



AGENCY FOR INTERNATIONAL DEVELOPMENT

Introduction to the
FY 1974 Development Assistance
Program Presentation to the Congress



COVER PHOTOS

Upper Left

In Afghanistan, one of the 25 least developed countries, a farmer winnows his grain in the traditional way before grinding it into flour in a water-powered mill with a stone wheel.

Lower Left

In India, a nation of nearly 600,000,000 people, this family planning slogan is prominently displayed everywhere: "It is best to have only two or three children in the family."

Middle

In Vietnam, a nation still suffering from the ravages of war, a child learns to read and write in a makeshift schoolroom in a refugee camp.

Lower Right

In Niger, one of the countries of sub-Saharan Africa and part of the famine belt, a child shows signs of malnutrition caused by a lack of protein.

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DEVELOPMENT ASSISTANCE AND U.S. NATIONAL INTERESTS

Why should the United States continue to assist the Developing Countries?

We persist for two basic reasons:

--Our ideals compel it.

--Our self-interest requires it.

The Challenge

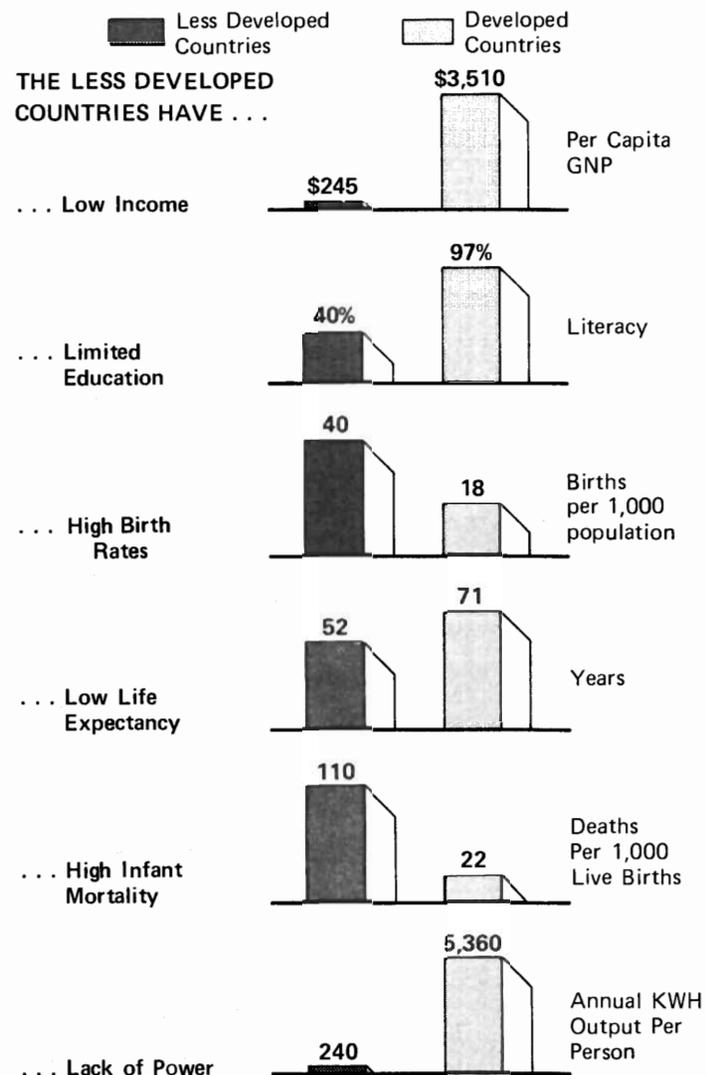
The fact that three-fourths of the world's population lives in developing nations will be a major determinant of the world's political condition for years to come. We cannot achieve our aspirations for an expanding economy and a peaceful world community in isolation from these countries. Recognition of this basic truth is essential to achieving a new, more stable structure of peace.

Important progress has been made toward this fundamental goal. The basic character of our relations with the Soviet Union and the Peoples' Republic of China has turned from confrontation to negotiation. The ceasefire in Indochina seems to be a fact. Our association with traditional allies and trading partners is being reinvigorated.

Encouraging as these developments are, they cannot obscure the condition or importance of the less developed world, whose common and predominant feature is poverty.

It is true that many of these nations enjoyed more rapid economic growth during the last decade than the developed countries did at any comparable period in their history; their economies grew at an average rate of 5.6% per year; their manufacturing output increased by 90%; their food production rose by one-third; and average life expectancy reached 52 years.

THE DEVELOPMENT GAP



Yet the gains of the last decade have been unevenly distributed in the less developed countries or too often overwhelmed by unchecked population growth. Gaps between the small groups of their citizens who have benefitted from modernization and the much larger groups who remain trapped in conditions of severe deprivation may have grown:

- Per capita food production is only a little higher today than it was ten years ago.
- Half of mankind still has no modern health care.
- There are no schools for some 300 million children -- more than the number ten years ago. Yet the number of schools in developing countries doubled in the past decade.
- Mass unemployment faces young workers who flood into the job markets. Unemployment and underemployment rates range up to more than 30% in many developing countries -- higher than the United States experienced in the worst years of the Depression.
- Mass poverty which pervades the developing nations perpetuates malnutrition, ill-health, illiteracy and the whole catalogue of human miseries which comprise underdevelopment.
- Some 40% of the people in all developing countries are caught in this cycle of abject poverty and their numbers grow by about a million people a week.

This stark situation demands a U.S. response. But it is more than a moral issue. Peace cannot be sustained in conditions of social upheaval or a growing confrontation between rich and poor.

The Opportunity

Today, the developing nations present, first, a record of progress; second, a continuation of substantial problems, many requiring new solutions; and third, a sense of confidence and independence as they face these problems. Across the globe, cadres of bright, energetic, well-trained technicians and managers have moved into positions of responsibility. They are confident of their ability to direct future development for the benefit of their own people. A new sense of distinctiveness, self-assertiveness and independence among the developing countries has emerged.

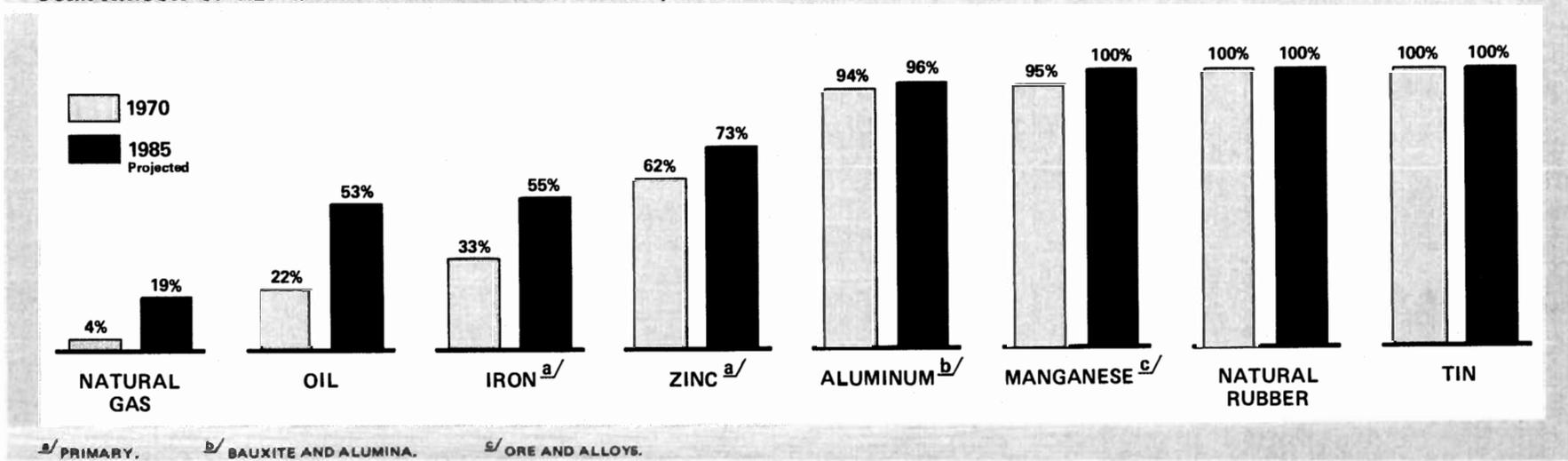
The U.S. Interest

The United States and other industrial countries are linked to the developing countries through trade, investment, and critical resource needs. We share with them a common interest in an open international economic system in which all nations benefit from an increased flow of goods and services.

The United States represents 6% of the world's population, 7% of the earth's land surface, and consumes about 40% of its annual output of raw materials and energy. The poor countries represent about 75% of the total population, occupy 60% of the land surface, and control large untapped resources.

Between 1970 and 1985, U.S. imports of energy fuels and minerals are expected to increase nearly fourfold to nearly \$32 billion. By then, half or more of our petroleum imports may need to come from a dozen nations which align themselves with the less developed countries. Extensive known reserves of many minerals are located in the developing countries. Chile, Peru, Zambia and Zaire already supply half of the world's exportable copper while Malaysia, Bolivia, and Thailand account for

THE U.S. DEPENDS ON RESOURCES FROM ABROAD COMPARISON OF NET IMPORTS AS % OF U.S. DEMAND, 1970 and 1985



80% of the primary tin in international trade.

