	32	5	45	50	–	65	65
Regional[e]	–	10	10	–	10	10	–	10	10
TOTAL		42	42	5	55	60		75	75

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

THAILAND

Development Overview

During the period 1960-80 Thailand's economy experienced a consistently high rate of growth. Gross Domestic Product (GDP) in real terms registered an average growth rate of about 7% annually over the last decade. With a per capita income of about $820 (1983), Thailand is approaching middle-income status. Previous high growth notwithstanding, Thailand's economy has decelerated considerably in recent years. Real GDP slowed to 4.1% in 1982 and 5.8% in 1983. Declining world commodity prices and shrinking export market opportunities have led to falling GDP growth rates. This has been evidenced by an unexpected decline in Gross Domestic Investment, which had been 29% of GDP in FY 1979 and more recently was only 23% of GDP in FY 1984. Gross Domestic Savings also fell from 21% of GDP to 16% during the period FY 1979-83. These are unprecedented events in Thailand.

The pattern of Thailand's growth has been uneven in terms of its sectoral composition and distribution of benefits. Urban locales have experienced the most rapid growth and the rural poor, especially in areas of rainfed agriculture, have benefited least. A variety of structural imbalances have emerged which threaten Thailand's sustained growth. The service of foreign debt has increased as total external debt doubled in five years to $15.5 billion in 1985. The annual servicing payment of $2.4 billion currently represents about 25% of the value of exports of goods, services, and wage remittances by workers in the Middle East. Strict limits have been placed on foreign borrowing by both the private and public sectors. The Royal Thai Government (RTG) limitation on foreign borrowing of $1.6 billion during FY 1985 has been reduced further to $1 billion for FY 1986, thereby postponing a number of large development projects. About one-quarter of the population, an estimated 12 million persons mainly in rural areas, subsist under conditions of absolute poverty. More attention must be given to those who have not yet fully participated in Thailand's development. Past agricultural growth has been based on the expansion of land under cultivation. Limits to arable land have been reached. Future agricultural growth must now come from improved productivity and development of new markets. Industrial growth has focused on import substitution and large-scale, capital-intensive projects. It is now well recognized that future industrial development will require a labor-intensive, export-oriented strategy. Thailand's balance of trade situation has deteriorated markedly in recent years with the current account deficit running at about 5% of GDP. Inefficient, centralized government in Bangkok impedes private sector initiative and local decision-making. The labor force has continued to grow rapidly, over 3% annually, making employment absorption a major issue.

The RTG's Five-Year Economic and Social Development Plan (1982-1986) is addressing most of these basic structural problems. It explicitly moves away from aggregate growth as a sole objective and seeks a more balanced and stable future development pattern. Fiscal policy measures are also being taken to deal with the nation's increasing external debt.

THAILAND

U.S. Interests and Objectives

The United States has a fundamental interest in the stability and independence of Thailand as a contributor to peace and regional cooperation in Southeast Asia. As the "front line state" in concert with its Association of South East Asian Nations (ASEAN) partners, Thailand is central to the preservation of regional security. In support of this goal, U.S. economic policy in Thailand is directed toward the use of trade and investment to help sustain broad-based economic development, with continued reliance on the private sector and openness to the world trading system. The United States and Thailand have a total trade relationship reaching $3 billion a year, with the value of total U.S. direct private investment in Thailand also about $3 billion. U.S. exports to Thailand in 1984 surpassed $1.3 billion.

The continued cooperation of the RTG is essential to several U.S. foreign policy objectives, including refugee programs, anti-piracy activities, the control of illicit narcotics trafficking from Southeast Asia, and support of U.S. security objectives in the region. The United States continues strong support for Thai humanitarian efforts to provide asylum and relief for refugees. The United States has resettled over 350,000 refugees, or about 69% of the total resettled population. The current refugee population in Thailand, however, still exacts enormous demands on economic resources. With the refugee population relatively stable at about 127,000, the RTG will continue to seek U.S. assistance both in resettlement within U.S. borders and in encouraging other countries to increase their aid in this area.

A.I.D.'s development assistance program assists in strengthening Thailand's stability by activities which help provide the basis for economic growth in the northern and northeastern regions of the country where poverty is the most pervasive. A.I.D. activities in the hill areas of the North are helping to achieve the most beneficial use of limited land resources in opium-growing areas. At the national level, A.I.D. programs have been initiated to help Thailand modernize its scientific and technological base, and stimulate economic growth through assistance to small and medium-scale industries in rural areas. In addition, the Economic Support Fund (ESF) program's objective is to counter negative effects on the Thai populations in border areas resulting from the heavy influx of Cambodian and Laotian refugees.

A.I.D. Development Strategy

Thailand's economy is undergoing rapid transition. The primary results of this change are in the areas of employment generation and rural-urban migration. Agriculture currently accounts for over 70% of total employment, 60% of the country's export earnings, and provides the basis for more than half of Thailand's manufactured output. Agriculture's share of GDP, however, has been falling steadily since the mid-1970s and is expected to continue to decline. The country's industrial development is

progressing more rapidly, with manufacturing accounting for 18.6% of GDP in 1983. While energy problems remain serious and balance of trade and payment gaps have widened, the most significant issue for the 1980s will be employment generation as a rapidly growing work force faces a decade of potentially slower growth. Current trends in Thai agriculture, among them the increases in intensification and mechanization, augur for a future deterioration of on-farm employment. Off-farm and selective non-farm employment are, and will continue to be, the primary compensatory outlets for labor. A considerable portion of future production growth and rural income at the household level will depend on the availability of productive employment from off-farm sources.

A.I.D. is modifying its development strategy consistent with Thailand's changing status as an emerging middle-income country. The focus of A.I.D.'s program is shifting from a regional poverty perspective to one more capable of accommodating evolutionary changes in Thailand's growth patterns and needs. A.I.D. is working toward a fundamentally redefined relationship in the area of development cooperation, involving a collaborative approach and concentrated on future problem areas. Currently, A.I.D. has an ongoing portfolio of $68 million in projects to stimulate agriculture productivity, and $16 million is being used for support of family planning. While modest but highly selective activities in agriculture and family planning will continue, given these levels and significant other donor support for these two key areas, A.I.D. is moving into other sectors of major development importance during FY 1985-86. The A.I.D. program will also be more concentrated. Fewer, but larger projects will be implemented to achieve greater impact and to permit much tighter management of resources.

A.I.D. Program (FYs 1985-1986)

A. Agriculture, Rural Development and Nutrition

The FY 1986 Rural Industries/Employment project (493-0343) is designed to absorb underemployed rural labor and increase rural wages through job creation in small and medium-scale industries in rural areas. The A.I.D. emphasis on rural industrialization recognizes the importance of agriculture to Thai development. The project, therefore, focuses primarily on the agro-processing industry and small industries that are sources of off-farm employment. The project will also assist small-scale entrepreneurs in regional cities to improve their efficiency and expand their operations as a means of generating employment. The project provides credit through rural commercial bank branches for medium-term loans to agro-processing industries and for shorter term loans to small-scale entrepreneurs not served by the formal credit system. It will also provide training for bank branch staff and rural entrepreneurs. Technical assistance will be used to: (a) develop a commercially viable lending program for small enterprises; (b) improve relationships between farm product suppliers and agro-processing industries and access to markets; (c) develop and implement a Thai Executive Service Corps in which Bangkok business people will assist

small rural industries to solve production and marketing problems; and (d) carry out policy studies on constraints to rural industry expansion. Finally, the project will provide assistance to upgrade existing RTG programs to assist rural industries.

The Mae Chaem Watershed Development project (493-0294) is helping to stabilize agricultural practices and improve essential community services in a single watershed of Thailand's northern highlands. Primary beneficiaries are 3,400 hill tribe families living within the watershed area. Project components completed or nearing completion include land terracing, construction of new water resource systems, and construction of agriculture extension centers. The project has completed efforts in Phase I villages and has moved into the more remote and less developed Phase II villages. This project is being carried out in the northern highlands where opium production by hill tribe groups constitutes a major problem. Lessons learned are expected to prove valuable for programs directed at alternative livelihoods for hill tribes presently relying on opium production.

The PVO Co-Financing II project (493-0342) was initiated in FY 1985 to assist private and voluntary organizations (PVOs), both U.S. and Thai, to address the needs of socioeconomically disadvantaged groups. Initial grants have been made for PVO projects to: (a) introduce women entrepreneurs to institutional credit; (b) improve water resource use and develop markets for low-income farm families; and (c) provide employable skills for deaf persons. A.I.D. also financed three workshops for PVOs on project design, implementation and evaluation. Four PVO representatives were provided third country observation/study tours.

FY 1985 project evaluations have been used to make mid-course adjustments in implementation and to improve the impact of A.I.D. assistance. The following three projects illustrate the point.

A special review of the Northeast Small-Scale Irrigation project (493-0312) was conducted to ascertain whether remedial measures to improve implementation were proving effective in meeting planned objectives. This pilot project was initiated in 1977 to rehabilitate reservoir irrigation systems in northeast Thailand which had fallen into disuse. The review found that major management problems had been corrected and that the project now represents a viable approach to the installation of on-farm water distribution systems for both small and medium-scale irrigation. The Operations and Management (O&M) system currently being refined by the project will be the first non-indigenous one completed in Thailand. This is due to the Royal Irrigation Department's new policy goal of viewing O&M activities as equal in importance to construction.

A mid-term evaluation of the Northeast Rainfed Agricultural Development project (493-0308) found that planned activities were progressing despite flaws identified in the project's initial design. Due to the large number of RTG implementing agencies (eight), misunderstandings arose as to

responsibilities and objectives. In addition, adjustments in priority sub-activities, e.g., cooperatives and cropping systems technology transfer, were indicated.

A mid-term evaluation of the Khon Kaen University Research Development project (493-0332) produced useful recommendations for improving the quality of research proposals. As a result of the evaluation, the project will be able to improve the University's capacity to play a prominent role in resolving constraints to the development of the Northeast.

B. Population Planning

All activities of the Population Planning II project (493-0325) are progressing as scheduled. Project targets set for the annual growth rate, new acceptors and active users are being met. Approximately two-thirds of a planned 1,520 auxiliary midwives have received training in IUD insertion and have been deployed to work in rural health clinics, making IUD service available in over 1,000 rural communities. Statistical reports show that both female and male sterilizations in the first half of 1985 exceed those of the same period in 1984. In addition, $1 million has been allocated for support of a family health project for the most underserved population of Thailand, the hill tribes. This sub-project is the first major step in institutionalizing provision of village level health care and family planning services to hill tribes through the Ministry of Public Health.

C. Health

A special evaluation was conducted to determine the degree to which Thailand's National Malaria Control Program had obtained its objectives, and to assess the contributions of the recently completed A.I.D. Anti-Malaria project (493-0305). The evaluation team considered the Thailand Anti-Malaria Program to be well-administered and to have features worthy of duplication in other country programs. The team also concluded that the A.I.D.-funded support project contributed to achievement of objectives established for the RTG Anti-Malaria Program. A.I.D.-funded technical assistance, research, and particularly training, were found to have contributed significantly to RTG successes. The project provided pre-service and in-service training for 57,913 individuals from both the public and private sectors.

Under the PVO Co-Financing II project (493-0342), a grant has been awarded to strengthen legal and policy support of the specialized needs of disabled persons in Thailand.

D. Selected Development Activities

The Science and Technology for Development project (493-0340), initiated in FY 1985, is designed to help Thailand expand its capability to identify, develop and produce the scientific knowledge and technology it requires to resolve major problems hindering agricultural and industrial

growth. Project-supported activities are centered upon bioscience and biotechnology, materials science, and microelectronics. A specific aim of the project is to facilitate interaction between Thailand's science and technology community and its agricultural/industrial sectors to assure that research, development and engineering efforts advance the national development process. The agency which will have prime responsibility for fostering this increased interaction is the Science and Technology Development Board, which is being created as part of this project. Major functions of the Board include responsibility for: administering research programs; organizing and conducting a continuing review of public policy; and organizing and implementing a program aimed at upgrading the capabilities and enhancing the impact of key standards, testing and quality control organizations in Thailand.

The Emerging Problems of Development II project (493-0341), also initiated in FY 1985, is providing financial and technical support to improve RTG policy formulation, program planning and pre-project analysis in key development areas. Activities planned or underway include an evaluation by the U.S. Corps of Engineers of flood control arrangements for Bangkok and vicinity; provision of a senior American economic advisor to the National Economic and Social Development Board; assistance in developing management case studies and training of regional university faculty and public and private officials in effective management techniques; advisory assistance from the Harvard Institute for International Development to the newly organized Thailand Development Research Institute (TDRI), a private economic "think tank"; assistance to TDRI in carrying out selected macro-economic studies; assistance to the National Economic and Social Development Board in conducting several preparatory studies for the next Five-Year Plan; and assistance to the National Environmental Board to initiate a Thailand National Resources Profile. Strengthening the institutional capacity of the RTG's Department of Technical and Economic Cooperation (DTEC) is also an important element of overall project activities. DTEC coordinates the utilization of all grant-financed external assistance to Thailand.

E. Housing Guaranty Program

Thailand's first national seminar on Housing Development Policy was co-sponsored by A.I.D. and the RTG. The success of this seminar led to other A.I.D. involvement in urban policy including a leading role in the development of urban strategy for the Sixth National Economic and Social Development Plan. Activities include preparation of the Bangkok Metropolitan Region Plan, development of policies for allocating infrastructure financing responsibilities in regional cities, and a nationwide study of the problems of Thailand's urban poor. It is expected that the consequences of A.I.D. involvement in urban policy will include greater commitment to cost recovery and privatization of urban services. Future Housing Guaranty loans are expected to be used to develop the housing finance system and to finance infrastructure development in regional cities.

F. Economic Support Fund

Economic Support Funds contribute to a special RTG program which combines RTG and other donor contributions to help stabilize rural communities along Thailand's borders with Cambodia and Laos. The Thai residents of these communities, numbering some 230,000 people, are adversely affected by recurring border strife and refugee inflows. Under this program the RTG is restoring homesites, building or repairing roads, providing community health systems, schools, adult skills training and other services to communities disrupted by border conditions. With the border situation continuing unabated, the program has been expanded to assist Thais in over 400 affected villages.

Requested Year Program (FY 1987)

A. Agriculture, Rural Development and Nutrition

A.I.D. is requesting funds to complete financing of the Mae Chaem Watershed Development project (493-0294), and to continue support of non-governmental institutions engaged in Thai development under the PVO Co-Financing II project (493-0342). Funds are also planned for the Rural Industries/Employment project (493-0343) to support the training of bank staff and rural entrepreneurs and the development of a Thai Executive Service Corps. To initiate research, development and engineering activities directed at Thailand's agricultural sector, A.I.D. plans to provide additional funding for the Science and Technology Development project (493-0343).

B. Health

A.I.D. plans to continue with health programs directed at community concerns or specialized needs under the PVO Co-Financing II project (493-0342). In addition, funds are being requested for health research initiated by the Science and Technology Development project (493-0340).