On the other side of the trade ledger, the developing countries are becoming increasingly important as markets for U.S. exports and investments. In 1972 they accounted for 30% of all U.S. exports. The investments of U.S. corporations in the developing countries currently total some \$25 billion and are growing at about 9% a year.

The developing countries have an equal, perhaps even greater, stake in trade with the industrialized nations since export earnings are of vital importance to their future development. The inclusion of nine developing countries on the Committee of Twenty, charged with world monetary reform and related trade problems, is recognition of their importance in the consideration of these issues.

Beyond these economic considerations, the United States

has security interests that are closely and inevitably linked to the maintenance of world peace. Economic assistance is often essential to the furtherance of these interests--whether by assuring the vitality of countries such as Jordan and Israel or by reinforcing U.S. relationships with countries of strategic importance such as Panama.

Finally, solution of such world problems as environmental pollution, narcotics control, and security of travel requires broad international cooperation, including participation by the developing countries.

For all the economic, political, and moral reasons outlined above, a continuing U.S. response to the challenge of development is as much in our own interest as it is in that of the developing nations. It is a major requisite to an expanding international economy and a more stable international order.

The Response

The appropriate response to the challenge of development is a system of technical, institutional, and economic relationships between the industrial and the poor countries which enhances the ability of the poor to mobilize their own energies and determination for development and to make better use of their own resources. Much of the machinery for this joint and systematic attack by the rich and poor countries on world poverty is already in place.

The U.S. international development assistance program is a key element of this system, and bilateral assistance is the dominant component of the U.S. contribution. The system has been building since the mid-1950s. Other developed countries have joined in the effort and have increased their contributions over the years. Although the United States is still the largest single donor, others now provide about 60% of such assistance. Measuring official development assistance as a percentage of GNP, the United States now ranks twelfth among the sixteen major western aid-giving countries, behind Australia, Belgium, Canada, Denmark, France, Germany, Netherlands, Norway, Portugal, Sweden and United Kingdom.

International lending institutions -- the World Bank Group, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank -- have come into being and are now well established. The UN agencies also play important roles.

Over the past decade, U.S. participation in the multi-lateral development institutions has been a significant factor in their continuing growth. Together, they now account for 25% of total aid flows. We should continue to provide our fair share to support the efforts of these institutions.

At the same time, the United States must continue its bilateral program. Both bilateral and multilateral aid are needed now, and both will continue to be needed, in careful coordination, for the foreseeable future. This fact is reflected in the development assistance policies of all major donor countries.

The U.S. bilateral aid program can meet unique U.S. purposes more directly, more quickly, and more effectively than other modes of assistance. It provides a flexible and innovative tool for carrying out U.S. national policy in countries or geographic areas of particular U.S. interest. It can apply special American techniques and expertise, largely drawn from the private sector, more effectively to development problems. It provides a channel for U.S. leadership, a clear identification of U.S. participation, and a visible demonstration of U.S. constancy and dependability.

A.I.D. development programs seek to meet the basic human needs of the masses of poor people in the developing countries. Rapid economic growth remains the first requisite of development. But the success of the long-term development effort requires more attention to programs such as health and nutrition which improve the welfare and productivity of people. Attention is being given to spreading the benefits of development by lowering the cost of public services, creating employment opportunities, and ensuring more equitable distribution of income.

There is no sensible alternative. It is in our own selfish interest to join with the other developed nations of the world to help the peoples of the poor countries who seek to help themselves.

Human problems do not stay bottled up behind national

borders. Uncontrolled human reproduction vitally affects the well-being of all nations. Diseases ignore national boundaries. Polluted air and polluted waters flow freely between countries.

Our children and our grandchildren must live in the same world with the children and grandchildren of the peoples of all continents, races and creeds. The kinds of lives our children and their children after them will live, and the kind of world they will live in tomorrow, depends on whether we do our part to help today.

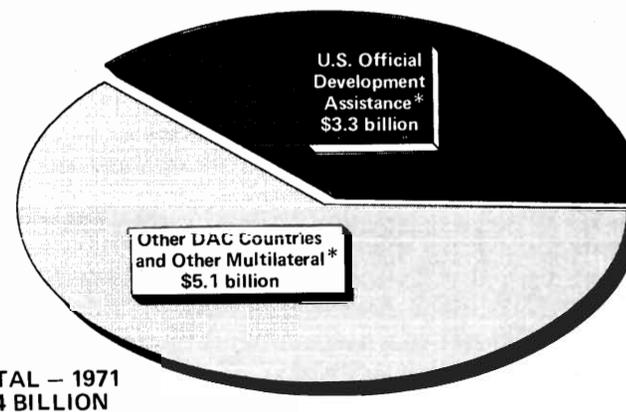
DEVELOPMENT ASSISTANCE PROGRAM - FY 1974

THE NEED FOR CHANGE

During the decade of the '60s, the international development effort recorded a number of significant achievements.

- First, the development process gathered impressive momentum. The developing countries achieved an annual increase of 5.6% in GNP; a number of nations experienced growth rates considerably above this average. Growth is taking place.
- Second, the development process has brought fundamental changes to the economic and social systems of the less developed world. The developing nations are steadily increasing their capacity to manage their resources, their ability to plan, and their perception of development priorities and problems. In many of them their need for foreign advisors has diminished substantially.
- Third, the international development assistance system, both bilateral and multilateral, is now in place and functioning more effectively each year. The major bilateral donors, the international lending institutions,

SHARING THE RESPONSIBILITY FOR AID



*BASED ON THE DAC DEFINITION OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA), NET FLOWS OF U.S. ECONOMIC ASSISTANCE TO LDC'S AND MULTILATERAL AGENCIES INCLUDE A.I.D., PL 480, PEACE CORPS, AND CONTRIBUTIONS TO MULTILATERAL INSTITUTIONS. DATA FOR "OTHER DAC COUNTRIES AND OTHER MULTILATERAL" ARE ON A COMPARABLE BASIS, AND INCLUDE ALL OTHER SOURCES OF MULTILATERAL FLOWS.

and the mechanisms of consultation through consortia and coordinating groups are now operative and responsive. As a result, it is no longer necessary for the United States to assume a predominant role in assistance programming.

- Fourth, the role of aid as the critical catalyst in the achievements of the development decade is now widely recognized.

These facts have made it both possible and timely to propose fundamental changes in the manner and method of providing U.S. development assistance. In recognition of the realities of the '70s, the initial response of the Administration was a major reform plan proposed in April 1971. Although the Congress preferred to extend the present Foreign Assistance Act, there was nonetheless a clear endorsement of the need to re-examine and reshape the aid program.

In late 1971, A.I.D. undertook its own major internal review to develop a program based on the realities of the '70s. The objective was to develop an approach which responded to the desires of the President and the Congress for improvement, recognized the major changes that had taken place in the developing nations during the 1960s, drew on the lessons we had learned, and incorporated the realistic new directions in the A.I.D. program that were already underway. The resulting action proposal is the heart of the FY 1974 program. It was formally announced by the A.I.D. Administrator in January 1972. The plan calls for a tighter, more responsive A.I.D. program characterized by:

- A more collaborative style of assistance which places the developing countries at the center of development. We now look to the developing countries to assume more responsibility for carrying out the assistance process, not only in planning and project development, but in project implementation as well.
- Concentration on a few key human problems to whose solution the United States can bring special competence and sufficient resources to make a significant contribution. A.I.D. is increasingly concentrating its efforts on the three key sectors of food and nutrition, population planning and health, and human resource development; and on a limited range of problems or activities within each sector. A corollary of this is that we look to the international aid agencies to take the lead in overall planning and coordination of external assistance, working with the developing countries.
- Increased emphasis on innovative activities. A.I.D. has long supported innovation in development assistance and is playing an increasing role in creating international research networks to link LDC research efforts

with international centers of excellence on a continuing and mutually supporting basis. Research efforts are being concentrated on fundamental problems such as the need for high protein cereals with the aim of adopting existing technology to the needs and capabilities of the developing nations.

- Application of sector analysis and programming. The developing nations must build their capacity for economic analysis of major development problems. A.I.D. assistance will be increasingly used to support the sector plans the LDCs devise.
- Increased attention to the growing problems of income distribution and unemployment in the developing nations, through programming and support for projects designed to reach the greatest possible number of rural poor.
- Increased participation of U.S. private organizations in project planning, evaluation and implementation.
- Better integration of technical, capital and food assistance.
- A reduced U.S. Governmental presence and profile overseas.

The Progress So Far

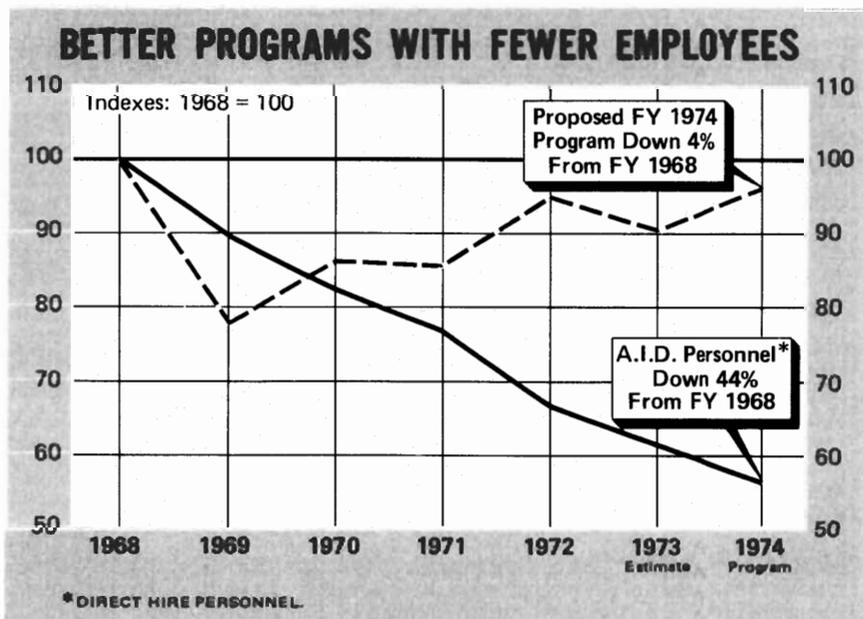
A.I.D. has made substantial progress in implementing these reforms. The FY 1974 program builds upon and accelerates the pace of that progress.

- In FY 1974, 59% of the assistance proposed for the five major program objectives is concentrated in the three key sectors of food and nutrition, population planning and health, and human resource development. In FY 1972, only 48% of the program was concentrated in these sectors.

--In the past five years, the number of active capital and technical assistance projects has been reduced by 30% and there will be further reductions this fiscal year and next.

--A few years ago, A.I.D. made its first sector loan of \$10 million. Such loans are an important means of focusing on key problem areas. In FY 1974 we propose to make 13 sector loans totalling \$151.5 million.

--A.I.D. has continued to reduce its total direct hire staff and its U.S. presence overseas. In FY 1972, A.I.D.'s full-time staff was reduced by 13%, the Agency's largest single annual reduction ever. By June 30, 1974, A.I.D. will reduce its staff by an additional 1,800 personnel -- an overall reduction of 44% since the end of FY 1968.



THE FY 1974 A.I.D. PROGRAM

The proposed FY 1974 A.I.D. program for economic assistance totals \$1,338.3 million, down \$135.9 million from the FY 1972 actual program and up slightly from the FY 1973 estimated program. Of the total, \$962.1 million -- 72% -- is for development assistance to attack priority problems in the following major sectors:

Food and Nutrition (FY 1972 - \$192.0 million; FY 1973 - \$195.8 million; proposed FY 1974 - \$299.6 million.)

Virtually all the poor countries are predominantly rural. Thus, development of their agriculture is pivotal to their growth. In addition to producing the vital requisites of food and clothing, the agricultural sector:

--determines the economic and social life of three-fourths of the people;

--provides employment for almost two-thirds of the population;

--generates perhaps a third of national income; and

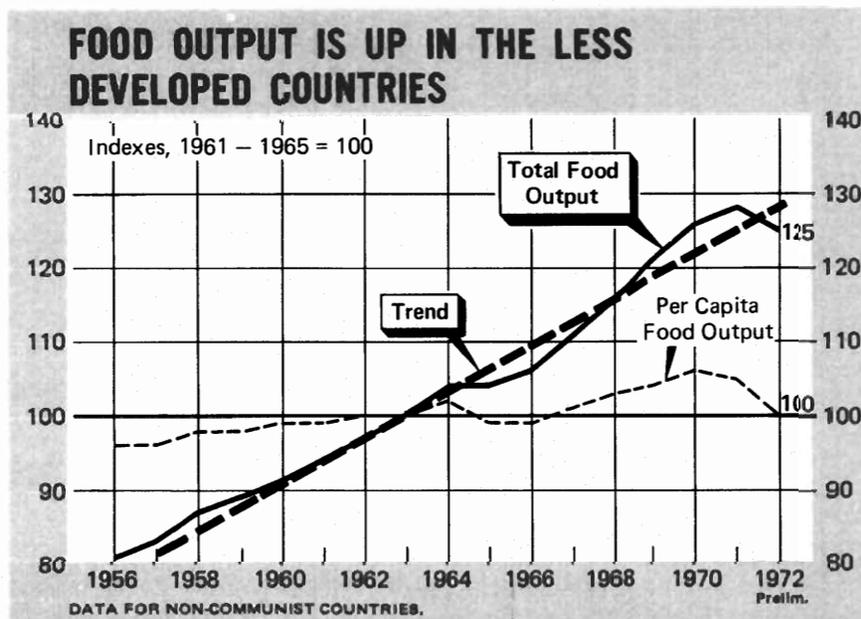
--except for those few with high-demand minerals or petroleum, earns nine-tenths of all foreign exchange income.

A.I.D. continues to place greatest emphasis on agricultural programs with a particular focus on those that help the developing countries grow more food, improve nutrition, and attack employment and income distribution problems.

During the 1960s, the precarious balance between food supplies and population growth became a matter of major

concern. This concern remains despite the impressive successes of the Green Revolution. And, a greater understanding of conditions in the developing countries has led to the realization that increased production of food grains alone is not enough. Better nutrition--in particular more protein for young children and pregnant women--is essential to increased well being. In some countries there is emphasis on more equitable distribution of the gains from the Green Revolution and in all countries more concern about chronic unemployment in the rural areas.

In the last 15 years, U.S. assistance has helped the developing countries increase their food production by nearly 60%. In view of their limited skills and lack of modern technology, this is an impressive accomplishment. Rapid population growth has used up the increases in production so that per capita production of food has increased only 0.4% per year, one-third the growth rate per capita in the developed countries.



Development Assistance Programs
by Objective
(\$ Millions)

	<u>FY 1972</u> <u>Actual</u>	<u>FY 1973</u> <u>Estimated</u>	<u>FY 1974</u> <u>Proposed</u>
Food & Nutrition	192.0	195.8	299.6
Population Planning & Health	137.3	167.9	152.8
Human Resource Development	100.3	84.4	113.8
Selected Development Problems	273.8	232.2	177.6
Selected Countries & Organizations	<u>200.3</u>	<u>204.7</u>	<u>218.4</u>
Sub-Total	(903.8)	(885.1)	(962.1)
International Organizations	151.0	131.5	152.0
Refugee Relief & Rehabilitation Assistance (Bangladesh)	194.4	101.1	.5
Other Programs & Support Costs ^{1/}	<u>225.0</u>	<u>216.7</u>	<u>223.7</u>
Total Development Program	<u>1,474.2</u>	<u>1,334.4</u>	<u>1,338.3</u>

^{1/}Includes American Schools and Hospitals Abroad, Narcotics Control, Contingency Fund, and Administrative Expenses.

In 1972, total food production in the developing countries was about 25% above the average for 1961-1965, despite widespread bad weather, although population growth held per capita production back to the 1961-65 average. The persistent drought hurt rice crops in South Asia, demonstrating again the vulnerability of the poor countries' food situation to weather variations, especially shortages of rain.

A.I.D. has played a significant role in the "Green Revolution"--the dramatic increases in wheat and rice yields that began to occur in the mid-1960s, particularly in India, Pakistan, Turkey and the Philippines. Last year in India alone, planting of new high-yielding varieties increased by 6.5 million acres--over 20%. In Bangladesh, despite the terrible dislocations of devastating cyclones, tidal waves and civil war, plantings of new high-yielding rice varieties in 1971 increased 74% over 1970.

Although the increases in production are encouraging, nutritional levels in developing countries have not materially improved. The problem is the calorie shortages and the lack of protein cheap enough to be available to the very poor. In the lowest income countries, one out of every five children dies before reaching age five. At least half of these deaths are related to malnutrition. Widespread nutrient shortages--particularly proteins, but also essential vitamins and minerals--arrest the physical and often the mental development of the children who survive. Per capita levels of consumption are also lower in large families than in small, and the available food goes first to the adults (and wage earners) to satisfy their needs. However, children's needs, especially for protein, are proportionately greater because both maintenance and growth must be covered.

Cereals are the principal food in most developing countries, particularly for the poor. They account for almost

two-thirds of the caloric intake in East Asia. In west and northwest Africa and in Asia the caloric availability is expected to continue below basic requirements during the 1970s.

Although cereals are the world's major protein source, the quality of cereal protein is relatively low because it is deficient in essential amino acids. There is a critical need to increase the nutritive content of cereals and other low-cost foods.

In most developing countries agriculture provides not only food and fiber, but also jobs for the unemployed, increased incomes for the poor and foreign exchange earnings. A dynamic agricultural sector is a prime requisite for energizing the whole process of development. Despite the great gains of the Green Revolution, the drive to raise food faster than people remains an imperative. Thirty-nine percent of the food and nutrition funds in FY 1974 are programmed for this purpose.

If the present LDC population growth rates continue, world food production must double by the year 2000 merely to maintain current inadequate diets. Output will have to increase by two and one-half times to provide adequate diets. Since there is little arable land not already in use, this enormous increase must be achieved by major breakthroughs in agricultural productivity and technology -- fields in which the United States is renowned.

But a better understanding of conditions in the developing countries has led to the realization that increased production of food grains is not enough. The gains of the Green Revolution must be more equitably distributed and better nutrition is essential to increased well being. If the poor of the developing nations are to afford adequate amounts of protein, innovative ways must be found to create new,

low cost foods and to increase the nutritive content in the traditional cereals and starchy foods which are the source of most of the world's calories and protein. This is a key objective of the research and related activities to which A.I.D. will allocate \$31.8 million in FY 1974.