C. Selected Development Activities

For expansion of policy research, special studies of key problems, and core training programs, A.I.D. plans to provide additional funds for the Emerging Problems of Development II project (493-0341). Funding support is also planned for continuation of the PVO Co-Financing II and Science and Technology Development projects.

D. Economic Support Fund

ESF is requested to help sustain RTG efforts to stabilize economic and social conditions of Thai villagers in disrupted areas along the borders with Cambodia and Laos.

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

PROGRAM: THAILAND

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PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
LAM NAM OON ON-FARM DEVELOPMENT	L	493-0272	77	77	4,500	3,500	3,500	3,399	---	---	---	---
LAND SETTLEMENTS	L	493-0289	79	80	4,000	4,000	4,000	3,653	---	274	---	---
MAE CHAEM WATERSHED DEVELOPMENT	G	493-0294	80	87	10,000	9,000	6,900	3,461	1,100	3,000	1,000	2,539
PVO CO-FINANCING I	G	493-0296	80	84	3,700	3,224	3,224	3,080	---	144	---	---
NE RAINFED AGRICULTURE DEVELOPEMENT	G	493-0308	81	83	3,700	3,700	3,700	1,688	---	750	---	504
NE RAINFED AGRICULTURE DEVELOPEMENT	L	493-0308	81	83	6,300	6,300	6,300	1,867	---	737	---	737
EMERGING PROBLEMS OF DEVELOPMENT I	G	493-0309	80	84	500	500	500	111	---	389	---	---
NORTHEAST SMALL SCALE IRRIGATION	G	493-0312	80	81	2,800	2,800	2,800	1,959	---	510	---	40
NORTHEAST SMALL SCALE IRRIGATION	L	493-0312	80	81	5,800	5,800	5,800	1,557	---	2,140	---	2,103
DECENTRALIZED DEVELOPMENT MANAGEMENT	G	493-0315	81	83	3,100	3,100	3,100	2,125	---	555	---	---
DECENTRALIZED DEVELOPMENT MANAGEMENT	L	493-0315	81	83	7,500	7,500	7,500	5,897	---	1,000	---	---
AGRICULTURAL PLANNING	G	493-0317	80	82	3,200	2,737	2,737	1,999	---	253	---	21
MICRO/MINI HYDROELECTRIC	G	493-0324	82	82	100	100	100	---	---	50	---	50
MICRO/MINI HYDROELECTRIC	L	493-0324	82	82	8,000	8,000	8,000	1,023	---	2,810	---	2,620
SEED DEVELOPMENT II	G	493-0326	82	82	100	100	100	24	---	---	---	76
SEED DEVELOPMENT II	L	493-0326	82	82	6,100	6,100	6,100	4,006	---	978	---	1,116
PRIVATE SECTOR IN DEVELOPMENT PROJECT	G	493-0329	83	83	3,000	3,000	3,000	953	---	1,168	---	879
KHON KAEN UNIVERSITY	G	493-0332	83	83	2,000	2,000	2,000	401	---	459	---	637

*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, 1986 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1986 the FY of final obligation is based on a planned date.

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

PROGRAM: THAILAND

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURAL TECHNOLOGY TRANSFER	G	493-0337	84	84	500	500	500	117	---	297	---	86
AGRICULTURAL TECHNOLOGY TRANSFER	L	493-0337	84	84	4,500	4,500	4,500	294	---	658	---	518
RURAL DEVELOPMENT MONITORING/EVALUATION	L	493-0339	84	84	5,000	5,000	5,000	112	---	1,381	---	1,906
SCIENCE AND TECHNOLOGY DEVELOPMENT	G	493-0340	85	88	500	500	500	---	---	150	---	150
SCIENCE AND TECHNOLOGY DEVELOPMENT	L	493-0340	85	88	14,500	59,500	500	---	---	200	7,600	2,000
PVO CO-FINANCING II	G	493-0342	85	89	3,000	3,000	609	25	600	180	600	360
RURAL INDUSTRIES/EMPLOYMENT	G	493-0343	86	89	---	5,000	---	---	3,150	---	3,000	1,000
RURAL INDUSTRIES/EMPLOYMENT	L	493-0343	86	89	---	35,000	---	---	8,000	---	---	2,000
TOTAL FOR ACCOUNT					102,400	184,461	80,970	37,751	12,850	18,083	12,200	19,342
GRANTS					36,200	39,261	29,770	15,943	4,850	7,905	4,600	6,342
LOANS					66,200	145,200	51,200	21,808	8,000	10,178	7,600	13,000
POPULATION PLANNING												
POPULATION PLANNING II	G	493-0325	82	86	8,517	8,517	9,086	3,451	900	2,170	---	2,865
POPULATION PLANNING II	L	493-0325	82	86	9,868	9,868	8,368	3,443	---	2,467	---	1,635
TOTAL FOR ACCOUNT					18,385	18,385	17,454	6,894	900	4,637	---	4,500
GRANTS					8,517	8,517	9,086	3,451	900	2,170	---	2,865
LOANS					9,868	9,868	8,368	3,443	---	2,467	---	1,635
HEALTH												
RURAL PRIMARY HEALTH CARE EXPANSION	L	493-0291	78	84	7,500	6,983	6,983	4,532	---	2,446	---	5
MALARIA AND VECTOR CONTROL	L	493-0305	79	79	4,000	4,000	4,000	3,922	---	---	---	---
PWWA INSTITUTIONAL DEVELOPMENT	L	493-0331	84	84	5,700	5,700	5,700	60	---	328	---	2,850
SCIENCE AND TECHNOLOGY DEVELOPMENT	G	493-0340	85	88	500	500	500	---	---	150	---	150

*Refers to the planned project summary sheet

G Level of effort activity

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

PROGRAM: THAILAND

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
SCIENCE AND TECHNOLOGY DEVELOPMENT	L	493-0340	85	88	1,500	1,500	---	---	1,000	200	500	800
PVO CO-FINANCING II	G	493-0342	85	89	1,000	1,000	200	---	200	60	200	120
TOTAL FOR ACCOUNT					20,200	19,683	17,383	8,514	1,200	3,184	700	3,925
GRANTS					1,500	1,500	700	---	200	210	200	270
LOANS					18,700	18,183	16,683	8,514	1,000	2,974	500	3,655
EDUCATION AND HUMAN RESOURCES												
HILL AREA EDUCATION	G	493-0297	80	81	1,600	1,600	1,600	1,394	---	206	---	---
TOTAL FOR ACCOUNT					1,600	1,600	1,600	1,394	---	206	---	---
GRANTS					1,600	1,600	1,600	1,394	---	206	---	---
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
EMERGING PROBLEMS OF DEVELOPMENT I	G	493-0309	80	84	5,200	5,200	5,200	4,624	---	576	---	---
PRIVATE SECTOR IN DEVELOPMENT PROJECT	G	493-0329	83	83	500	500	500	140	---	208	---	152
SCIENCE AND TECHNOLOGY DEVELOPMENT	G	493-0340	85	88	7,500	7,500	7,500	---	---	642	---	1,246
SCIENCE AND TECHNOLOGY DEVELOPMENT	L	493-0340	85	88	10,500	10,500	9,600	---	---	288	900	4,053
EMERGING PROBLEMS OF DEVELOPMENT II	G	493-0341	85	88	18,000	18,000	3,000	153	3,850	2,547	5,000	5,300
PVO CO-FINANCING II	G	493-0342	85	89	1,000	1,000	200	35	200	60	200	120
TOTAL FOR ACCOUNT					42,700	42,700	26,000	4,952	4,050	4,321	6,100	10,871
GRANTS					32,200	32,200	16,400	4,952	4,050	4,033	5,200	6,818
LOANS					10,500	10,500	9,600	---	---	288	900	4,053
ECONOMIC SUPPORT FUND												
AFFECTED THAI PROGRAM	G	493-0327	80	87	27,000	42,000	27,000	18,579	5,000	8,300	5,000	5,000

*Refers to the planned project summary sheet

CLevel of effort activity

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For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: THAILAND

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT					27,000	42,000	27,000	18,579	5,000	8,300	5,000	5,000
GRANTS					27,000	42,000	27,000	13,579	5,000	8,300	5,000	5,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					212,285	308,829	170,407	78,084	24,000	38,731	24,000	43,638
GRANTS					107,017	125,078	84,556	44,319	15,000	22,824	15,000	21,295
LOANS					105,268	183,751	85,851	33,765	9,000	15,907	9,000	22,343

*Refers to the planned project summary sheet

CLevel of effort activity

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FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (664) TUNISIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 7,259

PER CAPITA GNP..... (DOLLARS,1983) 1,290

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 5.0%

ANNUAL RATE OF INFLATION (1973-83) 9.4%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975) 6.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 62.4	MALE 60.6	FEMALE 64.3
(1970)	TOTAL 54.2	MALE 53.8	FEMALE 54.8

ADULT LITERACY RATE (1980) TOTAL 47% MALE 61% FEMALE 32%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 0.8%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 13%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 82

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT BARLEY	26%	(1984)
CASH: OLIVES ,WHEAT CITRUS FRUIT	44%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) OLIVE OIL ,WINE ,ORANGES

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,RAW SUGAR ,VEGETABLE OILS

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 35%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)			
(1980)	2,793 (81)	2,704 (82)	2,803
TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)			
(1980)	3,037 (81)	2,916 (82)	3,223
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1980)	-224 (81)	-212 (82)	-420

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1980) 11.1% (81) 7.8% (82) 14.0%
AS % OF GNP..... (1980) 4.1% (81) 2.7% (82) 5.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 612 (83) 572 (84) 410
EQUIVALENT TO 1.8 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1982)CR PETROLEUM ,TEXTILES ,PHOSPHATES

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 447 (1983) 356 (1984) 275
AS % OF TOTAL EXPORTS (1981) 24% (1982) 30% (1983) 26%

MAJOR IMPORTS(1982) MANUFACTURES , RAW MATERIALS ,

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982) 250 (1983) 283 (1984) 220
AS % OF TOTAL IMPORTS (1981) 10% (1982) 10% (1983) 11%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -1,042(82) -1,253(83)-1,178

TRADING PARTNERS: FRANCE ,ITALY ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 65.1%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 598
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 40.1%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.9% (1978) 2.5% (1985) 2.3%

POPULATION IN URBAN AREAS.....(1970) 43% (1985) 56%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 38 (1985) 30

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1983) 40.7%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 39.7% (15-64YRS) 56.4% (65+ YRS) 3.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 53

PEOPLE PER PHYSICIAN..... (1980) 3,686

MAJOR CAUSES OF
DISEASE (1981) MEASLES ,TUBERCULOSIS ,HEPATITIS
DEATH.. (1978) TUBERCULOSIS ,GASTROINTESTINAL,DIPHTHERIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1981) 116%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982) 63%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1982)	TOTAL 109	MALE 121	FEMALE 96.4	
SECONDARY..... (1982)	TOTAL 36.8	MALE 42.8	FEMALE 26.6	
POST SECONDARY.. (1981)	TOTAL 4.0	MALE 5.5	FEMALE 2.4	

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 201%

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

COUNTRY TUNISIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–84	REPAY-MENTS AND INTEREST 1946–84	TOTAL LESS REPAY-MENTS AND INTEREST 1946–84
	1980	1981	1982	1983	1984			
I. ECONOMIC ASSISTANCE – TOTAL	29.0	39.8	16.7	18.6	17.7	935.3	259.1	726.2
Loans	17.3	25.2	9.5	11.1	13.5	455.4	259.1	196.3
Grants	11.7	14.6	8.2	7.5	4.2	529.9	-	529.9
a. A.I.D. and Predecessor Agencies	10.9	25.3	5.0	5.0	1.6	428.6	119.0	309.6
Loans	4.7	16.0	-	-	-	236.6	119.0	117.6
Grants	6.2	9.3	5.0	5.0	1.6	192.0	-	192.0
(Economic Support Fund)	-	-	5.0	5.0	1.5	23.1		
b. Food for Peace (PL 480)	17.4	13.7	10.6	12.6	14.7	534.6	140.1	394.7
Loans	12.6	9.2	8.5	11.1	13.5	218.2	140.1	78.7
Grants	4.8	4.5	2.1	1.5	1.2	316.0	-	316.0
Title I - Total Sales Agreements	12.6	9.2	8.5	11.1	13.5	226.2	140.1	86.1
Repayable in U.S. Dollars - Loans	12.6	9.2	8.5	11.1	13.5	154.3	71.0	83.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	71.9	69.1	2.8
Title II - Total Grants	4.8	4.5	2.1	1.5	1.2	306.6	-	308.6
Emerg. Relief, Econ. Develop. & World Food Program	3.9	1.3	-	-	-	255.2	-	255.2
Voluntary Relief Agencies	0.9	3.2	2.1	1.5	1.2	53.4	-	53.4
c. Other Economic Assistance	0.7	0.8	1.1	1.0	1.4	21.9	-	21.9
Loans	-	-	-	-	-	-	-	-
Grants	0.7	0.8	1.1	1.0	1.4	21.9	-	21.9
Peace Corps	0.7	0.8	1.1	1.0	1.4	21.9	-	21.9
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	15.6	15.7	96.2	102.0	111.6	501.8	154.2	347.6
Credits or Loans	15.0	15.0	95.0	87.0	92.0	411.5	154.2	257.3
Grants	0.6	0.7	1.2	15.0	19.6	90.3	-	90.3
a. MAP Grants	*	*	-	13.8	18.0	72.2	-	72.2
b. Credit Financing - FMS	15.0	15.0	95.0	87.0	92.0	411.5	154.2	257.3
c. Military Assistance Service-Funded (MASF) Grants	0.6	0.7	1.2	1.2	1.6	11.2	-	11.2
d. Transfers from Excess Stocks	-	-	-	-	-	6.9	-	6.9
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	44.6	55.5	112.9	120.6	129.3	1487.1	413.3	1073.8
Loans	32.3	40.2	103.5	98.1	105.5	866.9	413.3	453.6
Grants	12.3	15.3	9.4	22.5	23.8	620.2	-	620.2
Other U.S. Government Loans and Grants	11.5	56.9	-	-	-	131.3	78.3	53.0
a. Export-Import Bank Loans	11.5	56.9	-	-	-	110.6	54.7	55.9
b. All Other Loans	-	-	-	-	-	20.7	23.6	2.9-

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	151.1	221.6	245.3	1925.3
IBRD	148.8	135.1	141.0	1479.4
IFC	0.0	1.0	2.3	65.1
IDA	0.0	0.0	0.0	70.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	84.7	93.0	201.1
UNDP	0.8	0.8	0.0	48.7
OTHER-UN	1.5	0.0	0.0	10.9
EEC	0.0	0.0	9.0	50.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	14.0	25.0	94.0
France	58.8	44.0	382.1
Germany, Fed. Rep.	67.0	57.7	332.0
Austria	0.3	8.5	93.9
Japan	10.4	13.9	76.0
Other	31.6	33.6	230.0
Total	182.1	182.7	1,208.0

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

CY 1982	CY 1983	CY 1978-83
44.0	N.A.	241.9

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	25	-	125
Eastern Europe	50	-	280
Total	75	-	405

TUNISIA

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
1985								
Loans				-	-	-	-	
Grants	22,630		2,500	-	-	40	20,000	90*
Total	22,630		2,500			40	20,000	90*
1986								
Loans		-	-	-	-	-	-	-
Grants	19,140	-	-	-	-	-	19,140	
Total	19,140						19,140	
1987								
Loans		-	-	-	-	-	-	-
Grants	20,000			-	-	-	20,000	
Total	20,000						20,000	

* Disaster Relief Funds

FY 1987 PROGRAM HIGHLIGHTS
- $11.3 million ESF for agriculture, and rural development. - $6.7 million ESF for technology transfer through scholarship support for undergraduate and graduate technical degree programs in the U.S., the second largest A.I.D. academic participant training program in the world. -$2 million ESF for promotion of private sector development. -$5 million in PL-480 Title 1 to help meet grain import needs, to support policy reforms in agriculture, and to promote the continuing development of the agricultural credit system.