Two other problem areas -- agriculture planning and rural development -- will receive 40% of the funds programmed for FY 1974. Much of the pioneering sector work in support of systematic planning and policy making has occurred in agriculture. We are helping the LDCs develop their capability to conduct such analyses which identify, measure and cost out changes that result from policy decisions affecting a nation's economy. Policy makers are thus able to balance conflicting goals and make better plans and decisions. Sector loans are geared to the resultant operational plans and support them in their execution.

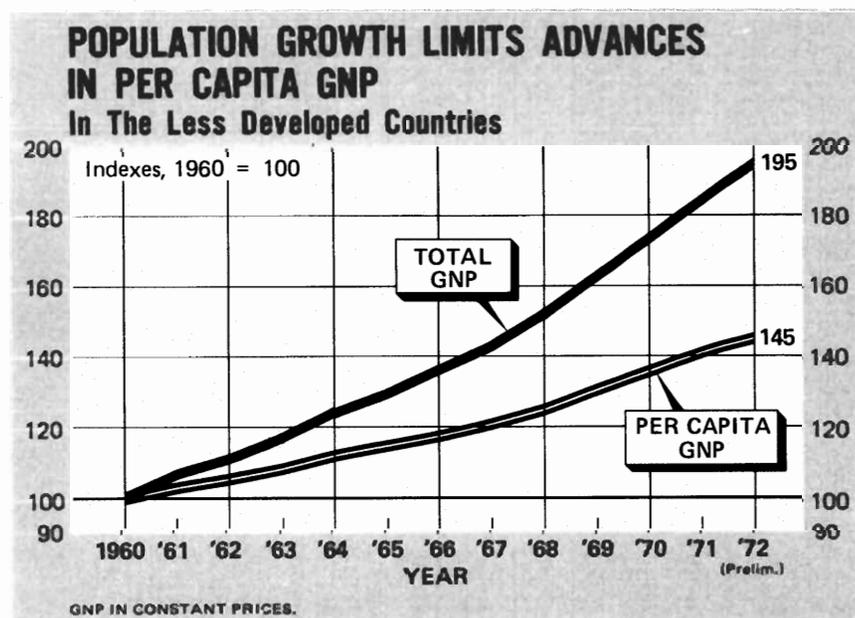
Rural development projects are designed to increase productivity and speed general rural development, but they will greatly assist small farmers and help reduce existing income disparities. They include land reform, rural feeder roads and comprehensive development for specific rural areas.

Population Planning and Health (FY 1972 - \$137.3 million; FY 1973 - \$167.9 million; proposed FY 1974 - \$152.8 million.)

The continued high rates of population growth in the poor countries today is the most significant difference between them and the industrialized nations at a comparable period in their development. All too often, gains in productivity are eroded by population growth, leaving little or no improvement in the lives of the neediest. For example, despite government programs to reduce population growth,

India must feed, clothe, house and educate an additional one million people each month.

The poor countries now account for about 85% of the annual world population growth. Family size in the developing countries now averages about six children per family. At this fertility level, world population will grow from today's 3.8 billion to about 6.8 billion by the end of this century, and will reach more than 10 billion in the next fifty years. These grim statistics underscore the obstacles confronting us in the quest for international stability. If development is to succeed, the poor countries must overcome the formidable challenges of rapid population growth and debilitating disease and malnutrition. They have made and are making progress in providing their people with the means and information for birth control, and in controlling disease. But current population and health programs do not yet benefit the great mass of rural and urban poor



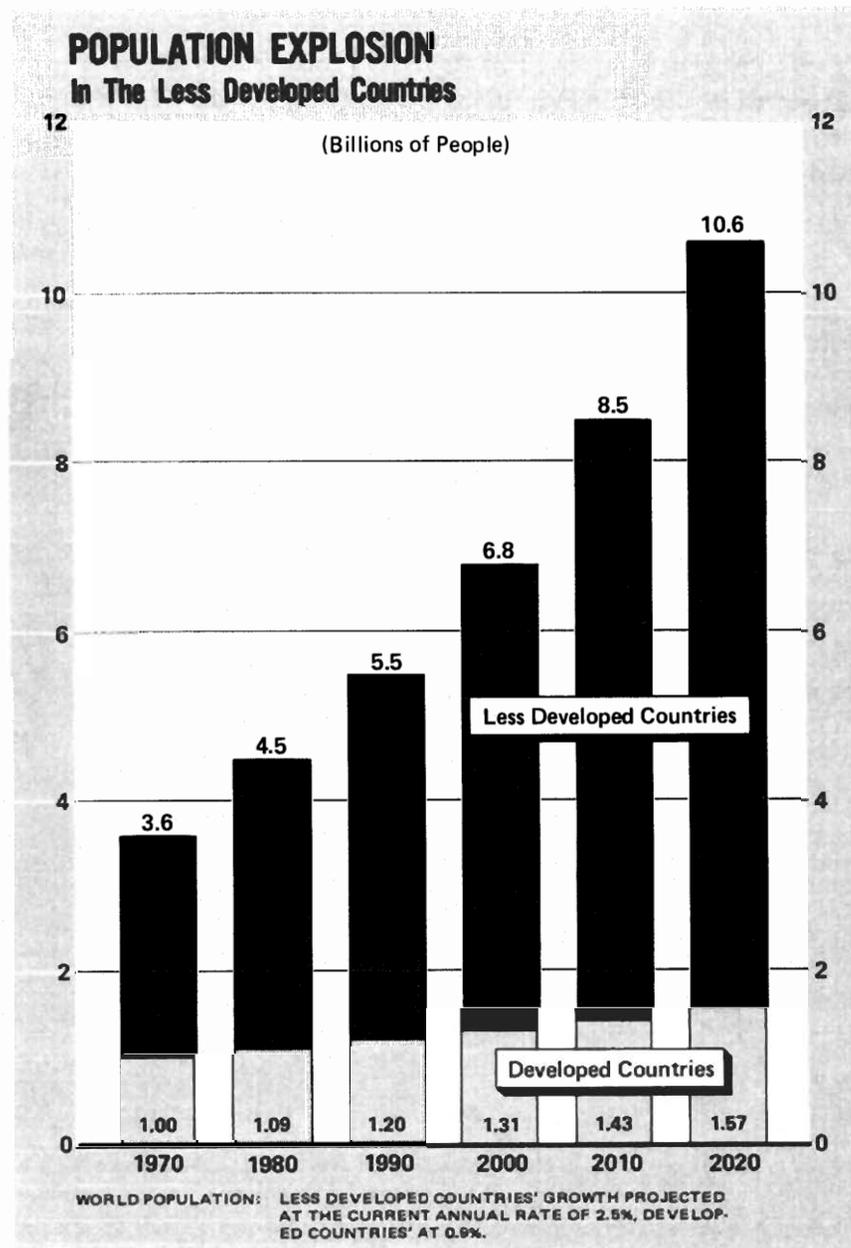
who tend to have the highest fertility, least adequate diets, and the poorest health.

Persistent increases in the population of the poor countries produce a formidable dilution of economic growth. One sees this most clearly in the data on the growth of GNP and population.

In spite of an annual average GNP increase in the less developed countries of 5.6% over the past decade, average annual per capita GNP increased only 3.1%. Their per capita food production is barely higher today than it was ten years ago, and pressure on their arable lands continues to grow. They have no schools for some 300 million of their children, even though their school enrollment has increased by 80% in the last decade. They face similar problems with employment, housing, health, and the kinds of social services that people in the developed world take for granted. The high rate of population growth overwhelms their ability to alleviate these conditions.

--Debilitating Disease and Malnutrition: Disease and malnutrition are common conditions in the developing countries. Over two-thirds of the people in developing nations suffer from some form of intestinal disease. Children are particularly vulnerable. One-half the deaths in the less developed countries are children under the age of six--whose deaths are caused primarily from intestinal infection and poor nutrition. Most people in the developing world have no clean water and only minimal sanitation systems to help reduce the incidence of disease from water and food contaminated by human wastes. An estimated 200 million persons in the developing countries are infected with snail fever and more than 20 million with river blindness.

--The Population-Health Link: Family size, poor health, low nutrition and poverty are interrelated. Many



family planning services are conveniently supplied along with other medical services. But the relationship runs deeper. In many countries the only social security depends upon the children's support for their family. Until parents can be sure that one or two sons will survive to care for them in their old age, mothers are likely to continue to have large families. Health care and nutrition programs help enhance children's chances for survival and so ease the perceived "need" for large families. With fewer pregnancies mothers' health improves and malnutrition among children decreases, reinforcing the attractiveness of a smaller family.

Other factors also influence parents' preference on family size. For example, an A.I.D. -sponsored study in Turkey showed that women with even five years' education had significantly fewer children than those with no education. Employed women have fewer children, especially when their jobs take them from home. And as income distribution improves, increases in personal income tend to encourage lower fertility.

Developing country governments and leaders are increasingly aware of these factors. They have begun to appreciate the social costs of soaring population and to understand that public policy in seemingly unrelated areas such as taxation, social security and other welfare programs, education, or child or adult health can affect the attractiveness to parents of large or small families.

In FY 1974, \$74.6 million -- almost half of the total population and health program -- will be used to build effective systems for delivery of family planning and health services. The amount programmed for FY 1974 is an increase of one-third over FY 1972, but A.I.D.'s intent to intensify efforts on low-cost delivery systems is more important than the increase in funds proposed.

We are seeking new ways to provide family planning, preventive health, and nutrition services to far greater numbers of people at a cost that limited national budgets can absorb and promise the lowest cost, greatest reliability, and widest application.

Personal acceptance of family planning depends on a host of influences -- economic, legal, social, cultural and religious. The FY 1974 program includes \$5.7 million -- nearly a five-fold increase over FY 1972 -- for research, pilot, and operational projects designed to understand better the determinants of acceptance of family planning.

Once more is known about the factors that affect the decisions of parents to have large or small families, concrete plans must be devised and governments must make firm commitments to deal effectively with the demographic implications of all national planning. To meet this need, A.I.D. is helping various LDC and multilateral programs develop demographic and family planning statistics and improve their ability to plan realistic health and population programs. The FY 1974 program includes \$17.9 million for these purposes.

A.I.D. is a major source of support for international action toward solution of population problems. In FY 1974, A.I.D. will continue to support various international programs, including the leadership and operational role of the UN Fund for Population Activities (UNFPA) for which \$20 million is proposed.

The success of population and health programs in the developing countries depends largely on the availability of trained manpower and local institutions. In coordination with the developing countries, international agencies and other donors, A.I.D. will help support the growth of institutions for research, training, program administra-

tion and evaluation, and information dissemination; as well as provide training for key LDC personnel. A total of \$18.7 million -- 12% of the program -- is planned to support these activities in FY 1974.

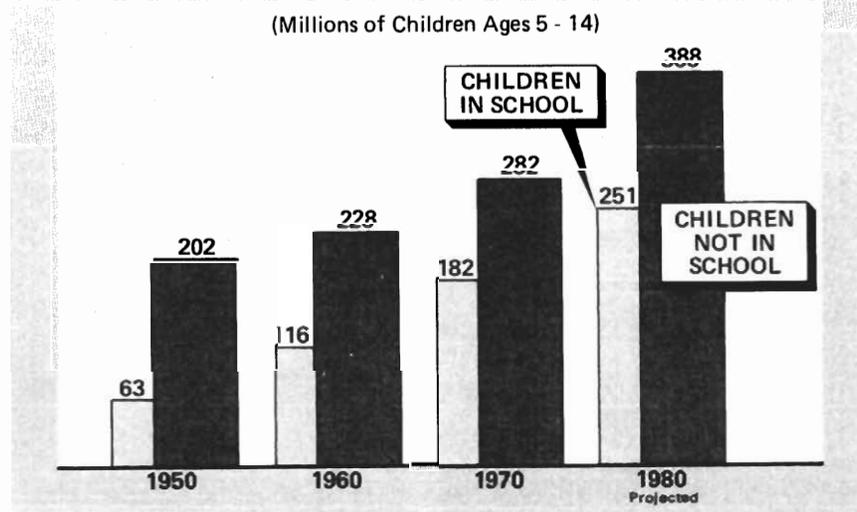
The remainder of the FY 1974 program totals \$15.9 million. It will enable continued support for research on both fertility and disease control. Particular emphasis is being given to the improvement of contraceptives, especially prostaglandins, and on field testing and evaluation of new fertility control methods. Funds are also included for general technical assistance in support of the various activities described above.

Human Resource Development (FY 1972 - \$100.3 million; FY 1973 - \$84.4 million; proposed FY 1974 - \$113.8 million.)

The pre-eminent role of education--formal and informal--in the development process has always been evident, and the drive to establish national educational systems has been one of the major aims of new nations. At the time of independence they often set ambitious goals which turn out to be laudable aspirations rather than realistic objectives for a single decade.

In terms of quantity, quality and rate of progress, most developing countries have succeeded in building school systems for far larger numbers of people than ever had access to education before. Primary school enrollments have doubled and secondary and higher education have quadrupled since 1950. While the increase in the absolute number of school age children enrolled in school is impressive, only 40% of all school age youth in the developing countries are in school today. If population growth and school enrollment increase at the same rate during the 1970s without any change in the methods of

POPULATION GROWTH OVERBURDENS SCHOOLS In The Less Developed Countries



education, less than half of all school age youth will be in school by 1980.

The capacity of most developing countries to increase their education budgets is very limited. At the same time, expanded education is a prerequisite for accelerated development. In 1960 there were an estimated 700 million adult illiterates in the developing countries; by 1970 the absolute number of adult illiterates had increased to 755 million. Traditional forms of schooling cannot cope with the problem of education in the developing countries. Alternative teaching methods outside the formal school system offer possibilities for larger numbers of people to become literate.

Unless dramatically different and more efficient educational systems are devised, the developing nations will fall farther behind in meeting their national needs for

education. Thus, learning systems that can reach larger numbers of people at lower cost must be found. New concepts and new systems must be devised and tested before they are adopted on a wide scale.

Learning systems that can reach larger numbers of people at lower costs must be found. New concepts and systems must be designed and tested before they are adopted on a wide scale. In FY 1974, \$2.7 million is programmed for research and for tests of low cost non-formal education methods in countries such as Korea and Guatemala.

A.I.D.'s support for education continues at about the annual level of the past decade, because new educational techniques are yet not adequate to obtain dramatic cost reductions; and because expansion of education is severely limited by a lack of local resources for salaries, publication of books and materials, and operating costs for training facilities.

To achieve greater impact on specific problems, a significant part of A.I.D.'s investment in education will shift to sector loans. This broader involvement in the education sector as a whole is relatively new. In FY 1974, \$40.5 million will be allocated for five education sector loans in Latin America. This is double the amount programmed in FY 1972.

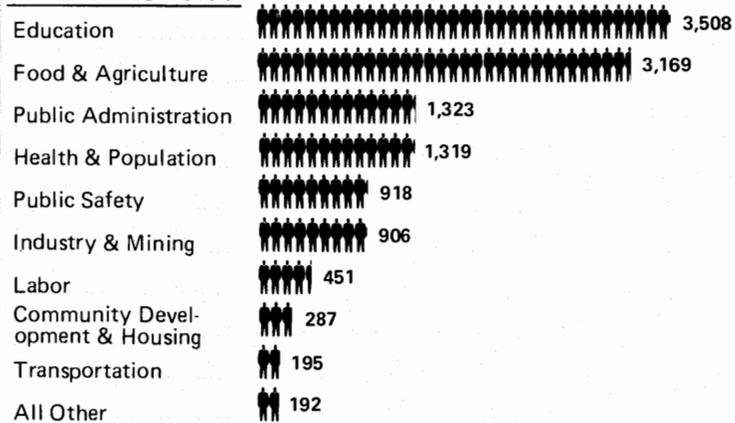
While it is evident that formal education systems cannot achieve universal education and literacy, formal systems must continue to train minimum essential professional, technical and clerical personnel. For this reason, A.I.D. will continue to support formal education programs in FY 1974 on a selective basis. A total of \$37 million is programmed for this purpose, primarily for higher education. This is a reduction of \$6.4 million from the FY 1972 level.

The degree to which human talent, capital, and technology are successfully combined to achieve development goals and improve people's lives depends on management skills, and these skills are in very short supply in the less developed countries. There is a continuing need for bilateral aid in development administration -- in FY 1974 \$16.5 million is allocated for this purpose. In addition, food production, health and other sectoral activities will increasingly emphasize the development of administrative and management skills, methods and perspectives.

Finally, in recognition of the fact that civic order is a necessary condition of development, A.I.D. proposes to continue a modest public safety program which strives to build police forces that will provide responsive, humane and timely police services to all of the people. In FY 1974, \$3.2 million in development grant funds is allocated for the public safety program -- a decrease of 38% from FY 1972.

PARTICIPANTS IN TRAINING TOTALLED 12,268* in FY 1972

FIELD OF ACTIVITY



*9,021 IN THE U.S. AND 3,247 IN OTHER COUNTRIES; INCLUDES PARTICIPANTS FUNDED FROM SECURITY SUPPORTING ASSISTANCE.

Programs for Selected Development Problems (FY 1972 - \$273.8 million; FY 1973 - \$232.2 million; proposed FY 1974 - \$177.6 million.)

Many countries still need substantial external resources to provide adequate roads, power supplies and other basic elements of development. The World Bank and other international institutions are providing a large part of aid in this category. A.I.D. support for infrastructure is declining in favor of concentration on the three sectors--food production and nutrition, population planning and health, and human resource development. In certain countries where infrastructure is critical to further development, A.I.D. continues to finance such projects.

Africa has been chronically short of transportation and the landlocked areas of Central Africa have a particular problem. Often acting with other donors in consultative groups, A.I.D. is continuing to help finance projects designed to develop transportation networks which will serve the internal requirements of particular African countries, open up remote areas of the continent and facilitate the movement of agricultural, mineral, forest and other products to new markets.

A.I.D. is also heavily involved in transportation and power projects in Indonesia where the Government has placed strong emphasis on the rehabilitation and expansion of the country's infrastructure as an essential first step in mobilizing agricultural and industrial resources and increasing investment and economic growth.