TUNISIA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	3,361	6,124	2,750
Grants	7,810	21,237	21,150
Total AID	11,171	27,361	23,900
P.L. 480 **			
Title I	5,000	2,500	5,000
(of which Title III is)	( )	( )	( )
Title II	640	0	0
Total P.L. 480	5,640	2,500	5,000
Total AID and P.L. 480	16,811	29,861	28,900

** 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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat			19,000	2,500	39,000	5,000
Rice						
Feedgrains	49,000	5,000				
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	49,000	5,000	19,000	2,500	39,000	5,000
Title II 1/						
Voluntary Agencies	3,243	640				
Government - to - Government	-	-	-	-	-	-
Title II Total	3,243	640				
Total P.L. 480	52,243	5,640	19,000	2,500	39,000	5,000

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

TUNISIA

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel			
AID Direct Hire[a]	7.4	10	12
PASA[b]	1.0	1	1
TOTAL	8	11	13

[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 PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	510	30	540	545	47	592	710	55	765
Regional[e]	-	4	4	-	5	5	-	7	7
TOTAL	510	34	544	545	52	597	710	62	772

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	2	2	-	8	8	-	2	2
Regional[e]	-	4	4	-	26	26	-	26	26
TOTAL	-	6	6	-	34	34	-	28	28

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

TUNISIA

Development Overview

Rising oil production and sharply higher oil prices over the decade of the 1970's allowed Tunisia virtually to double its Gross Domestic Product (GDP). However, since 1981 the country's real rate of growth slowed to an average annual rate of 3.9 percent, a sharp drop from the 6.3 percent annual average of the 1970's. Several factors contributed to this decline. Domestic oil consumption outpaced domestic oil production. There was a severe drought which necessitated sharply higher food imports. The previously declining population growth rate leveled off at the high rate of 2.5 percent per year. The global recession hurt Tunisian exports and reduced both tourist revenues and worker remittances. Notwithstanding small increases in bread prices, the consumer subsidy bill rose to 4 percent of Gross National Product (GNP) in 1984, and there was a further buildup in domestic arrears with respect to subsidized goods. Also, transfers to parastatals increased. Plagued by both widening trade and budget deficits, the government borrowed large sums from both domestic and external sources. The result is a foreign external debt approaching $4 billion and projections indicate that the debt service ratio for 1985 may be as high as 21 percent, reflecting a continuing upward trend.

This year the economy is expected to grow by about 5.5 percent continuing the slow improvement begun in 1983. A bumper crop is the major factor in this recovery, although the tourist season also was excellent. On the other hand, oil prices are continuing to slide downward and remittances have been affected negatively by Libyan expulsions of Tunisian workers.

The recent expulsion of over 20,000 Tunisian workers plus their families from Libya exacerbates an already difficult economic policy environment. To deal with widening trade and budget deficits, the Government of Tunisia (GOT) has imposed strict limits on consumer imports, reduced planned public expenditure, and reduced the subsidies on some sensitive consumer products. The government has taken parallel action to slow the increase in incomes by linking wage increases for workers in public sector and parastatal enterprises to increased productivity. These measures, while intended to create a sounder economic foundation, will entail slower growth over the short term. The economy, however, remains a centrist one, which is not market oriented.

U.S. Interests and Objectives

Tunisia's importance to the United States arises from its strategic geographic location in the Mediterranean Basin and the Government's political orientation. The overall United States objective is to

maintain its close ties with and support an independent, non-communist, pro-Western Government. President Bourguiba's official visit to the United States in July 1985 reaffirmed his country's longlasting friendship with the United States and Tunisia's willingness to work with us toward peace in the Middle East. Events in the Middle East and Mediterranean region generally have tended to complicate progress on the peace process.

Serious social and economic tensions, exacerbated by the politically motivated expulsion of thousands of Tunisian workers from Libya in mid-1985, pose a threat to the continuation of a stable Tunisian democratic society. Political considerations, in addition to United States developmental and humanitarian objectives, have required the United States to take an active interest in helping Tunisia address the socio-economic needs of its people at a particularly difficult time in the country's history. U.S. economic aid is viewed as tangible proof of U.S. support for the country's stability in the face of potential internal and external threats.

A.I.D. Assistance Strategy

A.I.D.'s opportunity to impact on policy change and on development in Tunisia is primarily at the sector and project-level, and in certain selected areas. Our strategy is to concentrate resources in these areas where the possibility of success has already been established. These include:

--promoting continuing policy change and greater productivity in the agriculture sector;

--promoting awareness of the benefits of an expanded private sector, and encouraging initial steps towards a more market-oriented economy;

--further strengthening key Tunisian institutions A.I.D. has assisted in the past, and which are contributing to development, and which are of continuing importance to post-aid ties to the United States, e.g. the Central Tunisia Development Authority and the Tunisian School of Management;

--using technology transfer and U.S. training in crucial technical disciplines to achieve our objectives.

A.I.D. Program (FY 1985-FY 1986)

PL 480 Title I is an integral part of our Food Production strategy. A late-1984 evaluation, found that leverage provided by PL 480 agreements has led to increased use of appropriate fertilizers, a four-fold increase in the number of private sector

fertilizer distributors due to increased price margins, and timely setting of market rate prices for cereals. Local currency generated by PL 480 sales is used to support the Supervised Agricultural Credit Project (664-0302) which is designed to develop viable credit systems for small farmers in northern Tunisia. To date over 9,000 farmers have been assisted in securing inputs and financing enabling them to substantially increase their production. Recent surveys and an evaluation show that farmers who have participated for three or more years in the project have attained an average of one hundred percent increases in net farm revenues. This project is the first instance in Tunisia of the provision of cash loans, rather than in-kind agricultural inputs, thus permitting the farmer to select from both public and private sector suppliers. Moreover, the project has achieved the highest reimbursement rate of any agricultural credit project in Tunisia.

Under the Agriculture Research and Extension project (664-0327) A.I.D. is supporting a major departure in Tunisian research methodology by encouraging interdisciplinary and inter-institutional cooperation. The project is making production technology available to the small farmer. Under the Agriculture Technology Transfer project (664-0304) forty-five long term participants have returned from training and have been reintegrated into the Ministry of Agriculture in high level teaching, research and management positions. The national soils service laboratory and two major agricultural libraries have been fully equipped and staffed. Linkages have been established between Tunisian and U.S. institutions through cooperative research projects and exchanges of professors on long-term sabbaticals.

Under the Private Sector Development and Technology Transfer project (664-0328), A.I.D. is helping the Tunisian private sector in a variety of ways.

Our policy dialogue agenda is aimed at highlighting the benefits to the economy of an expanded private sector as well as dealing with selected barriers to private sector growth. For example, modern financial leasing is an effective means of providing financing to small and medium scale enterprises. Until recently, the GOT was not supportive of the introduction of leasing in the country. In 1984 A.I.D. financed attendance of four Tunisians from development banks, Ministry of Finance and the Central Bank at a leasing conference in Rome. This relatively small intervention resulted in the creation in FY 1985 of "Tunisia Leasing", the first Tunisian leasing company.

The focus of A.I.D.'s Rural Development program activities is on reducing rural poverty and fostering development in the lesser developed central and western governorats of Central Tunisia.

TUNISIA

Under the Central Tunisia Rural Development umbrella project (664-0312) we channel a substantial amount of our assistance through the Central Tunisia Development Authority (CTDA). Training and technical assistance both support the institutional development of CTDA. The project finances the training of CTDA personnel in project identification, design, implementation, monitoring and evaluation. A.I.D. also provides technical assistance in specific technical areas to CTDA and CTDA staff. As a result of these efforts, CTDA has evolved in the last five years from a nascent GOT agency to a successful, autonomous regional development entity. It has been assigned full responsibility to prepare projects and budgets for the CTDA region for inclusion in the GOT's VII Five Year Development Plan (1987-1991).

A major focus of the Central Tunisia Rural Development Project has been on developing water resources and improving access to potable water. To date 35 water points have been developed providing potable water to over 45,000 beneficiaries. Under a planned FY 1986 expansion of the Central Tunisia Rural Development Potable Water subproject, water-user associations, the first of their kind in Central Tunisia, will be created to involve beneficiaries in site selection, development, and coverage of the recurrent costs of operations and maintenance. The expanded project will also include two new "jurisdictions", in Central Tunisia.

A.I.D.'s new bilateral Family Planning and Population Development project (664-0331) initiated in late FY 1985 builds on twenty years of A.I.D. involvement in the Tunisian family planning program. In a recent evaluation of past, centrally-funded programs, we have learned that while successes have been achieved over the course of A.I.D. support, contraceptive prevalence has levelled off over the past several years. The evaluation identified inadequate distribution and marketing policies as a constraint to be addressed in the new program. The new project, which aims to improve contraceptive prevalence in Tunisia by nine percent by 1989, aims at building up the private sector as a service provider in family planning. We plan to strengthen the distribution system through greater involvement of the private sector and closer coordination of GOT ministries and agencies.

The Housing Investment Guarantee (HG) Program provides United States Government guaranties for loans from private investors in the United States, the proceeds of which help to finance housing and related infrastructure. An amendment to the ongoing HG concentrates on land development, self-help housing construction, credit, and improvements in storm and sanitary sewage. The HG program has become increasingly important to the GOT both for the assistance it provides in financing low-income housing and slum improvement, as well as for the assistance the long-term dollar credits provide in meeting needs for foreign exchange. In turn,

A.I.D. has used this assistance as leverage to support movement by the GOT toward lower cost investments and full cost recovery in the sector.

An important element of A.I.D.'s strategy is to assist the GOT to develop increased institutional capability to acquire, use and manage improved technology. This is being accomplished through development of linkages between U.S. and Tunisian technical schools and universities, and scholarship support for undergraduate and graduate study program in engineering and related science fields. During the FY-85/86 school year more than 500 Tunisians will be pursuing academic degrees at 60 universities throughout the United States under the Technology Transfer project (664-0315). This constitutes A.I.D.'s second largest academic degree training program in the world. The new Computer Technology project (664-0334) builds on Tunisian experience to date in computerization and will further develop links between institutions in Tunisia and the U.S. The project is designed to aid Tunisia's efforts to integrate the use of modern technology into the economy and to become a regional center of expertise for the Arab region.

Requested Year Program (FY 1987)

The FY 1987 program provides for continued support for the institution building and technology needs of Tunisia in key areas, as well as the continuation of policy dialogue to effect needed change in agriculture and the private sector.

In Food Production, Rural Development and PL 480 ESF will be used for continuation of ongoing activities in agricultural credit, agriculture technology transfer and agriculture research. The Agricultural Credit II project (664-0338), which builds on A.I.D.'s experience under the Supervised Agricultural Credit project (664-0302), aims to create a monetarily self-sufficient credit institution capable of managing and providing credit to farmers in an efficient and economically viable manner. This will help reduce the drain on the GOT central budget, while at the same time providing A.I.D. with a forum for our policy dialogue on the rationalization of interest rates. The Farm Conservation Project (664-0336), building on A.I.D.'s experience in rangeland development, will increase farmer participation in soil and water conservation activities. Returned participants from the Agriculture Technology Transfer project (664-0304) will form the support nucleus for this project.

The PL 480 Title I program will provide needed food imports and help to shore up Tunisia's balance of payment situation.

At the same time, the Title I program, an integral part of A.I.D. agricultural strategy, will permit A.I.D. to pursue its policy dialogue with the Government of Tunisia focusing on the following priorities:

--increasing agricultural investment in rain-fed areas as opposed to promoting less cost-effective irrigation;

--increasing Government of Tunisia focus on those agricultural investments aimed at encouraging private sector participation;

--encouraging private financing for agricultural development activities through lower subsidies and increased cost sharing by individual farmers for infrastructure investment;

--promoting realistic price incentive policies for private fertilizer dealers to increase private participation in the input distribution system;

--promoting increased use of lower cost forms of fertilizer;

--encouraging more use of funds from private sources for agricultural credit.

In the Private Sector, the funding requested for the Private Sector Development and Technology Transfer Project (664-0328) will finance continuing A.I.D. efforts to encourage further development of the indigenous private sector and to promote greater U.S. private sector presence in Tunisia.

For Technology Transfer, the Scholarship project (664-0315) will finance academic degree study for approximately 500 Tunisians at U.S. universities. With carry over funds from FY 1986 approximately 680 students will be studying in the United States under the project in 1987. Another important means of technology transfer is through the planned Cross Sectoral Development Training Project (664-0333) which is designed to meet priority needs for technical and other training which are not being met through existing projects.

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

PROGRAM: TUNISIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
SUPERVISED AGRICULTURAL CREDIT	L	664-0302	78	81	17,300	17,300	17,300	17,203	---	---	---	---
AGRICULTURAL TECHNOLOGY TRANSFER	G	664-0304	78	87	5,800	5,800	5,800	4,445	---	1,000	---	491
CENTRAL TUNISIA RURAL DEVELOPMENT	G	664-0312	79	87	8,000	6,700	6,700	4,057	---	800	---	750
CENTRAL TUNISIA RURAL DEVELOPMENT	L	664-0312	79	87	9,855	9,855	9,855	3,867	---	2,600	---	2,750
TOTAL FOR ACCOUNT					40,955	39,655	39,655	29,572	---	4,400	---	3,991
GRANTS					13,800	12,500	12,500	8,502	---	1,800	---	1,241
LOANS					27,155	27,155	27,155	21,070	---	2,600	---	2,750
POPULATION PLANNING												
FAMILY PLANNING AND POPULATION DEV.	G	664-0331	85	86	2,500	2,500	2,500	---	---	1,100	---	808
TOTAL FOR ACCOUNT					2,500	2,500	2,500	---	---	1,100	---	808
GRANTS					2,500	2,500	2,500	---	---	1,100	---	808
LOANS					---	---	---	---	---	---	---	---
HEALTH												
RURAL COMMUNITY HEALTH	G	664-0296	78	81	2,239	2,239	2,239	1,884	---	438	---	---
RURAL COMMUNITY HEALTH	L	664-0296	78	81	5,390	5,390	5,390	2,749	---	2,640	---	---
CENTRAL TUNISIA RURAL DEVELOPMENT	G	664-0312	79	81	---	---	2,094	2,036	---	---	---	---
CENTRAL TUNISIA RURAL DEVELOPMENT	L	664-0312	79	87	2,250	2,250	2,250	1,366	---	884	---	---
SILIANA RURAL CENTERS WATER SYSTEMS	L	664-0318	78	78	3,500	3,500	3,500	3,430	---	---	---	---
TOTAL FOR ACCOUNT					13,379	13,379	15,473	11,465	---	3,962	---	---
GRANTS					2,239	2,239	4,333	3,920	---	438	---	---
LOANS					11,140	11,140	11,140	7,545	---	3,524	---	---

*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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: TUNISIA

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
SELECTED DEVELOPMENT ACTIVITIES												
TECHNOLOGY TRANSFER	G	664-0315	81	88	1,450	1,450	1,450	890	---	663	---	---
RENEWABLE ENERGY I	G	664-0325	79	80	1,548	3,430	---	---	---	361	---	---
ENERGY PLANNING	G	664-0326	81	81	1,300	1,300	1,300	827	---	576	---	---
SMALL PROJECT ASSISTANCE/PC	G	664-0330	84	87	80	160	80	25	---	55	---	---
TOTAL FOR ACCOUNT					4,378	6,340	2,830	1,742	---	1,655	---	---
GRANTS					4,378	6,340	2,830	1,742	---	1,655	---	---
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
AGRICULTURAL TECHNOLOGY TRANSFER	G	664-0304	78	87	5,300	5,300	1,500	---	1,200	730	2,300	913
CENTRAL TUNISIA RURAL DEVELOPMENT	G	664-0312	79	87	3,000	5,000	3,000	26	1,000	1,000	1,000	1,000
TECHNOLOGY TRANSFER	G	664-0315	81	88	14,650	23,150	13,200	7,833	2,500	5,500	5,000	8,372
AGRICULTURE RESEARCH AND EXTENSION	G	664-0327	82	87	3,500	5,500	3,500	856	---	1,000	2,000	900
PRIVATE SECTOR DEV AND TECH TRANSFER	G	664-0328	82	87	4,050	7,850	4,050	796	1,940	1,500	2,000	1,000
EMERGENCY HOUSING REPAIR/RECONSTRUCTION	G	664-0329	83	83	1,750	1,750	1,750	1,100	---	650	---	---
FAMILY PLANNING AND POPULATION DEV.	G	664-0331	85	86	1,000	5,000	1,000	---	4,000	1,100	---	1,941
CROSS-SECTORAL DEVELOPMENT TRG	* G	664-0333	87	88	---	5,000	---	---	---	---	1,700	500
COMPUTER TECHNOLOGY	G	664-0334	85	85	3,500	3,500	3,500	---	---	1,764	---	985
FARM CONSERVATION	• G	664-0336	87	88	---	6,000	---	---	---	---	5,000	500
RURAL POTABLE WATER	G	664-0337	86	86	---	6,500	---	---	6,500	2,000	---	2,000
AGRICULTURAL CREDIT II	G	664-0338	86	87	---	3,000	---	---	2,000	1,000	1,000	1,000

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: TUNISIA

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT					36,750	77,550	31,500	10,601	19,140	16,244	20,000	19,111
GRANTS					36,750	77,550	31,500	10,601	19,140	16,244	20,000	19,111
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					97,962	139,424	91,958	53,380	19,140	27,361	20,000	23,910
GRANTS					59,667	101,129	53,663	24,765	19,140	21,237	20,000	21,160
LOANS					38,295	38,295	38,295	28,615	---	6,124	---	2,750

*Refers to the planned project summery sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

PROGRAM: TUNISIA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Farm Conservation and Development	ESF			FY 1987 $5,000	Life of Project Funding $6,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
664-0336	[X] NEW				FY 1987	FY 1988	FY 1992
[X] GRANT [ ] LOAN	[ ] CONTINUING						

Purpose: To increase farmer income and production and to conserve water and soil resources.

Project Description: The project will involve three pilot sites in Northeastern Tunisia in the Governorate of Zaghouan. The area is characterized by low productivity from rainfed agriculture and very serious soil and water erosion problems. Farms in this zone are small (5 to 50 hectares) and produce primarily cereals and sheep. Farmers' incomes are low and production techniques are traditional, with low levels of inputs. In addition, slopes of up to 20 degrees are being cultivated without using appropriate conservation techniques. Thus, production potential in Zaghouan is being seriously eroded. The research required to adapt and field test new varieties and production techniques has only recently been intensified with strong support from A.I.D. projects: Livestock Production and Forage Utilization (0293), Central Tunisia Rural Development (0312), Agriculture Research (0327), and PL 480 Title I Self Help. While improved basic production techniques have been developed and started, almost no work has been done to integrate these with appropriate soil and water conservation practices.

A.I.D. will be working with the Tunisian Office of Livestock and Pastures, the newly upgraded Directorate for Soil and Water Conservation, and the Commissariate for Agriculture Development for the Region of Zaghouan. Over a six-year period, the project will introduce, adapt, and implement intensive cereal, forage, and livestock practices.

Relationship of the Project to A.I.D. Strategy: The Farm Conservation project is an integral follow-on to A.I.D.'s agriculture portfolio in Tunisia. The GOT policy shift to emphasize production of cereals, meat, and milk, especially in rainfed areas, is a shift A.I.D. has actively promoted and which continues as a Near East strategy.

Host Country and Other Donors: The Government of Tunisia will contribute $9.3 million for this project.

Beneficiaries: The direct beneficiaries will be the 700 farm families participating in the pilot program. Improved conservation policies and institutional development will result in increased production and incomes for other farm families in the future.

Major Outputs	All Years
Farms using appropriate practices	700
Improved capacity of Tunisian institutions to provide research and extension services	X
Formulation of revised soil and water conservation policies	X

A.I.D-Financed Inputs	Life-of-Project ($ Thousands)
Technical Assistance	1,300
Participant Training	750
Equipment for Conservation Work	2,500
Forage Equipment, Seed, Vehicles, etc.	750
Evaluation	100
Other Costs	300
Contingency	300
TOTAL	$6,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	$5,000	$1,000	$6,000

Principal Contractors or Agencies

A TITLE XII University or USDA/PASA

PROGRAM: TUNISIA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Cross Sectoral Development Training	ESF			FY 1987 $1,700	Life of Project Funding $5,000

Number 664-0333	NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING				FY 1987	FY 89	FY 90

Purpose: (1) To provide Tunisians within the government and the private sector with short and long term training. (2) to develop, coordinate and maintain U.S.-Tunisian linkages in technology and assist in institution building.

Project Description: In recent years, A.I.D. has limited its training activities both in scope and nature. Focus has been on degree training, principally in agriculture and engineering. While the importance of these sectors for Tunisia's economy is recognized, the Tunisian Government has repeatedly stressed the need for Tunisia to access modern technology in other technical sectors as well.

While degree training will be considered, project emphasis will be on short-term, job-oriented training. It is clear from discussions with various organizations, in the energy sector for instance, that the demand for specialized short term training is likely to increase substantially in the years ahead. A number of new agencies have been created by the Tunisian Government with the objective of developing the private sector, and private sector organizations that will have lasting impact on private sector development in Tunisia.

Relationship of the Project to A.I.D. Strategy: Resources will be provided to strengthen public and private institutions and promote technology transfer.

Host Country and Other Donors: Other donors provide some training as part of capital (infrastructure) projects they are financing. However, training programs addressing specific but varied needs are not available. It is expected that the host-country (public and/or private institutions) will assume cost of international transportation as well as payment of salaries in accordance with established A.I.D. policy.

Beneficiaries: The beneficiaries of this project will be the trainees for the public and private organizations and their employing organizations. Increased technical manpower capability will help Tunisia meet its priority development objectives and serve the general well-being of the rural as well as urban populations.

Major Outputs	All Years
- English Language Training Program Institutionalized	X
- Increased Institutional Capability for Development in the Public and Private Sector	X
- Academic and Long Term Technology Transfer Participants Trained	50
- Short-Term Technology Transfer Participants Trained	100

AID Financed Inputs	Life-of-Project ($ Thousands)
- Technical Assistance	500
- Training	3,500
- Commodities	500
- Evaluation/Audit	100
- Other Costs (Contingencies, Inflation)	400
TOTAL	$5,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	$1,700	$3,300	$5,000

Principal Contractors or Agencies

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COUNTRY: (277) TURKEY

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 50,661

PER CAPITA GNP..... (DOLLARS,1983) 1,240

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 3.0%

ANNUAL RATE OF INFLATION (1973-83) 42.0%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1973) 3.5%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 64.0	MALE 61.6	FEMALE 66.5
(1970)	TOTAL 55.9	MALE 54.2	FEMALE 57.8

ADULT LITERACY RATE (1980) TOTAL 69% MALE 83% FEMALE 53%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1975-1984) 0.1%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 18%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 126

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: WHEAT ,BARLEY ,.	68%	(1984)
CASH: COTTON ,TOBACCO ,PULSES	11%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) LIVESTOCK ,FILBERTS IN SHEL ,TOB

MAJOR AGRICULTURAL IMPORTS:(1984) VEGETABLE OILS ,WHEAT ,BARLEY

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1975) 64%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1978) 12,116 (79) 16,366 (80) 11,793

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1978) 14,386 (79) 20,864 (80) 15,151

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1978) -2,270 (79) -4,499 (80) -3,358

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1978) 11.4% (79) 11.5% (80) 15.2%
AS % OF GNP..... (1978) 3.1% (79) 3.3% (80) 3.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 1,082 (83) 1,429 (84) 1,430
EQUIVALENT TO 1.2 MONTHS OF IMPORTS (1984)

FOREIGN TRADE

MAJOR EXPORTS(1983)COTTON TOBACCO ,FRUITS

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982) 252 (1983) 232 (1984) 355
AS % OF TOTAL EXPORTS (1982) 5% (1983) 4% (1984) 5%

MAJOR IMPORTS(1983)CRUDE OIL ,MACHINERY ,TRANSP EQ

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982) 814 (1983) 695 (1984)1,106
AS % OF TOTAL IMPORTS (1982) 11% (1983) 8% (1984) 11%

TRADE BALANCE($ MILLIONS, U.S.)(1982) -2,628(83) -2,990(84)-2,942

TRADING PARTNERS: GERMANY, FEDER ,IRAQ ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 36.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 2,344
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 39.7%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.3% (1978) 2.1% (1985) 2.3%

POPULATION IN URBAN AREAS.....(1970) 33% (1985) 50%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1985) 32

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978) 50.3%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 37.1% (15-64YRS) 58.7% (65+ YRS) 4.2%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 90

PEOPLE PER PHYSICIAN..... (1980) 1,631

MAJOR CAUSES OF
DISEASE (1981) MALARIA ,SALMONELLA INFEC,TUBERCULOSIS
DEATH.. (.) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS

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

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1980) 76%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.....	(1981)	TOTAL	84.5	MALE	89.5	FEMALE	79.3
SECONDARY.....	(1979)	TOTAL	35.9	MALE	48.3	FEMALE	24.0
POST SECONDARY..	(1980)	TOTAL	4.5	MALE	6.5	FEMALE	2.4

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 43.6%

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

COUNTRY TURKEY

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	193.1	201.0	301.1	286.0	139.5	3920.3	1093.5	2826.8
Loans	127.0	66.0	100.0	85.0	63.5	1972.1	1093.5	878.6
Grants	75.1	135.0	201.1	201.0	76.0	1948.2	-	1948.2
a. A.I.D. and Predecessor Agencies	198.0	200.0	300.0	285.0	138.5	3315.4	869.9	2445.5
Loans	123.0	66.0	100.0	85.0	63.5	1643.5	869.9	773.6
Grants	75.0	134.0	200.0	200.0	75.0	1671.9	-	1671.9
(Economic Support Fund)	198.0	200.0	300.0	285.0	135.5	2022.9		
b. Food for Peace (PL 480)	0.1	*	0.1	*	*	573.5	208.9	364.6
Loans	-	-	-	-	-	316.4	208.9	107.5
Grants	0.1	-	0.1	-	-	257.1	-	257.1
Title I - Total Sales Agreements	-	-	-	-	-	431.2	208.9	222.3
Repayable in U.S. Dollars - Loans	-	-	-	-	-	91.0	50.9	40.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	340.2	158.0	182.2
Title II - Total Grants	0.1	*	0.1	*	*	142.3	-	142.3
Emerg. Relief, Econ. Develop. & World Food Program	0.1	*	0.1	*	*	54.9	-	54.9
Voluntary Relief Agencies	-	-	-	-	-	87.4	-	87.4
c. Other Economic Assistance	-	1.0	1.0	1.0	1.0	31.4	14.7	16.7
Loans	-	-	-	-	-	12.2	14.7	2.5-
Grants	-	1.0	1.0	1.0	1.0	19.2	-	19.2
Peace Corps	-	-	-	-	-	15.2	-	15.2
Narcotics	-	1.0	1.0	1.0	1.0	4.0	-	4.0
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	209.3	252.5	403.0	402.8	713.3	7154.2	820.7	6333.5
Credits or Loans	202.9	250.0	343.0	290.0	585.0	2455.9	820.7	1635.2
Grants	5.4	2.5	60.0	112.8	133.3	4698.3	-	4698.3
a. MAP Grants	4.0	1.1	57.0	110.0	130.0	3438.1	-	3438.1
b. Credit Financing - FMS	202.9	250.0	343.0	290.0	585.0	2455.9	820.7	1635.2
c. Military Assistance Service-Funded (MASF) Grants	1.4	1.7	3.0	2.8	3.3	123.5	-	123.5
d. Transfers from Excess Stocks	-	-	-	-	-	857.7	-	857.7
e. Other Grants	-	-	-	-	-	279.0	-	279.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	406.4	453.8	704.1	688.8	857.3	11074.5	1914.2	9160.3
Loans	325.9	316.0	443.0	375.0	648.5	4428.0	1914.2	2513.8
Grants	80.5	137.8	261.1	313.8	209.3	6646.5	-	6646.5
Other U.S. Government Loans and Grants	0.6	8.0	-	-	70.5	373.9	360.4	13.5
a. Export-Import Bank Loans	0.6	8.0	-	-	-	303.4	360.4	57.0-
b. All Other Loans	-	-	-	-	70.5	70.5	-	70.5

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1946-85
TOTAL.....	676.8	945.2	705.6	7214.0
IBRD	669.4	794.3	698.5	5928.6
IFC	5.3	150.0	7.1	402.9
IDA	0.0	0.0	0.0	178.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	2.1	0.9	0.0	67.7
OTHER-UN	0.0	0.0	0.0	11.7
EEC	0.0	0.0	0.0	625.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	397.0	223.0	1,107.0
Germany,Fed. Rep.	114.4	67.2	1,451.3
Japan	32.1	32.1	146.0
United Kingdom	29.6	8.2	116.9
France	25.1	18.5	107.1
Other	35.7	28.1	247.9
Total	633.9	377.1	3,176.2

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

CY 1982	CY 1983	CY 1978-83
116.1	N.A.	563.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1983	CY 1984	CY 1954-84
USSR	-	-	3,399
Eastern Europe	9	N.A.	912
China	-	-	-
Total	9		4,311

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1985 Actual	FY 1986 Estimated	FY 1987 Request
Grants	90,000	119,625	80,000
Loans	85,000		70,000
Total	175,000	119,625	150,000

Development Overview

In 1980, the Turkish Government announced a comprehensive economic stabilization and reform program featuring a more flexible foreign exchange regime, major efforts to reform Turkey's parastatal enterprises, and restrictive fiscal, monetary and wage policies. These and complementary policies have been used to change the Turkish economy from one which looked inward, producing for a highly protected domestic market, to one which increasingly is oriented toward the world market.