The FY 1974 program includes \$105.7 million for support of infrastructure projects and related feasibility studies.

Rapid urbanization is occurring in practically all of the underdeveloped world. It has intensified every problem of development: housing, municipal facilities and services, unemployment, and environmental conditions. It affects, first and foremost, the poorest part of the population.

Adequate land use controls, essential municipal services, increased employment opportunities and more housing are all urgent needs which are all too evident in almost every developing country.

The United States provides a modest amount of technical and capital assistance in support of urban, regional and neighborhood development programs. This assistance goes mostly to Latin America, where urban populations have tripled -- to 100 million people -- in the last 20 years and where governments are committed to action. Whenever possible, the assistance is tied to sector analysis strategies. A.I.D. loans and grants for reconstruction in earthquake and flood disaster areas are also directed toward the creation of viable urban communities.

There are now 11 countries in Latin America with savings and loan systems created with A.I.D. technical and financial assistance. Serving middle income families, they consist of 110 associations with over 635,000 accounts, net savings totalling \$700 million, and 192,000 home loans totalling \$190 million.

The FY 1974 program provides \$50.5 million for urban development. This work will also be supported by the housing guaranty program funded under separate authority. Private investment, assisted by the Overseas Private Investment Corporation and the Export-Import Bank, is the logical channel for assistance to the developing countries in expanding their industrial capacity. A.I.D. has limited its efforts in this area, and has concentrated on export promotion and on a few critical activities such as the development of more efficient technology that uses substantial amounts of labor and provides access to the substantial pool of U.S. private expertise. \$7.4 million is programmed for these purposes in FY 1974.

The balance of the program -- \$14.0 million -- is programmed for worldwide science and technology projects, such as with the National Science Foundation,

and general technical assistance which affects several areas or is provided to a country under a block grant.

Programs for Selected Countries and Organizations
(FY 1972 - \$200.3 million; FY 1973 - \$204.7 million;
proposed FY 1974 - \$218.4 million.)

Inadequate foreign exchange to buy imports of materials, equipment and commodities can severely restrict growth. Program loans help fill the gap and introduce American goods to LDC private industry. Such loans are normally worked out in concert with a consultative group of donors and involve significant self-help steps by the recipient country. Since FY 1967 when \$680 million was committed for 21 program loans, the amount for such loans has declined to \$185 million proposed for six countries in FY 1974.

In FY 1974, \$33.4 million is programmed for grants to selected private international and inter-governmental organizations which offer a range of services to private and public groups in the developing countries. They range from the Organization of American States to the International Executive Service Corps. This type of assistance affects several other sectors.

American private voluntary agencies represent a great segment of the American people, and it is in the U.S. interest to get them to participate as directly as possible in the overseas development effort. A.I.D. is making a major effort to employ the energies and expertise of the private and voluntary agencies in development programs. Their flexibility of operation and grass roots approach lend themselves to programs which help to assure that the fruits of development are distributed more equitably. Their sister voluntary organizations in the developing countries have an important role to play in development, particularly in the promotion of widespread participation in decision-making, implementation, and benefit-sharing.

Disaster Relief Assistance

There is no program in which the practical compassion of the American people is more visible than in the U.S. response to disasters which occur throughout the world each year. Emergency relief of human suffering abroad -- in the wake of floods, earthquakes, typhoons, epidemics and civil war -- continues to be a priority humanitarian program of A.I.D. As the official disaster relief coordinating agency of the U.S. Government, A.I.D. works closely with other U.S. civilian and military agencies and the community of U.S. voluntary agencies which traditionally respond to the needs of disaster victims abroad. Between July 1971 and February 1973, A.I.D. coordinated and provided assistance for 42 major overseas disasters which claimed the lives of 122,000 people, left 51 million victims in desperate need of immediate external help, and wreaked incalculable economic loss.

Because of the nature of the disaster relief program, it is impossible to forecast assistance requirements. When disaster strikes, the initial source of funds is the Contingency Fund, but a major share of U.S. disaster assistance is in the form of PL 480 Food for Peace commodities. For these 42 disasters, \$1.5 million in FY 1972 and \$11.2 million in the first six months of FY 1973 were obligated from the Contingency Fund. In FY 1972, emergency food aid amounted to approximately \$135 million; in the first eight months of FY 1973, \$60 million in commodities were donated. Available program funds, sometimes supplemented by special Congressional appropriations for specific disasters of unusual magnitude, are used for longer-term rehabilitation and reconstruction. Funds obligated for such activities amounted to \$178.7 million in FY 1972 and \$53.9 million for the first eight months in FY 1973.

The bulk of A.I.D. efforts in FY 1972 and the first six months of FY 1973 were in response to three major disasters: Bangladesh, the Philippines, and Nicaragua.

International Organizations (FY 1972 - \$151.0 million; FY 1973 - \$131.5 million; proposed FY 1974 - \$152.0 million.)

The purposes and policies of U.S. development assistance require both bilateral and multilateral programs. Both forms of aid have special attributes not easily duplicated by the other. Both are needed now and will continue to be needed to support U.S. national interests for some time to come.

Multilateral programs increase burden sharing in global development needs by other industrialized nations, assure better access to other technologies and energies, enhance international cooperation in areas such as ecology and narcotics, desensitize social and political considerations in programs such as family planning, increase the total resources available to the poor countries, and support improvement of administrative capacities of international assistance organizations.

The funds requested will finance our fair share of that effort. They provide for voluntary contributions to UN-related organizations. The major portion of these funds is for the United Nations Development Program (UNDP) which serves as the focal point for all UN technical assistance activities. Related programs for which funds are sought include the UN Fund for Population Activities (UNFPA); the UN Children's Fund (UNICEF); the UN Fund for Drug Abuse Control (UNFDAC); the UN Relief and Works Agency (UNRWA); the UN Food and Agriculture Organization's World Food Program (WFP) non-food administrative expenses contribution; and several smaller programs. Also included are the UN Environment Program Fund for which a separate authorization is requested, and continued support for the multilateral program to develop the Indus River Basin.

These voluntary contributions are distinct from the assessed contributions which the United States also makes

to many of these and other international organizations for their administrative and operating expenses. Such assessments are funded under the Department of State Appropriation Act.

Other Programs and Support Costs (FY 1972 - \$225.5 million; FY 1973 - \$216.7 million; proposed FY 1974 - \$223.7 million.)

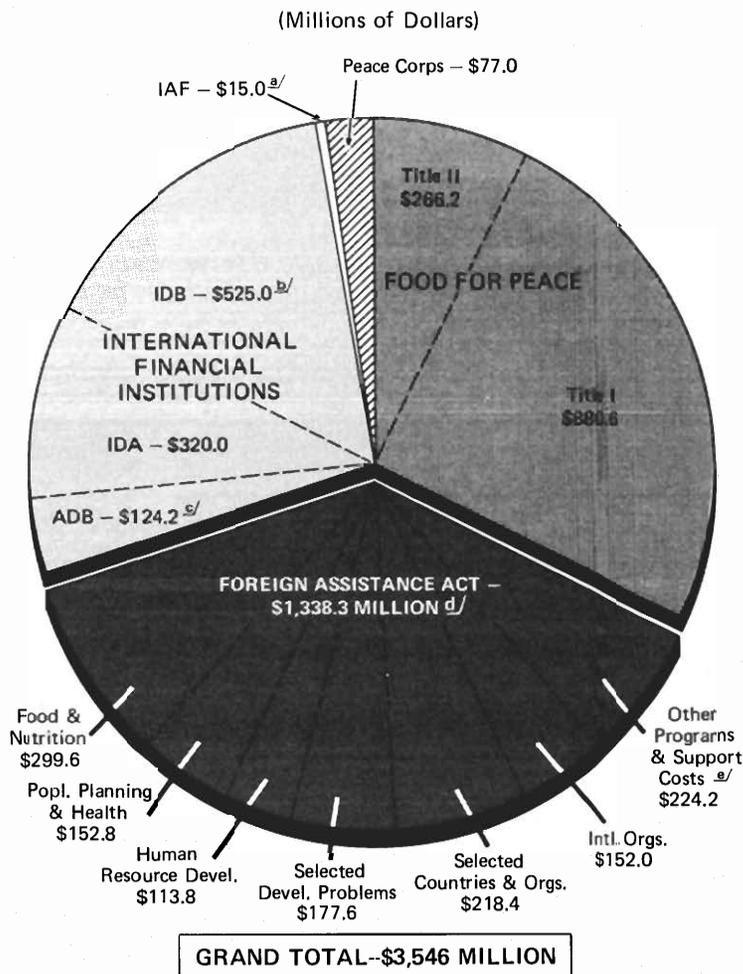
Contingency Fund -- \$30.3 million in FY 1974 -- is the primary source of funds to assure early and rapid response to natural and man-made disasters and situations involving the security interests of the United States. In recent years, the majority of the funds have been used for disaster relief.

American Schools and Hospitals Abroad -- \$10 million in FY 1974 -- provides grant support to overseas private, non-profit institutions sponsored or founded by U.S. citizens. It assists them to maintain high standards and to operate in a manner favorably reflecting the values and standards of the United States.

To achieve the U.S. goal of curbing the illicit supply of drugs, the International Narcotics Control Program strengthens law enforcement activities abroad and supports efforts to decrease narcotics production. The FY 1973 program of \$20.5 million is increased to the proposed level of \$42.5 million for FY 1974.