The program -- with support from the United States and other members of the Organization for Economic Cooperation and Development (OECD) -- has been remarkably successful. Whereas in the late 1970s, Turkey experienced a deep economic malaise necessitating large-scale aid, a major debt rescheduling and International Monetary Fund (IMF) support; it is now able to finance basic imports and to service its external debt. Economic growth has resumed with exports leading the way.

Liberalization measures taken by the new Government in 1984 gave a new impetus to the 1980 program and accelerated the process of economic reform. The civilian government of Prime Minister Turgut Ozal moved to open the Turkish economy even further to market forces. To foster greater efficiency in domestic industry, the import regime has been substantially liberalized. Studies on the privatization of parastatal enterprises are taking place and the services of Morgan Guaranty Trust Company have been enlisted to assist in the matter. A sweeping liberalization of foreign exchange controls has been carried out. Turks have been permitted to open foreign currency accounts in domestic banks and foreign exchange surrender requirements have been eased to increase incentives to earn and to repatriate foreign exchange. Channeling such earnings through the banking system has helped to increase financing available for investment in Turkey. Interest rates also have been restructured. In January 1985, a value-added tax was introduced in order to increase tax revenues. Finally, prices of petroleum products continue to be adjusted to keep them in line with international levels.

Despite this dramatic progress, domestic inflation remains a problem. In 1984, the wholesale price index rose by 52 percent. While the inflation rate has declined to 36 percent per annum in recent months, the budget deficit continues to pose difficulties. The Turkish authorities have been "monetizing" the deficit and this could produce an intensification of inflationary pressures in the near term.

TURKEY

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	85,000		70,000
Grants	90,000	119,625	80,000
Total AID	175,000	119,625	150,000
P.L. 480 **			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	175,000	119,625	150,000

** 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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (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

TURKEY

Although the Turkish Government has established an impressive record in the economic sphere, the framework upon which the economic recovery is built remains fragile. Substantial amounts of outside assistance are still needed. Debt-service payments are significant and the principal on rescheduled debt is coming due. As a result, Turkey's foreign debt repayment obligations are substantial and will remain at relatively high levels over the next several years. Nevertheless, with conservatively projected increases in export earnings, continued implementation of the stabilization program, new commitments of economic assistance from the United States and other donors and continued commercial inflows, Turkey should be able to meet its obligations while at the same time continue to grow and develop.

U.S. Interests and Objectives

Turkey is a close, valued ally in the North Atlantic Treaty Organization (NATO). .It is located in an area of the world which is of strategic importance to the United States. The United States has an interest in encouraging and supporting the growth, development and stability of a democratic, Western-oriented Turkey, willing and able to meet its NATO commitments.

A.I.D.'s Assistance Strategy

A.I.D.'s strategy is to provide resources in conjunction with other donors (and private lenders) to permit Turkey to service its large debt while importing the goods and services it needs for economic growth.

A.I.D. Program (FY 1985-86)

The $175 million provided in FY 1985 and the $119.6 million planned for FY 1986 ($150 million was requested for FY 1986 but reduced due to funding constraints) assists in financing Turkey's external financial requirements. While strengthening of the balance of payments position is envisaged, Turkey still requires assistance to meet its significant debt-servicing requirements.

Requested Year Program (FY 1987)

For FY 1987, $150 million is requested to continue support of Turkish economic reform and stabilization efforts. Turkey is expected to continue to pursue policies designed to encourage development of the private sector and enhance the climate for foreign investment.

The Government of Turkey is looking to the OECD countries to provide continuing economic assistance, and also hopes to generate additional support from Arab donors. Turkey is also able to turn to private banks to finance some of its imports and developmental projects. It is expected that the economy will continue to strengthen.

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

PROGRAM: TURKEY

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
ECONOMIC SUPPORT FUND												
CASH TRANSFER	* G	277-KXXX	87	87	---	80,000	---	---	---	---	80,000	---
CASH TRANSFER	* L	277-KXXX	87	87	---	70,000	---	---	---	---	70,000	---
CASH TRANSFER	G	277-K006	85	85	90,000	90,000	90,000	90,000	---	---	---	---
CASH TRANSFER	L	277-K006	85	85	85,000	85,000	85,000	85,000	---	---	---	---
CASH TRANSFER	G	277-K007	86	86	---	125,000	---	---	119,625	119,625	---	---
TOTAL FOR ACCOUNT					175,000	450,000	175,000	175,000	119,625	119,625	150,000	---
GRANTS					90,000	295,000	90,000	90,000	119,625	119,625	80,000	---
LOANS					85,000	155,000	85,000	85,000	---	---	70,000	---
TOTAL FOR COUNTRY					175,000	450,000	175,000	175,000	119,625	119,625	150,000	---
GRANTS					90,000	295,000	90,000	90,000	119,625	119,625	80,000	---
LOANS					85,000	155,000	85,000	85,000	---	---	70,000	---

*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, 1985 are based on the authorized data.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

Yemen Arab Republic

Previous Page Blank

FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (279) YEMEN (SANAA) (NORTH)

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 6,159

PER CAPITA GNP..... (DOLLARS,1983) 550

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 5.7%

ANNUAL RATE OF INFLATION (1973-83) 13.9%

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

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 44.9	MALE 43.8	FEMALE 46.1
(1970)	TOTAL 38.5	MALE 37.8	FEMALE 39.3

ADULT LITERACY RATE (1980) TOTAL 9% MALE 18% FEMALE 2%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (.- .) . %

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 21%

POPULATION DENSITY / 50 KM OF AGRICULTURAL LAND (1982) 76

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: SORGHUM ,WHEAT ,PULSES	76%	(1984)
CASH: GRAPES ,COTTON ,COFFEE	11%	(1984)

MAJOR AGRICULTURAL EXPORTS:(1984) COTTON ,COFFEE ,HIDES AND SKINS

MAJOR AGRICULTURAL IMPORTS:(1984) WHEAT ,MEATS ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 74%

CENTRAL GOVERNMENT FINANCES

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

(1980)	704 (81)	1,052 (82)	1,259

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

(1980)	1,095 (81)	1,503 (82)	2,412

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

(1980)	-511 (81)	-643 (82)	-1,153

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1980) 30.0% (81) 29.5% (82) 29.0%
AS % OF GNP..... (1979) 14.3% (80) 10.6% (81) 13.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982) 555 (83) 366 (84) 319
EQUIVALENT TO 1.7 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)GAT ,COTTON ,COFFEE

EXPORTS TO U.S.

($ MILLIONS, US, FOB)	(1982)	0	(1983)	0	(1984) 8
AS % OF TOTAL EXPORTS	(1981)	16%	(1982)	0%	(1983) 0%

MAJOR IMPORTS(1983)TEXTILES ,PETROLEUM PRODS,SUGAR

IMPORTS FROM U.S.

($ MILLIONS, US, CIF)	(1982)	31	(1983)	118	(1984) 77
AS % OF TOTAL IMPORTS	(1981)	2%	(1982)	2%	(1983) 7%

TRADE BALANCE($ MILLIONS, U.S.)(1981) -1,723(82) -1,921(83)-1,756

TRADING PARTNERS: SAUDI ARABIA ,JAPAN ,FRANCE

EXTERNAL PUBLIC DEBT AS % OF GNP (1983) 58.6%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1983) 42
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1983) 444%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.2% (1978) 2.4% (1985) 2.9%

POPULATION IN URBAN AREAS.....(1970) 8% (1985) 13%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 49 (1985) 53

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1979) 1.7%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 45.1% (15-64YRS) 51.6% (65+ YRS) 3.3%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 154

PEOPLE PER PHYSICIAN..... (1979) 13,320

MAJOR CAUSES OF
DISEASE (1981) UNKNOWN AILMENTS,INTESTINAL INFEC,UNKNOWN AILMENTS
DEATH.. (1975) GASTROINTESTINAL,PARASITIC DISEAS,ACUTE RESP. INFE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 90%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1981) 14%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY.....	(1982)	TOTAL	47.3	MALE	79.9	FEMALE	14.2
SECONDARY.....	(1982)	TOTAL	5.6	MALE	6.0	FEMALE	0.7
POST SECONDARY..	(1980)	TOTAL	0.7	MALE	1.3	FEMALE	0.1

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

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

COUNTRY YEMEN ARAB REPUBLIC

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1980	1981	1982	1983	1984	TOTAL LOANS AND GRANTS 1946–84	REPAYMENTS AND INTEREST 1946–84	TOTAL LESS REPAYMENTS AND INTEREST 1946–84
I. ECONOMIC ASSISTANCE – TOTAL	13.4	20.7	25.7	29.2	31.4	228.2	0.3	227.9
Loans	-	5.0	-	-	3.0	9.4	0.3	9.1
Grants	13.4	15.7	25.7	29.2	28.4	218.8	-	218.8
a. A.I.D. and Predecessor Agencies	11.6	19.4	23.3	28.1	27.4	193.0	0.3	192.7
Loans	-	5.0	-	-	-	6.4	0.3	6.1
Grants	11.6	14.4	23.3	28.1	27.4	186.6	-	186.6
(Economic Support Fund)	-	-	-	-	-	25.1		
b. Food for Peace (PL 480)	0.7	0.3	1.2	-	3.1	26.5	-	26.5
Loans	-	-	-	-	3.0	3.0	-	3.0
Grants	0.7	0.3	1.2	-	0.1	23.5	-	23.5
Title I - Total Sales Agreements	-	-	-	-	3.0	3.0	-	3.0
Repayable in U.S. Dollars - Loans	-	-	-	-	3.0	3.0	-	3.0
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.7	0.3	1.2	-	0.1	23.5	-	23.5
Emerg. Relief, Econ. Develop. & World Food Program	0.7	0.3	1.2	-	0.1	15.8	-	15.8
Voluntary Relief Agencies	-	-	-	-	-	7.7	-	7.7
c. Other Economic Assistance	1.1	1.0	1.2	1.1	0.9	8.7	-	8.7
Loans	-	-	-	-	-	-	-	-
Grants	1.1	1.0	1.2	1.1	0.9	8.7	-	8.7
Peace Corps	1.1	1.0	1.2	1.1	0.9	8.7	-	8.7
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	0.5	0.9	12.2	6.9	5.1	27.5	-	27.5
Credits or Loans	-	-	10.0	4.0	-	14.0	-	14.0
Grants	0.5	0.9	2.2	2.9	5.1	13.5	-	13.5
a. MAP Grants	-	-	1.0	1.7	4.0	6.7	-	6.7
b. Credit Financing - FMS	-	-	10.0	4.0	-	14.0	-	14.0
c. Military Assistance Service-Funded (MASF) Grants	0.5	0.9	1.2	1.2	1.1	6.8	-	6.8
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	13.9	21.6	37.9	36.1	36.5	255.7	0.3	255.4
Loans	-	5.0	10.0	4.0	3.0	23.4	0.3	23.1
Grants	13.9	16.6	27.9	32.1	33.5	232.3	-	232.3
Other U.S. Government Loans and Grants	0.7	-	-	-	-	0.7	*	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	0.7	-	-	-	-	0.7	*	*

*LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1983	FY 1984	FY 1985	FY 1948-85
TOTAL.....	53.6	58.3	29.2	482.3
IBRD	0.0	0.0	0.0	0.0
IFC	4.0	0.0	4.9	12.0
IDA	47.5	56.0	22.7	417.5
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	2.1	2.3	0.0	43.2
OTHER-UN	0.0	0.0	1.6	9.6
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

	CY 1982	CY 1983	CY 1978-83
United States	28.0	23.0	106.0
Germany, Fed. Rep.	10.7	9.4	167.0
Netherlands	12.7	29.0	111.0
Japan	24.9	8.7	63.9
United Kingdom	5.0	5.7	28.5
Other	3.8	14.5	35.2
Total	85.1	90.3	511.6

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

CY 1982	CY 1983	CY 1978-83
243.6	N.A.	1,130.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

YEMEN

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
1985								
Loans								
Grants	27,449	12,070	-	5,500	9,839	40		
Total	27,449	12,070	-	5,500	9,839	40		
1986								
Loans			-			-		
Grants	23,000	11,550	-	3,950	7,500	-		
Total	23,000	11,550	-	3,950	7,500	-		
1987								
Loans			-					
Grants	26,000	11,500	-	4,430	10,070	-		
Total	26,000	11,500	-	4,430	10,070	-		

FY 1987
PROGRAM HIGHLIGHTS

- $11.5 million for agricultural activities, including advisory services, poultry and horticulture, development of a Faculty of Agriculture and irrigated farming demonstration.
- $7.5 million to continue the comprehensive human resources training program.
- $3.2 million for continuing programs in child survival and village water systems.

YEMEN

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
Aid *			
Loans	394	--	--
Grants	23,255	32,821	28,409
Total AID	23,649	32,821	28,409
P.L. 480 **			
Title I	12,000	5,000	5,000
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480	12,000	5,000	5,000
Total AID and P.L. 480	35,649	37,821	33,409

** 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 1985 (Actual)		FY 1986 (Estimated)		FY 1987 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	30,000	4,000				
Rice	21,000	8,000	13,000	5,000	18,000	5,000
Feedgrains						
Vegoil						
Non-food						
Title I Total *(of which Title III is)*	51,000	12,000	13,000	5,000	18,000	5,000
Title II 1/						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480	51,000	12,000	13,000	5,000	18,000	5,000

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

YEMEN

PERSONNEL DATA			
Category	FY 1985 (Actual)	FY 1986 (Estimated)	FY 1987 (Proposed)
U.S. National Personnel AID Direct Hire[a] PASA[b]	23.8	21.4	21.4
TOTAL	23.8	21.4	21.4

[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 PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	298	45	343	327	57	384	408	68	476
Regional[e]	–	16	16		10	10		10	10
TOTAL	298	61	359	327	67	394	408	78	486

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY 1985 (Actual)			FY 1986 (Estimated)			FY 1987 (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	60	25	85	64	38	102	67	51	118
Regional[e]		9	9	–	13	13	–	18	18
TOTAL	60	34	94	64	51	115	67	69	136

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

YEMEN

Development Overview

The Yemen Arab Republic (YAR) occupies a strategic position on the Arabian Peninsula. It abuts the southern entrance to the Red Sea and acts as a buffer between the Marxist-dominated People's Democratic Republic of Yemen (PDRY) and Saudi Arabia.

Unlike most of its neighbors on the peninsula, Yemen is a poor country with an estimated 1983 per capita Gross National Product (GNP) of $550. Life expectancy is only 44.9 years, adult literacy is only 9%, and infant mortality is high at 173 per 1,000 births. Only 14% of Yemen's 6,159,000 people have access to safe water. A mere 5.6% of Yemen's high school age children are enrolled in high schools.

These are bleak indicators of the quality of life, however in recent years Yemen's has experienced significant growth. Since 1962, the country has made education, primary health and other social services more widely available, and put roads, communication systems and other infrastructure into place. Fueled by large-scale Arab aid and remittances from the substantial number of Yemenis working abroad, real Gross Domestic Product (GDP) rose at an average annual rate of about 10% during 1970-1982. Concurrently, per capital cash income rose rapidly. This growth, however, was not soundly based. Agriculture stagnated with the loss of rural labor to high-paying jobs in the Gulf states, and local industry had little chance to develop in the face of rapidly rising and relatively cheap imports. The end of the oil boom in the Gulf states led to a levelling off in the inflow of Yemeni workers' remittances and to a sharp reduction in Arab grant aid.

The Government's adjustments to this changed situation began in earnest in mid-1983. The budget deficit, the equivalent of 28% of GDP in 1982, was reduced, in nominal terms, by 11% in 1983 and a further 3% in 1984. However, performance in reducing the budget deficit slipped, and government domestic borrowing has, during 1985, increased 24% over the first half of 1984. To stem imports, the Government tightened import licensing and, in November 1983, began to devalue the Yemeni rial which, for a decade, had been pegged at 4.56 to the dollar. From February 1984 to October 1985, the rial has been devalued nearly 70%. As a result of these steps, officially recorded imports fell, in dollar terms, by 8% in 1983 and 25% in 1984. Whether these declines have been duplicated in the large informal sector is unclear, but the government has attempted to curtail smuggling. While Yemen's balance of payments situation has improved, official reserves have continued to decline, from sixteen months of imports in 1977 to roughly three months of imports in 1984.

GDP growth slowed to 2.4% in 1983, and remained in this low range in 1984 and 1985. The cumulative devaluations together with the continued high recourse to money creation through government deficit financing, have increased the pace of inflation to an estimated 20% or higher in 1985.

Return to the high growth rates of the 1970's is unlikely, and, at best, GDP growth will be modest over the medium term. Oil has been discovered in Yemen by the Yemen-Hunt Oil Company, and in the discovery field, proven reserves of 300 million barrels have been announced. A pipeline to transport the oil to the Red Sea for export is being planned. However, production and export revenues are unlikely to materialize for at least another three years, and the Yemen Government is anxiously searching for means to bridge the interim period.

U.S. Interests and Objectives

The strategic location of the YAR on the Red Sea adjacent to the Straits of Mundab, its position as a buffer between Marxist South Yemen and Saudi Arabia, the large numbers of Yemenis working in Saudi Arabia and the Gulf, and the potential oil resources in the ill-defined border areas of northeastern Yemen contribute to the importance of Yemen to U.S. interests in regional stability. U.S. objectives are to help develop, through economic and other assistance, a strong government in Yemen, friendly with its neighbors, which will further U.S. interests in stability on the Peninsula and in the Red Sea area.

The long-term U.S. program of human resource and institutional development seeks to lay a foundation for sustained national development and a stronger friendship between Yemen and the United States. Tangible U.S. participation in the economic development of the Yemen Arab Republic indicates U.S. support of Yemen's developmental objectives and the free-market means through which the country is seeking to achieve them.

A.I.D. Development Strategy

Like other poor countries Yemen has many of the characteristics that attend abject poverty. These include comparatively low productivity, low literacy rates, and low life expectancy, among others. The country faces enormous human resource and institutional needs resulting from its isolation prior to the 1962 revolution. Yemen remains a complex tribal society in which the central government is only one factor in the important developmental process. In spite of the recent slowdown in remittance inflows and resulting scarcity of foreign exchange, the Yemeni private sector remains a dynamic force in the country's economy. In this environment, A.I.D.'s assistance strategy is to broaden the country's institutional and human resources base in both the public and the private sector while undertaking selective interventions to increase agricultural production and provide health care, educational services, and safe water for an expanded rural population.

A.I.D. Program (FY 1985 - FY 1986)

Agriculture:

The Agricultural Development Support project (279-0052) is now in its seventh year of implementation. As a result of a comprehensive project review of the project in FY 1985, A.I.D. decided to replace the Consortium for International Development contract with direct contracts with Title XII universities implementing subprojects.

During FY 1985, a new Faculty of Agriculture subproject was initiated to provide faculty training, curriculum development, architectural and engineering services, and construction supervision for the establishment of a new Faculty at Sana'a University.

A.I.D. will provide funds in FY 1986 for formal agricultural training at the secondary and higher levels, assistance to the Ministry of Agriculture and Fisheries (MAF) and Ministry of Education, with emphasis on planning, statistics, horticulture, poultry and agricultural education. Through the subprojects, A.I.D. should have a significant impact on strengthening agricultural institutions.

In FY 1986, the Core Subproject and Ibb Secondary Agricultural Institute Subproject will be extended in accordance with the recommendations of a recent evaluation. Ongoing Poultry and Horticulture subprojects will also be funded. Following evaluation recommendations the Poultry subproject will expand distribution of pullets for household and village flocks, and provide extension services and training to recipients, particularly women. Other key outputs expected in FY 1986 under this program include 60 additional graduates from the secondary agricultural education system, production and distribution of 60,000 fruit tree seedlings, distribution of 115,000 pullets for household and small-scale village flocks, and training of 12 persons in the United States to assume teaching positions in the new Faculty of Agriculture. A.I.D., in its policy dialogue with the MAF, is emphasizing the need to move existing pullet and fruit tree distribution efforts to a self-sustaining basis.

Education:

An education sector assessment was conducted in FY 1985 to provide an analytical base for reformulation of the long-term A.I.D. assistance in basic education.

During FY 1986, education and training will continue to play a major role in A.I.D.'s strategy to assist the Yemen Government to develop its human resource base. Approximately 166 participants will complete academic training in the United States and third countries during this period bringing the total number of Yemenis trained under A.I.D. projects to 894 since 1974, an additional 101 participants will begin long-term academic training this fiscal year. The technical assistance contractor under the Development Training III Project (279-0080) will begin laying the

informational and analytical basis for improving long-range manpower planning and for conducting in-depth training needs assessments of public and private sector entities prior to the development and presentation of in-country training programs. Development Training III Project resources will also be used to continue A.I.D.'s highly successful English language teaching program in cooperation with the United States Information Service. A.I.D. educational resources will continue to promote technology transfer through the training of faculty members for Sana'a University. By 1987, it is expected that the majority of the staff of the Faculties of Science and Education will be U.S.-trained PHDs; this same result will be achieved for the Faculty of Agriculture by 1989. Training of teacher trainers and educational administrators will continue in FY 1986 under the Basic Education Development Project (279-0053). To date, 110 U.S. trained Yemeni teacher trainers have assumed positions in Yemen's teacher training institutes and 55 are presently in training.

A.I.D., in its policy dialogue with the Ministry of Education, is focusing on improving educational efficiency and the utilization of trained manpower.

Health

In FY 1986, support will continue for activities including the Tihama Primary Health Care Project (270-0065) and Small Rural Water Systems (279-0044). A five-year extension of the latter project was approved in 1984, based upon the recommendations of an evaluation which concluded that although many village water systems, have been constructed, much more remains to be done to institutionalize this capacity within the Ministry of Public Works, and to promote consciousness of health and sanitation hazards in villages among populations receiving new water systems.

A.I.D. also plans during FY 1986 to initiate a new Child Survival project (279-0082) which will assist the Yemen Government to mount a direct attack on Yemen's major health problems of infant and maternal morbidity and mortality.

Earthquake Reconstruction

Another significant element of the FY 1986 program is the continuation of earthquake reconstruction activities in the Dhamar area. In FY 1984 and FY 1985, A.I.D. provided PL 480 Title I resources. Local currency proceeds from these sales are being used to assist in the reconstruction of homes and provision of necessary infrastructure (schools, roads, etc.) in Dhamar Province, in conjunction with the effort of the Kingdom of the Netherlands and the European Economic Community. By the end of 1985, A.I.D. estimates that approximately 250 homes will be under construction or completed, and an additional 650 reconstruction contracts will have been signed.

YEMEN

A.I.D./Peace Corps

A.I.D. cooperation with the Peace Corps will continue. One element is the regionally-funded Small Project Assistance program, where funds each year are used for self-help activities. Peace Corps volunteers are also on the staff of the Small Rural Water Systems project and provide English language training for A.I.D. participants at the Yemen-American Language Institute.

Requested Year Program (FY 1987)

Agriculture

Funds are needed to continue agricultural activities which focus on training and institution building, increasing poultry and horticultural productivity, and demonstrating effective on-farm water use. A PL 480 Title I program is requested to assist the Yemen Government to meet its grain import requirements during this period of foreign exchange scarcity prior to the generation of oil revenues. Proceeds from the sale of commodities will be used to support the development of the Faculty of Agriculture and other priorities established by the Ministry of Agriculture and Fisheries.

Education:

A.I.D. will continue the ongoing comprehensive human resources training program.

Health:

Funds will be utilized for continuing programs in rural water and child survival. The Small Rural Water Systems project will develop rural potable water systems, and provide technical assistance and training for the Rural Water Supply Division, and health and sanitation improvements at the village level. The Child Survival project will continue efforts begun in FY 1986 to promote a number of health care interventions designed to alleviate the causes of maternal and child health problems.

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

PROGRAM: YEMEN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
LOCAL RESOURCES FOR DEVELOPMENT	G	279-0045	79	84	8,720	7,989	7,989	7,884	---	105	---	---
AGRICULTURAL DEVELOPMENT SUPPORT	G	279-0052	79	95	82,331	161,520	57,248	38,780	11,550	17,900	11,500	14,900
TOTAL FOR ACCOUNT					91,051	169,509	65,237	46,664	11,550	18,005	11,500	14,900
GRANTS					91,051	169,509	65,237	46,664	11,550	18,005	11,500	14,900
LOANS					---	---	---	---	---	---	---	---
HEALTH												
WATER SUPPLY SYSTEMS MANAGEMENT	G	279-0028	77	82	6,100	6,100	6,100	5,784	---	316	---	---
SMALL RURAL WATER SYSTEMS	G	279-0044	79	88	21,500	21,500	17,188	12,368	750	3,200	2,130	2,500
TIHAMA PRIMARY HEALTH CARE	G	279-0065	80	86	11,500	8,943	8,943	5,839	---	2,000	---	1,104
CHILD SURVIVAL	G	279-0082	86	90	---	20,000	---	---	3,200	---	2,300	1,500
TOTAL FOR ACCOUNT					39,100	56,543	32,231	23,991	3,950	5,516	4,430	5,104
GRANTS					39,100	56,543	32,231	23,991	3,950	5,516	4,430	5,104
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT TRAINING II	G	279-0040	78	83	20,174	20,174	20,174	17,719	---	2,300	---	155
BASIC EDUCATIONAL DEVELOPMENT	G	279-0053	79	85	28,293	18,739	18,739	11,710	---	3,000	---	3,000
DEVELOPMENT TRAINING III	G	279-0080	84	93	40,000	80,000	10,037	1,601	7,500	4,000	10,070	4,000
TOTAL FOR ACCOUNT					88,467	118,913	48,950	31,030	7,500	9,300	10,070	7,155
GRANTS					88,467	118,913	48,950	31,030	7,500	9,300	10,070	7,155
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
SMALL PROJECT ASSISTANCE/PEACE CORPS	G	279-0054	83	C	---	---	80	14	---	---	---	---

*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, 1985 are based on the authorized date. For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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

PROGRAM: YEMEN

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
TOTAL FOR ACCOUNT					---	---	80	14	---	---	---	---
GRANTS					---	---	80	14	---	---	---	---
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					218,618	344,965	146,498	101,699	23,000	32,821	26,000	27,159
GRANTS					218,618	344,965	146,498	101,699	23,000	32,821	26,000	27,159
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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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ANE REGIONAL

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
1985								
Loans	-	-	-	-	-	-	-	-
Grants	42,973	7,767	2,661	3,561	5,702	5,080	18,202	
Total	42,973	7,767	2,661	3,561	5,702	5,080	18,202	
1986								
Loans	-	-	-	-	-	-	-	-
Grants	46,911	10,229	2,634	2,554	5,801	4,564	21,129	
Total	46,911	10,229	2,634	2,554	5,801	4,564	21,129	
1987								
Loans	-	-	-	-	-	-	-	-
Grants	52,100	8,702	1,971	2,830	5,147	3,450	30,000	-
Total	52,100	8,702	1,971	2,830	5,147	3,450	30,000	-

FY 1987 PROGRAM HIGHLIGHTS

The Asia Near East Regional program request for FY 1987 includes:

- $18 million for activities in the West Bank and Gaza Strip
- $8.8 million for Project Development and Support, chiefly project design and evaluation costs.
- $5.8 million for Regional Cooperation programs in the Middle East
- $5.0 million for support to non-communist Cambodian resistance forces.
- $3.8 million for regional activities with the Association of South East Asian Nations (ASEAN)
- $3.9 million for the Asian-American Free Labor Institute programs.

PERSONNEL DATA			
Category	FY (Actual)	FY (Estimated)	FY (Proposed)
U.S. National Personnel AID Direct Hire[a] PASA[b]			
TOTAL			

[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 PARTICIPANTS IN TRAINING IN THE U.S.[a]									
Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	-	-	-	-	-	-	-	-
Regional[e]	181	25	206	177	37	214	166	47	213
TOTAL	181	25	206	177	37	214	166	47	213

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded by regional programs (e.g., CLASP, AMDP).*

PARTICIPANT TRAINING DATA PARTICIPANTS IN TRAINING IN THIRD COUNTRIES[a]									
Category	FY (Actual)			FY (Estimated)			FY (Proposed)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
Bilateral[d]	-	-	-	-	-	-	-	-	-
Regional[e]	84	110	194	75	196	271	68	218	286
TOTAL	84	110	194	75	196	271	68	218	286

[a] *In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b] *Academic: degree seeking.*
[c] *Technical: non-degree seeking.*
[d] *Participants funded under bilateral programs.*
[e] *Participants funded under regional programs (e.g., CLASP, AMDP).*

ANE REGIONAL

The Asia and Near East Regional program is funded from Economic Support Funds (ESF) and Development Assistance (DA) budgetary sources. It groups together a wide-ranging portfolio of regionally and subregionally focused activities in a number of sectors, aimed at a variety of political and developmental objectives. The largest of these activities are briefly described below.