The remaining funds in this category are for Program Support Costs. They finance the salaries and supporting costs for all personnel involved in the policy and planning, managerial and operational support functions of the Agency's economic assistance program, both in Washington and overseas. Despite increasing salary and other costs, the funds programmed for these purposes in FY 1974 is less than the amount in FY 1972, primarily because of personnel reductions.

PROPOSED FY 1974 U.S. DEVELOPMENT ASSISTANCE PROGRAMS



- ^{a/} INTER-AMERICAN FOUNDATION; AMOUNT REPRESENTS LIMITATION ON OBLIGATIONS.
- ^{b/} \$800 MILLION CONTRIBUTION TO FUND FOR SPECIAL OPERATIONS AND \$25 MILLION IN SUBSCRIPTION TO ORDINARY PAID-IN CAPITAL.
- ^{c/} \$100 MILLION CONTRIBUTION TO SPECIAL FUNDS AND \$24.2 MILLION IN SUBSCRIPTION TO PAID-IN ORDINARY CAPITAL.
- ^{d/} INCLUDES ALL A.I.D. PROGRAMS EXCEPT RECONSTRUCTION (\$630.9 MILLION) AND SUPPORTING ASSISTANCE (\$124.1 MILLION).
- ^{e/} INCLUDES AMERICAN SCHOOLS AND HOSPITALS ABROAD, NARCOTICS CONTROL, CONTINGENCY FUND, REFUGEE RELIEF & ASSISTANCE, AND ADMINISTRATIVE EXPENSES.

OTHER U.S. DEVELOPMENT ASSISTANCE PROGRAMS

Authority for A.I.D.'s development assistance and other programs is contained in the Foreign Assistance Act. Other U.S. development programs, such as contributions and subscriptions to international financial institutions, Food for Peace (PL 480), the Peace Corps, and the Inter-American Foundation, are contained in other legislation and are presented to the Congress by other agencies.

Food for Peace (P.L. 480)

The unparalleled agricultural productivity of the United States is used for a number of critical purposes under the Food for Peace program -- energizing economic development in the developing countries, combating hunger and malnutrition, developing and expanding international trade, and otherwise supporting U.S. foreign policy objectives.

Authorized in 1954 by the Agricultural Trade Development and Assistance Act (Public Law 480), assistance under this program may take the form of long-term credit sales to foreign governments at low interest rates repayable in dollars or convertible local currencies (Title I) or donations to governments, private U.S. voluntary agencies, and multilateral institutions (Title II).

Both programs are used as an integral part of U.S. bilateral development assistance efforts. A.I.D. and the U.S. Department of Agriculture cooperate closely in the conduct of these programs.

Since the enactment of P.L. 480, about \$22 billion worth of agricultural commodities has been provided -- about \$16 billion under concessional sales programs and \$6 billion in donations. FY 1974 program commodity shipments under Title II are estimated at \$198 million in FY 1974.

Title I Sales

While the developing countries have made considerable progress in increasing food production, many countries must continue to import food and fiber to meet the needs of their expanding population. Concessional sales of agricultural commodities under Title I of the Food for Peace program help these countries meet their food needs and minimize diversion of scarce foreign exchange from development purposes by helping fill the gap between domestic agricultural production and the amounts which countries can afford to buy commercially. Sales are made on credit terms repayable in dollars over periods of up to 40 years. Negotiations are conducted and approved by A.I.D. in cooperation with other U.S. agencies, including the U.S. Department of Agriculture.

Food for Peace sales may fulfill part of a U.S. pledge of assistance as part of an international consortium or consultative group. Wheat, cotton, vegetable oil and other commodities provided are sold within the recipient countries, and the local currency proceeds of the sales are used to finance development efforts.

Title II Donations

Food is donated under Title II of P.L. 480 to meet short-term emergency needs due to famine or other extraordinary relief requirements and to combat long range problems such as hunger and malnutrition, especially in children. Food can also be used as payment to workers engaged in economic and community development.

U.S. non-profit voluntary agencies, including CARE, Catholic Relief Services, Church World Service and other church-related organizations, sponsor a wide variety of people-to-people Food for Peace programs. The greatest emphasis is placed upon using donated food, including

specially formulated high-protein blended foods, to supplement and enrich the diet of children. Maternal and child health, school feeding and other programs benefit about 47 million children. Food is also used in community self-help and other incentive programs as partial payment for work by unemployed and underemployed needy people. Similar programs are also carried out in cooperation with friendly governments.

Grants of food are also an important part of U.S. assistance in emergency situation -- natural disasters, civil strife and refugee problems. In response to the continuing need for assistance in Bangladesh, the United States provided substantial amounts of food to the Government of Bangladesh and to UNICEF for child feeding activities. Relief efforts resulting from unprecedented floods in the Philippines were also heavily supported by U.S. food donations to the Government of the Philippines and through American voluntary agencies. Substantial food grain assistance from the United States to the Afghan Government helped to ease suffering from persistent droughts. Other emergency programs included drought relief in Yemen, refugee feeding in Vietnam and prompt and substantial assistance for the victims of the Nicaragua earthquake.

The World Food Program (WFP) is a multilateral food assistance organization to which the U.S. contributes food and ocean transportation (under Title II) and a small amount of A.I.D. funds. Established in 1962 on an experimental basis, WFP has substantially increased its global operations, and the number of donor countries has more than doubled. WFP provides food at the request of developing countries for emergency relief and a variety of economic and social development projects. The program is scheduled to reach \$340 million for the two-year period 1973-74. The United States plans to contribute on a matching basis up to 40% of the commodities required, compared to 50% during the preceding two years.

Title II program administration is shared by A.I.D. with the United States Department of Agriculture. Program operations are the responsibility of A.I.D. while USDA determines the types, quantities, and value of commodities available and participates in the programming process. In the field, A.I.D. works closely with host governments on Title II operations; deals with representatives of voluntary agencies and makes sure that their activities within the country are coordinated; and monitors physical handling of Title II commodities.

The Overseas Private Investment Corporation (OPIC)

Established as a U.S. Government corporation in 1971, OPIC uses selective incentives to encourage U.S. private investment in the developing countries:

- insurance of new U.S. investment against the unpredictable political risks of expropriation; currency inconvertibility; and war, revolution or insurrection;
- financial guaranties of private loans from U.S. institutional lenders against default or loss from any cause other than fraud or misrepresentation of the lender;
- direct loans to U.S. investors in dollars or local currency;
- pre-investment assistance, especially for smaller businesses, in the form of information, counseling and financial loans.

Under the guidance of a joint public-private Board of Directors, chaired by the A.I.D. Administrator, OPIC assumed responsibility for the insurance and guaranty portfolios previously administered by A.I.D. OPIC has introduced more rigorous insurance risk-management policies and has sought to make the finance program self-supporting.

OPIC supports U.S. investment only in proposed projects which benefit both the host country and the U.S. economy. OPIC does not encourage investments which may adversely affect U.S. employment or the U.S. balance of payments. All projects must be approved by the host government.

Insurance written since the beginning of the program in 1948, and in force as of December 31, 1972, totals \$2.5 billion for expropriation, \$2.1 billion for war risks, and \$764 million for inconvertibility.

As of December 31, 1972, guaranteed loans totaled \$194 million in 21 projects. The direct loan portfolio, funded from the Corporation's \$40 million capital, as of the same date was \$15.4 million in 10 projects. Local currency (Cooley) loans outstanding totaled \$160 million (U.S. dollar equivalent) in 177 projects as of December 31.

OPIC's gross income was \$33.2 million in FY 1972; in FY 1973 its income may reach \$33.4 million.

In September 1972, a special investment program for small and medium-sized U.S. businesses was started. Priority will be given to small business for loans from the Corporation's Direct Investment Fund.

OPIC also administers an experimental local capital mobilization program in five Latin American countries called the Productive Credit Guaranty Program. This pilot effort uses government guaranties to make more local bank lending accessible to poorer people for farming and business development. As of December 31, 1972, guaranties covering about \$3 million in potential loans had been issued. A new system of local central bank management of the OPIC guaranties now being tested will require a two-year authorization extension to permit testing of the program in other countries with different economic and financial systems.

Inter-American Foundation

Created as a public corporation in the Foreign Assistance Act of 1969, the Inter-American Foundation (IAF) is governed by a seven-member Board of Directors. Multi-year funding was authorized and up to \$50,000,000 of appropriated funds were made available for the programs of the Foundation with the funds remaining available until expended. During its first two years of operations, IAF approved grants totaling \$7,074,242 for 49 projects in 19 countries.

Dedicated to the support of indigenous efforts to solve their own "grass roots" economic and social development problems, IAF responds primarily to initiatives of private and semi-autonomous organizations in Latin America and the Caribbean. The program grants mobilize local resources by providing seed capital and matching funding.

The Foundation represents a new approach to development in the Western Hemisphere and seeks to satisfy the need for experimentation and innovation in development and to place increased emphasis on the social aspects of development.

ACTION (Peace Corps)

As part of the U.S. development assistance effort, Peace Corps Volunteers contribute services requested by the

host countries and, by working closely with the nationals of these countries, improve the knowledge of the United States in these countries, and broaden American understanding of the less developed world.