The West Bank and Gaza (398-0159) program supports projects to improve living and employment conditions of Palestinians residing in the West Bank and Gaza. Activities have been implemented by United States and indigenous private and voluntary organizations (PVOs) and other institutions. The assistance concentrates on health and sanitation, agricultural development, water storage and distribution, community and rural development, and vocational and higher education.

Actual and projected activities from the beginning of the program in FY 1975 through FY 1986 include: advanced training of 230 faculty members from West Bank and Gaza institutions at American universities; scholarship programs for over 1,200 undergraduates at five West Bank institutions; short term training in the United States for approximately 125 participants; activities with indigenous cooperatives and other groups in agricultural development; provision of health education services to 10,000 mothers in the West Bank and Gaza; assistance to community groups for construction and equipping of community centers, schools, clinics, electrical systems and access roads; training services for an estimated 200 families with handicapped children in the West Bank and Gaza, and equipping of four training enters for the handicapped; and scores of self-help projects with communities and municipalities to expand and improve water supply systems.

Funds requested for FY 1987 will permit both U.S. and local PVOs to continue and expand basic health services. Additionally, the American Near East Refugee Aid (ANERA) will continue its work in improving water supply systems and assisting cooperatives in land reclamation, marketing, and provision of other agricultural services. Save the Children/Community Development Foundation (SCF/CDF) will develop additional self-help projects in agriculture, water storage and distribution, and health and education. Catholic Relief Services (CRS) will expand its activities in health education and rural community self-help. The American-Mideast Educational and Training Services (AMIDEAST) will continue its support to institutions of higher education. Support for additional institutions, including but not limited to PVOs, may also be provided if sound activities are identified which address quality-of-life concerns. A.I.D. is particularly interested in finding ways to stimulate private sector activity in the West Bank and Gaza, and supporting institutions which can serve to channel funds to private borrowers for productive uses in agriculture and industry. We will also explore opportunities to meet needs for technical expertise in

marketing and management.

Under the Regional Cooperation project (398-0158), A.I.D. funds activities that strengthen the peace process and increase mutual understanding between Israel and its Arab neighbors, especially Egypt. Since FY 1979, when this program was first mandated by Congress, joint projects involving Arabs and Israelis have been successfully implemented in the marine sciences, psychological perceptions of the Middle East conflict, infectious diseases, arid land agriculture, agricultural technology exchange and environmental training for young people. In most instances U.S. institutions have been instrumental in bridging the gap between the former enemies. In addition, a small amount of funding has been made available to the United States Embassies in Tel Aviv and Cairo to support cooperative activities proposed by local sponsors. The Regional Cooperation activities involve a number of Egyptian, Israeli and American universities, government agencies and other institutions. They bring Arabs and Israelis into direct contact on problems of mutual concern, creating ties which may eventually lead to self-sustaining relationships and greater confidence.

FY 1987 funding will continue support for agricultural, marine sciences and infectious diseases projects, as well as activities proposed locally to the Embassies and A.I.D. Activities in nutrition as well as other new and innovative proposals to expand the areas of cooperation between Israel and its Arab neighbors may also receive support.

Instititutional support will continue in FY 1987 for the the Asian-American Free Labor Institute (398-0263), which operates labor support programs in fourteen countries in the region.

The Program Development and Support (PD&S) project (398-0249) provides funding for feasibility work, project design and development, project and program evaluation, and selected special studies, in support of the bilaterally-funded project portfolio.

The regional Association of South East Asian Nations (ASEAN), comprised of Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, receives assistance in the form of a number of projects focused on human resources development and applied research in watershed management, marine sciences, small and medium enterprise development, and energy conservation.

Funds are also requested for a variety of smaller projects under the Asia and Near East Regional program, in support of a number of initiatives which can most efficiently be addressed on a regional rather than a bilateral basis. These include private sector development, irrigation water management, environmental activities, Child Survival, technical information dissemination, population, Peace Corps cooperation, Section 116(e) human rights activities, PVO cofinancing projects, rainfed agriculture, and the India Technical Collaboration program.

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

PROGRAM: ASIA AND NEAR EAST REGIONAL

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROGRAM DEVELOPMENT AND SUPPORT	G	398-0249	86	C	---	---	---	---	6,430	1,119	4,250	3,169
EXTENSION OF SMALL SCALE AG EQUIPMENT	G	398-0265	86	86	---	264	---	---	264	66	---	132
WATER MANAGEMENT SUPPORT	G	398-0274	86	92	---	7,000	---	---	825	825	800	250
FORESTRY AND BIO-RESOURCE SYSTEM MGT.	* G	398-0276	87	89	2,500	2,500	---	---	---	---	475	119
SMALL PROJECT ASSISTANCE - PEACE CORPS	G	398-0279	86	C	---	---	---	---	80	40	160	120
TECHNICAL COLLABORATION	G	398-0282	86	C	---	---	---	---	720	175	977	725
ASEAN COASTAL RESOURCES MANAGEMENT	G	398-0286	86	87	5,000	5,000	---	---	1,800	375	500	1,000
ASEAN HUMAN RESOURCES DEVELOPMENT	G	398-0287	86	88	---	1,140	---	---	---	---	1,140	160
RAINFED AG INFORMATION	G	398-0330	86	90	---	3,200	---	---	110	28	400	155
TOTAL FOR ACCOUNT					7,500	19,104	---	---	10,229	2,628	8,702	5,830
GRANTS					7,500	19,104	---	---	10,229	2,628	8,702	5,830
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
REGIONAL POPULATION ACTIVITIES	G	398-0048	86	91	4,260	7,020	---	---	1,360	365	1,400	1,080
PROGRAM DEVELOPMENT AND SUPPORT	G	398-0249	86	C	---	---	---	---	1,274	238	571	600
TOTAL FOR ACCOUNT					4,260	7,020	---	---	2,634	603	1,971	1,680
GRANTS					4,260	7,020	---	---	2,634	603	1,971	1,680
LOANS					---	---	---	---	---	---	---	---
HEALTH												

*Refers to the planned project summary sheet

CLevel of effort activity

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

PROGRAM: ASIA AND NEAR EAST REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
REGIONAL ENVIRONMENTAL ACTIVITIES	G	398-0178	86	88	---	1,075	---	---	275	70	400	240
PROGRAM DEVELOPMENT AND SUPPORT	G	398-0249	86	C	---	---	---	---	2,279	375	1,429	1,125
ASEAN HUMAN RESOURCES DEVELOPMENT	G	398-0287	86	88	---	1,001	---	---	---	---	1,001	175
TOTAL FOR ACCOUNT					---	2,076	---	---	2,554	445	2,830	1,540
GRANTS					---	2,076	---	---	2,554	445	2,830	1,540
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
SCIENCE AND TECHNICAL INFO TRANSFER	G	398-0049	86	87	---	510	---	---	353	350	157	---
LEGAL EDUCATION AND TRAINING	G	398-0054	86	87	---	200	---	---	100	100	100	---
INTERNATIONAL DEVELOPMENT LAW INSTITUTE	G	398-0056	86	88	---	1,500	---	---	480	250	250	---
PROGRAM DEVELOPMENT AND SUPPORT	G	398-0249	86	C	---	---	---	---	968	400	500	---
ASIA AMERICAN FREE LABOR INSTITUTE	G	398-0263	86	C	---	---	---	---	3,900	3,900	3,900	3,900
ASEAN HUMAN RESOURCES DEVELOPMENT	G	398-0287	86	88	---	890	---	---	---	---	240	---
TOTAL FOR ACCOUNT					---	3,100	---	---	5,801	5,000	5,147	3,900
GRANTS					---	3,100	---	---	5,801	5,000	5,147	3,900
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
REGIONAL PRIVATE ENTERPRISE ACTIVITIES	G	398-0050	86	89	---	1,600	---	---	400	100	400	300
PROGRAM DEVELOPMENT AND SUPPORT	G	398-0249	86	C	---	---	---	---	1,744	410	1,420	1,105

*Refers to the planned project summary sheet

C Level of effort activity

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

PROGRAM: ASIA AND NEAR EAST REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	398-0251	86	C	---	---	---	---	600	150	300	375
ASEAN SMALL-MEDIUM BUSINESS IMPROVEMENT	G	398-0277	86	86	---	150	---	---	150	40	---	80
SMALL PROJECT ASSISTANCE - PEACE CORPS	G	398-0279	86	C	---	---	---	---	120	40	130	105
HUMAN RIGHTS	G	398-0280	86	C	---	---	---	---	200	50	200	150
ASEAN ENERGY CONSERVATION AND MGT	G	398-0285	86	88	5,000	5,000	---	---	1,350	330	1,000	1,000
TOTAL FOR ACCOUNT					5,000	6,750	---	---	4,564	1,120	3,450	3,115
GRANTS					5,000	6,750	---	---	4,564	1,120	3,450	3,115
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
REGIONAL POPULATION ACTIVITIES	G	398-0048	86	91	2,401	2,801	---	---	159	25	300	175
LEGAL EDUCATION AND TRAINING	G	398-0054	86	87	---	200	---	---	100	25	100	75
REGIONAL COOPERATION	G	398-0158	86	C	---	---	---	---	2,870	690	5,800	2,980
WEST BANK/GAZA DEVELOPMENT	G	398-0159	86	C	---	---	---	---	13,950	3,563	18,000	11,140
HUMAN RIGHTS EDUCATION	G	398-0201	86	87	---	100	---	---	---	---	100	100
PROGRAM DEVELOPMENT AND SUPPORT	G	398-0249	86	C	---	---	---	---	700	175	700	450
CAMBODIAN RESISTANCE	G	442-0100	86	87	---	8,350	---	---	3,350	3,350	5,000	5,000
TOTAL FOR ACCOUNT					2,401	11,451	---	---	21,129	7,828	30,000	19,920
GRANTS					2,401	11,451	---	---	21,129	7,828	30,000	19,920
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					19,161	49,501	---	---	46,911	17,624	52,100	35,985
GRANTS					19,161	49,501	---	---	46,911	17,624	52,100	35,985
LOANS					---	---	---	---	---	---	---	---

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CLevel of effort activity

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

PROGRAM: ASIA REGIONAL

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	25,978	23,491	---	1,865	---	622
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	C	---	---	10,536	9,593	---	707	---	236
ASEAN PLANT QUARANTINE	G	498-0258.02	80	85	5,400	4,371	2,800	705	---	1,571	---	524
ASEAN WATERSHED MANAGEMENT	G	498-0258.03	83	85	3,000	1,905	1,905	81	---	1,368	---	456
ASEAN AIT SCHOLARSHIP AND RESEARCH	G	498-0258.04	79	85	2,500	500	500	---	---	375	---	125
ASEAN AGRICULTURE DEV PLANNING CENTER	G	498-0258.11	80	85	3,000	2,900	2,900	1,987	---	684	---	229
EXTENSION OF SMALL SCALE AG EQUIPMENT	G	498-0265	76	85	4,350	3,818	3,818	3,268	---	412	---	138
NONFARM ENTERPRISE PROGRAM DEVELOPMENT	G	498-0275	83	85	3,600	3,600	300	152	---	100	---	45
SMALL PROJECT ASSISTANCE - PEACE CORPS	G	498-0279	83	C	---	---	130	40	---	90	---	---
INDIA TECHNICAL COLLABORATION	G	498-0282	85	C	---	---	766	77	---	516	---	173
ASEAN LIVING COASTAL RESOURCES MGT	G	498-0286	85	85	3,750	2,700	2,700	---	---	2,025	---	675
TOTAL FOR ACCOUNT					25,600	19,794	52,333	39,394	---	9,713	---	3,223
GRANTS					25,600	19,794	52,333	39,394	---	9,713	---	3,223
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	1,223	808	---	311	---	104
INDIA TECHNICAL COLLABORATION	G	498-0282	85	C	---	---	110	---	---	110	---	---

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[C]Level of effort activity

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

PROGRAM: ASIA REGIONAL

CP 87

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR ACCOUNT					---	---	1,333	808	---	421	---	104
GRANTS					---	---	1,333	808	---	421	---	104
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	8,328	6,616	---	1,284	---	428
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	85	156	156	156	---	---	117	---	39
ASEAN HEALTH SCHOLARSHIPS	G	498-0258.07			2,000	2,000	2,000	789	---	908	---	303
INDIA TECHNICAL COLLABORATION	G	498-0282	85	C	---	---	1,500	---	---	1,125	---	375
TOTAL FOR ACCOUNT					2,156	2,156	11,984	7,405	---	3,434	---	1,145
GRANTS					2,156	2,156	11,984	7,405	---	3,434	---	1,145
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	2,655	2,530	---	93	---	32
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	85	6,294	6,294	6,294	6,079	---	161	---	54
ASEAN AIT SCHOLARSHIP AND RESEARCH	G	498-0258.04	79	85	1,925	3,425	1,775	680	---	821	---	274
ASEAN ISEAS FELLOWSHIPS	G	498-0258.10	79	85	245	245	245	---	---	245	---	---
ASIAN AMERICAN FREE LABOR INSTITUTE	G	498-0263	80	C	---	---	24,400	20,914	---	2,614	---	872
TOTAL FOR ACCOUNT					8,464	9,964	35,369	30,203	---	3,934	---	1,232
GRANTS					8,464	9,964	35,369	30,203	---	3,934	---	1,232
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	6,359	5,832	---	395	---	132

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CLevel of effort activity

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

PROGRAM: ASIA REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	85	5,895	5,895	5,895	5,178	---	537	---	180
REGIONAL REMOTE SENSING CENTER	G	498-0253	79	85	5,600	5,060	5,060	4,191	---	651	---	218
ASEAN-ENERGY COOPERATION IN DEVELOPMENT	G	498-0272	82	85	1,000	1,000	1,000	643	---	267	---	90
ASEAN SMALL-MEDIUM BUSINESS IMPROVEMENT	G	498-0277	84	85	3,200	3,200	3,200	682	---	1,888	---	630
ASEAN ENERGY CONSERVATION AND MGT	G	498-0285	85	85	1,975	1,975	1,975	---	---	1,481	---	494
TOTAL FOR ACCOUNT					17,670	17,130	23,489	16,526	---	5,219	---	1,744
GRANTS					17,670	17,130	23,489	16,526	---	5,219	---	1,744
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					53,890	49,044	124,508	94,336	---	22,721	---	7,448
GRANTS					53,890	49,044	124,508	94,336	---	22,721	---	7,448
LOANS					---	---	---	---	---	---	---	---

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

PROGRAM: NEAR EAST REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROJECT DEVELOPMENT AND SUPPORT	G	298-0035	67	C	---	---	7,461	7,039	---	316	---	106
REGIONAL PRIVATE ENTERPRISE ACTIVITIES	G	298-0050	84	85	125	125	125	---	---	93	---	32
TOTAL FOR ACCOUNT					125	125	7,586	7,039	---	409	---	138
GRANTS					125	125	7,586	7,039	---	409	---	138
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
REGIONAL POPULATION ACTIVITIES	G	298-0048	83	85	4,219	4,219	4,219	1,917	---	1,726	---	576
TOTAL FOR ACCOUNT					4,219	4,219	4,219	1,917	---	1,726	---	576
GRANTS					4,219	4,219	4,219	1,917	---	1,726	---	576
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROJECT DEVELOPMENT AND SUPPORT	G	298-0035	67	C	---	---	789	564	---	168	---	57
REGIONAL ENVIRONMENTAL ACTIVITIES	G	298-0178	84	85	396	396	396	146	---	200	---	50
TOTAL FOR ACCOUNT					396	396	1,185	710	---	368	---	107
GRANTS					396	396	1,185	710	---	368	---	107
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
AMERICAN UNIVERSITY OF BEIRUT	G	298-0015	51	85	65,400	46,061	46,061	45,606	---	341	---	114
PROJECT DEVELOPMENT AND SUPPORT	G	298-0035	67	C	---	---	1,270	1,166	---	78	---	26
SCIENCE AND TECHNICAL INFO TRANSFER	G	298-0049	83	85	790	790	790	503	---	215	---	72
LEGAL EDUCATION AND TRAINING	G	298-0054	83	85	150	150	150	50	---	75	---	25

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

PROGRAM: NEAR EAST REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
MASS MEDIA BASIC EDUCATION	G	298-0193	84	85	3,500	1,974	1,974	---	---	1,480	---	494
TOTAL FOR ACCOUNT					69,840	48,975	50,245	47,325	---	2,189	---	731
GRANTS					69,840	48,975	50,245	47,325	---	2,189	---	731
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PROJECT DEVELOPMENT AND SUPPORT	G	298-0035	67	C	---	---	1,564	1,252	---	234	---	78
REGIONAL PRIVATE ENTERPRISE ACTIVITIES	G	298-0050	84	85	887	887	887	497	---	292	---	98
HUMAN RIGHTS EDUCATION	G	298-0201	85	85	238	238	238	---	---	178	---	60
TOTAL FOR ACCOUNT					1,125	1,125	2,689	1,749	---	704	---	236
GRANTS					1,125	1,125	2,689	1,749	---	704	---	236
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
REGIONAL POPULATION ACTIVITIES	G	298-0048	83	85	692	692	692	303	---	291	---	98
LEGAL EDUCATION AND TRAINING	G	298-0054	85	85	100	100	100	---	---	75	---	25
PROJECT DEVELOPMENT AND SUPPORT	G	298-0150	78	C	---	---	3,496	2,946	---	412	---	138
REGIONAL COOPERATION	G	298-0158	79	C	---	---	4,630	450	---	3,135	---	1,045
WEST BANK/GAZA DEVELOPMENT ACTIVITIES	G	298-0159	79	C	---	---	12,129	624	---	8,628	---	2,877
HOLY LAND CHRISTIAN MISSION	G	298-0171	85	85	575	575	575	375	---	150	---	50
MASS MEDIA BASIC EDUCATION	G	298-0193	84	85	1,323	1,323	1,323	330	---	744	---	249
TOTAL FOR ACCOUNT					2,690	2,690	22,945	5,028	---	13,435	---	4,482
GRANTS					2,690	2,690	22,945	5,028	---	13,435	---	4,482
LOANS					---	---	---	---	---	---	---	---

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

PROGRAM: NEAR EAST REGIONAL

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIG ATIONS	-THROUGH FY85- EXPENDI TURES	-ESTIMATED FY86- OBLIG ATIONS	-ESTIMATED FY86- EXPENDI TURES	-PROPOSED FY87- OBLIG ATIONS	-PROPOSED FY87- EXPENDI TURES
TOTAL FOR COUNTRY					78,395	57,530	88,869	63,768	---	18,831	---	6,270
GRANTS					78,395	57,530	88,869	63,768	---	18,831	---	6,270
LOANS					---	---	---	---	---	---	---	---

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C Level of effort activity

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PROGRAM: ANE Regional

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Forestry Research and Development		475		FY 87 475	Life of Project Funding 2,000

Number 398-0276	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING				FY 87	FY 92	FY 93

Purpose: To strengthen Asian capabilities to plan, manage and implement research on forestry, agroforestry, and rural development, with emphasis on multipurpose trees.

Background: The nature and magnitude of Asian governments' responses to the problem of deforestation varies greatly within the region. At least six institutional approaches are being pursued. The research and education facilities in Asian countries to support these emerging forestry programs are extremely limited and generally oriented towards traditional forest protection and commercial planting and extraction. Knowledge of indigenous and exotic short-rotation species for planting in the now forestry programs is limited and research on production and management of these species is just beginning. Most of the social forestry or wood energy programs are motivated by a desire to improve the welfare of the poor farmer. But support for the analysis and evaluation of the needs of these groups and the impact of programs on them is lacking in virtually every country.

Project Description: This project is a cooperative effort with the S&T Bureau and will support the following activities in Asia: 1) The Research Policy, Planning and Management component will assist countries in preparing and assessing forestry, agroforestry and related social and economic research policies, programs and projects. Through regional training, it will increase national management capabilities in forestry, agroforestry, watershed and natural resource management; 2) The Network Development and Research component will support existing and new networks for research on multipurpose trees. A land and forest resource management network will be developed that will focus on the social and economic issues in forestry, agroforestry, and rural development. It will also support the development of a number of networks on specific multipurpose tree species that can be introduced in agroforestry and farming systems.

Relationship of Project to A.I.D. Strategy: This project addresses research on fuelwood production specified in the A.I.D. energy and forestry strategies as well as one of the four research priorities designated by the Administrator and the need to improve watershed management and develop multipurpose trees for agroforestry systems specified in the environment and agriculture strategies.

Beneficiaries: Asian forestry research institutions and scientists will be the primary beneficiaries.

Host Country and Other Donors: Funding for an International Union of Forestry Research Organizations Conference and other activities will be sought from the World Bank, the Canadian International Development Agency, the Danish International Development Authority, and the Swedish International Development Agency.

Major Outputs

	All Years
Research Policy and Management	
Country forestry R&D plans	3
Institutional plans	6
Regional Planning Workshops & Training Seminars	23
Information Systems	8
Network Development and Research	
Site Visits	8
Newsletters & Research Reports	43
Training Seminars	10

A.I.D.-Financed Inputs	Life of Project ($ thousands)
Research Policy, Planning & Management	475
Network Development and Research	1,350
Evaluation	175
	$2,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1985	- 0 -	- 0 -	- 0 -
Estimated Fiscal Year 1986	- 0 -	- 0 -	
Estimated Through September 30, 1986	- 0 -	- 0 -	- 0 -
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1987	475	1,525	2,000

Principal Contractors or Agencies

To be determined

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FY 87 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (145) ITALY

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 57,116

PER CAPITA GNP..... (DOLLARS,1983) 6,400

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1965-83) 2.8%

ANNUAL RATE OF INFLATION (1973-83) 17.4%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1977) 6.2%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 74.6	MALE 71.4	FEMALE 78.0
(1970)	TOTAL 71.6	MALE 68.7	FEMALE 74.5

ADULT LITERACY RATE (1971) TOTAL 94% MALE 95% FEMALE 93%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (.- .) . %

AGRICULTURAL PRODUCTION AS % OF GDP.....(1983) 6%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 323

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: . ,. ,.	.%	(.)
CASH: . ,. ,.	.%	(.)

MAJOR AGRICULTURAL EXPORTS:(.) . ,. ,.

MAJOR AGRICULTURAL IMPORTS:(.) . ,. ,.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 13%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS ($ MILLIONS, U.S.)
(1978) 89,396 (79) 113,919 (80) 144,686

TOTAL EXPENDITURES AND NET LENDING ($ MILLIONS, U.S.)
(1978) 118,877 (79) 146,164 (80) 191,536

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1978) -29,481 (79) -32,246 (80) -46,850

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1978) 3.1% (79) 3.4% (80) 3.3%
AS % OF GNP..... (1978) 1.4% (79) 1.5% (80) 1.6%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1982)37,775 (83)45,992 (84)42,409
EQUIVALENT TO 5.1 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)MACH. AND EQ. ,TEXTILES ,FOODSTUFFS

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1982)5,191 (1983)5,582 (1984)7,947
AS % OF TOTAL EXPORTS (1981) 8% (1982) 8% (1983) 8%

MAJOR IMPORTS(1983)MACH.TRANSP EQ ,FOODSTUFFS ,METALS

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1982)5,855 (1983)4,784 (1984)5,137
AS % OF TOTAL IMPORTS (1981) 8% (1982) 8% (1983) 7%

TRADE BALANCE($ MILLIONS, U.S.)(1981)-10,762(82) -7,999(83)-3,131

TRADING PARTNERS: GERMANY, FEDER ,FRANCE ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (.) . %

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

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.6% (1978) 0.2% (1985) 0.2%

POPULATION IN URBAN AREAS.....(1970) 64% (1985) 72%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) . (1985) 11

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1979) 78.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 19.5% (15-64YRS) 67.6% (65+ YRS) 13.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 12

PEOPLE PER PHYSICIAN..... (1979) 342

MAJOR CAUSES OF
DISEASE (1979) MEASLES ,UNKNOWN AILMENTS,CHILDHOOD DIS.
DEATH.. (1978) HEART DISEASE ,STROKE ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 135%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(.) .%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1982)	TOTAL 84.3	MALE 84.7	FEMALE 84.6
SECONDARY..... (1982)	TOTAL 98.2	MALE 101	FEMALE 95.2
POST SECONDARY.. (1980)	TOTAL 22.1	MALE 24.8	FEMALE 19.2

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 16.0%

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

PROGRAM: ITALY

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
INTERNATIONAL DISASTER ASSISTANCE												
ITALIAN PROGRAM	G	145-0001	81	85	71,655	71,655	71,656	25,075	---	15,000	---	10,000
TOTAL FOR ACCOUNT					71,655	71,655	71,656	25,075	---	15,000	---	10,000
GRANTS					71,655	71,655	71,656	25,075	---	15,000	---	10,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					71,655	71,655	71,656	25,075	---	15,000	---	10,000
GRANTS					71,655	71,655	71,656	25,075	---	15,000	---	10,000
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, 1985 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1985 the FY of final obligation is based on a planned date.

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COUNTRY: (181) POLAND

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1985) 37,233

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

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

ANNUAL RATE OF INFLATION (.- .) . %

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

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1985)	TOTAL 72.4	MALE 68.6	FEMALE 76.3
(1970)	TOTAL 70.2	MALE 66.9	FEMALE 73.6

ADULT LITERACY RATE (1978) TOTAL 99% MALE 99% FEMALE 98%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (.- .) . %

AGRICULTURAL PRODUCTION AS % OF GDP.....(1977) 16%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1982) 192

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE:	.%	(.)
CASH:	.%	(.)

MAJOR AGRICULTURAL EXPORTS:(.) . .. ..

MAJOR AGRICULTURAL IMPORTS:(.) . .. ..

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1978) 30%

CENTRAL GOVERNMENT FINANCES

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

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

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

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

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (.) . (.) . (.) .
EQUIVALENT TO . MONTHS OF IMPORTS (.)

FOREIGN TRADE

MAJOR EXPORTS(1983)MACH AND EQUIP ,FUEL ,RAW MAT.

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (.) . (.) . (1983) 190
AS % OF TOTAL EXPORTS (.) .% (.) .% (.) .%

MAJOR IMPORTS(1983)MACHINERY ,FUELS ,RAW MAT/SEMI-MF

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (.) . (.) . (1983) 356
AS % OF TOTAL IMPORTS (.) .% (.) .% (.) .%

TRADE BALANCE($ MILLIONS, U.S.)(.) .(.) .(.) .

TRADING PARTNERS: FRANCE ,ROMANIA ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (.) . %

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

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.8% (1978) 0.9% (1985) 0.8%

POPULATION IN URBAN AREAS.....(1970) 52% (1985) 59%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 17 (1985) 19

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 75.0%

POPULATION (1985) IN AGE GROUP:
(0-14YRS) 25.0% (15-64YRS) 65.6% (65+ YRS) 9.4%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1985) 18

PEOPLE PER PHYSICIAN..... (1979) 573

MAJOR CAUSES OF
DISEASE (.) UNKNOWN AILMENTS,UNKNOWN AILMENTS,UNKNOWN AILMENTS
DEATH.. (1979) HEART DISEASE ,CIRCULATORY ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 133%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970) 47%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:

PRIMARY..... (1982)	TOTAL 127	MALE 128	FEMALE 126
SECONDARY..... (1982)	TOTAL 49.6	MALE 53.2	FEMALE 55.9
POST SECONDARY.. (1981)	TOTAL 14.7	MALE 12.8	FEMALE 16.7

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1983) 106%

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

PROGRAM: POLAND

CP 87

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY85- OBLIGATIONS	-THROUGH FY85- EXPENDITURES	-ESTIMATED FY86- OBLIGATIONS	-ESTIMATED FY86- EXPENDITURES	-PROPOSED FY87- OBLIGATIONS	-PROPOSED FY87- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
AGRICULTURE FOUNDATION	G	181-0002	86	86	---	10,000	---	---	10,000	2,000	---	3,000
TOTAL FOR ACCOUNT					---	10,000	---	---	10,000	2,000	---	3,000
GRANTS					---	10,000	---	---	10,000	2,000	---	3,000
LOANS					---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
MEDICAL SUPPLIES POLAND	G	181-0003	86	86	5,000	9,000	---	---	4,000	1,500	---	2,500
TOTAL FOR ACCOUNT					5,000	9,000	---	---	4,000	1,500	---	2,500
GRANTS					5,000	9,000	---	---	4,000	1,500	---	2,500
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					5,000	19,000	---	---	14,000	3,500	---	5,500
GRANTS					5,000	19,000	---	---	14,000	3,500	---	5,500
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, 1985 are based on the authorized date.
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ADDITIONAL PROGRAM REQUIREMENTS*

TITLE	ESTIMATED LENGTH OF PROJECT	ESTIMATED 1ST YEAR COST	PURPOSE
Statistical Services	Six Years	Grant 2,000	To improve data collection, processing and analysis capabilities of the Government of the Philippines (GOP) in Manila and regional centers, with particular attention to economic and agricultural data.
Watershed Rehabilitation	Eight Years	Grant 10,000	To develop GOP institutional capability, to rehabilitate and manage de-forested, watershed areas.

*Projects identified for implementation if additional funds become available. ("Shelf Projects")