There are now about 8,000 volunteers in 58 countries, working in agriculture and rural development, business and public management, education, health, urban and municipal development, and other specialized fields. Of these countries, only 27 receive other kinds of bilateral aid from the United States. Volunteers generally perform middle level activities. At the request of host governments, an increasing number with advanced degrees and skills are being placed overseas.

Education-related activities, including teacher training, curriculum development, and vocational education, remain the principal occupation of volunteers, with agriculture increasingly important as a secondary activity.

Returned volunteers play an important role in American communities. About half of the estimated 50,000 returned Peace Corps volunteers are active in education, social action and foreign aid.

The proposed FY 1974 program (net of supporting operations) for the Peace Corps, which is now the International Operations branch of ACTION, is \$77 million.

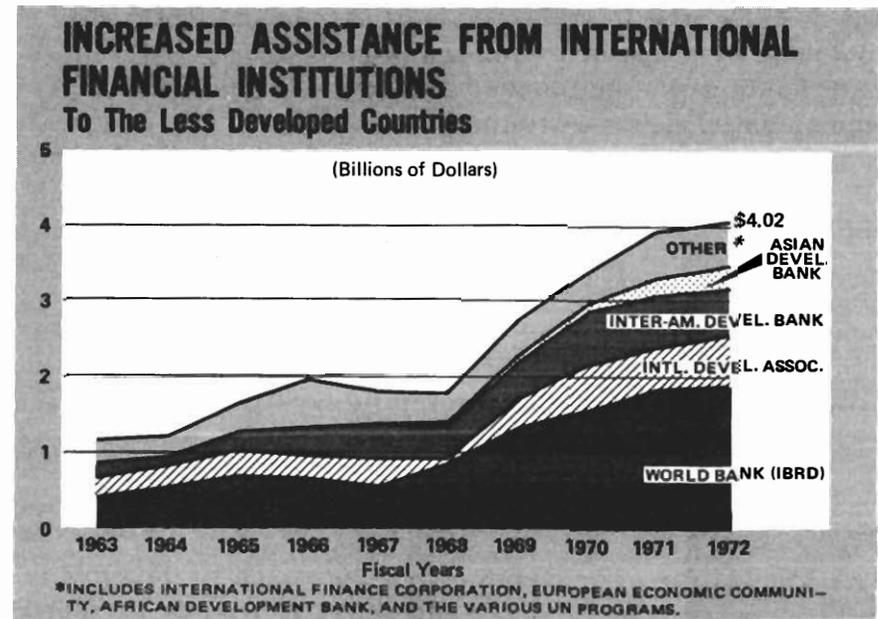
MULTILATERAL DEVELOPMENT BANKS

Multilateral cooperation in providing development assistance to the less developed countries is one of the fundamental tenets of U.S. aid policy. This policy reflects the principal that the industrialized countries must share the responsibilities and costs of the development effort, that pooling or coordinating use of resources and ideas can increase the effectiveness of aid, that international institutions should now take the lead in the worldwide development effort, and that international channels are especially advantageous in sensitive fields such as population programs. Multilateral aid coordination can heighten efficiency, minimize overlap and strengthen integration of aid from many sources to a particular recipient. It also helps strengthen international institutions which are essential to a more peaceful and progressive world.

Multilateral institutions fall into two general categories: the UN-related organizations for which contributions are authorized under the Foreign Assistance Act, described earlier; and the international financial institutions which are separately authorized and described below.

The United States contributes directly, under separate legislation, to international financial institutions including the International Bank for Reconstruction and Development (IBRD) and its affiliate the International Development Association (IDA), the Inter-American Development Bank (IDB), and the Asian Development Bank (ADB), which pool contributions from member countries to provide assistance to developing countries.

These institutions have gradually assumed a leadership



role in the financing of international development assistance. Over the past decade their annual commitments

rose from \$1.2 billion to \$4.0 billion. They also coordinate bilateral assistance and, to an increasing extent, they compile and analyze information on individual countries' development performance and future needs.

The World Bank Group of financial institutions -- the International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), and International Finance Corporation (IFC) -- is the largest multilateral channel for aid.

The IBRD was created in 1945 to help reconstruct the war devastated European countries. It has since become a pivotal force in development assistance to the poor countries of the world. Because of its sound financial reputation, the IBRD is able to obtain the major part of its funds by borrowing in world capital markets. IBRD loans are made on approximately commercial terms. No funds are requested for the IBRD in FY 1974.

IDA credits are provided on soft terms to poorer developing countries. The same staff administers IBRD and IDA loans, and proposals for both are subjected to the same rigorous evaluation. IDA credits are generally repayable in 50 years, including a 10-year grace period, with only 3/4 of 1% service charge in lieu of interest. IDA obtains most of its resources from developed government contributions. Under the IDA Third Replenishment, the United States agreed to contribute \$960 million, 40% of the total, over a three year period. This amount has been authorized, and \$320 million is requested in FY 1974 for the second installment.

Both IBRD and IDA have recently shifted their programming to give greater attention to projects to improve the social welfare of more people. Whereas the bulk of IBRD past financing built infrastructure such as roads, railroads, and power plants, increasing emphasis is now being given to education, population, and agriculture.

IFC encourages private investment in developing countries by lending to private companies and taking equity positions in commercial ventures. It has a separate staff. No funds are requested for the IFC in FY 1974.

The Inter-American Development Bank (IDB) is the largest regional bank. Its membership includes 22 Latin American countries, the United States and Canada. IDB ordinary capital is obtained from borrowing on private capital mar-

kets and is used to make loans at commercial rates. The Fund for Special Operations (FSO) makes soft loans and is supported by government contributions. Under the last FSO replenishment, the United States agreed to contribute \$1 billion or two-thirds of the total. This sum has been authorized and \$275 million has been made available. In FY 1974 \$500 million is requested for the FSO. An increase of \$823.5 million in the U.S. subscription to the IDB's ordinary capital was authorized in FY 1971. The FY 1974 request for \$25 million paid-in capital and \$168.4 million callable capital represents the remainder of this commitment.

The Asian Development Bank (ADB) has 17 industrialized country members and 21 less developed. Ordinary capital to finance loans at commercial rates is increasingly raised by bond sales on the private market. A much smaller Special Fund provides loans at low interest rates. The United States has not yet contributed to the Special Fund although we indicated some years ago that we would contribute \$100 million. This amount was authorized in FY 1973 and its appropriation is sought again in FY 1974. Legislation requesting authorization of an increase in the U.S. ordinary capital subscription will be submitted to Congress during the current session. A proposed supplemental appropriation will request \$24.2 million paid-in capital and \$86.9 million callable capital as the first of three equal annual payments.

The African Development Bank (AFDB) has 36 African members and no non-African members. An African Development Fund which will receive contributions from non-African donors and make soft loans to poorer African countries was established in 1972. The United States has made no commitment to join the Fund, but a \$15 million contribution, over three years, has been considered. No appropriation is requested for this purpose in FY 1974.

SHARING IN DEVELOPMENT

Congress has continued to urge support for programs which contribute to maximum popular participation in the task of economic development. As expressed in Title IX of the Foreign Assistance Act, the central concern is the proposition that the people of the developing nations should be involved in decisions that affect their lives. The main thrust of A.I.D.'s FY 1974 programs is more involvement of the people in the LDCs in the process and a greater share in the benefits of development.

Popular participation is achieved by such activities as taxation to improve income distribution, land reform and other government policies to assist the small farmer or businessman, and leadership and management training. It also requires a wide variety of institutions to perform economic, social and civic functions at all levels of society. These institutions -- rural cooperatives, labor unions, women's and youth groups, credit unions, legislatures and legal institutions, and many others -- enable people to express their demands and perform their tasks more efficiently, and cause governments to respond more effectively to the needs of the people.

Distribution of Income and Employment

Soaring labor force growth in most developing countries has caused land shortage and rapid urbanization which in turn have created large numbers of unemployed and partially employed workers. Millions of people on farms and in cities see around them the tangible signs of growing wealth but little or no improvement in their own lives. The joint problems of improving the distribution of the product of development and providing jobs is perhaps the greatest challenge to all LDCs today.

A.I.D.'s programs are increasingly designed to reach larger numbers of people. Careful evaluation of past program has taught us some lessons about the limitations inherent in an attempt simply to transfer Western experience to the developing world. In industrialized countries like the United States, where labor costs are high, use of advanced technology can result in great savings. In most developing countries, however, labor is plentiful while capital is scarce and very expensive. Too often, both the developing countries and the external aid agencies have paid inadequate attention to this important difference. Consequently, broad development policies and the technologies of specific projects turned out to be less efficient in terms of the availability of resources and disappointing in their ability to extend the benefits of growth to large numbers of the poor.

In the light of this realization, A.I.D., along with other donor agencies, is now examining all its programs at the design stage to make sure that they make maximum use of the LDC's greatest resource--their people. We are experimenting through research and pilot projects with new ways to generate employment. Since much depends on the outlook of local officials at the planning stage, A.I.D. is modifying its training programs--especially those in the United States--to see that greater attention is given to labor intensive forms of production in both industry and agriculture. In addition, we are increasing the emphasis of our programs in agriculture, population, health and nutrition, and education--programs focussing directly on the income sources and well-being of the poorest segments of the populations in the developing world.

U.S. Share in the World Effort

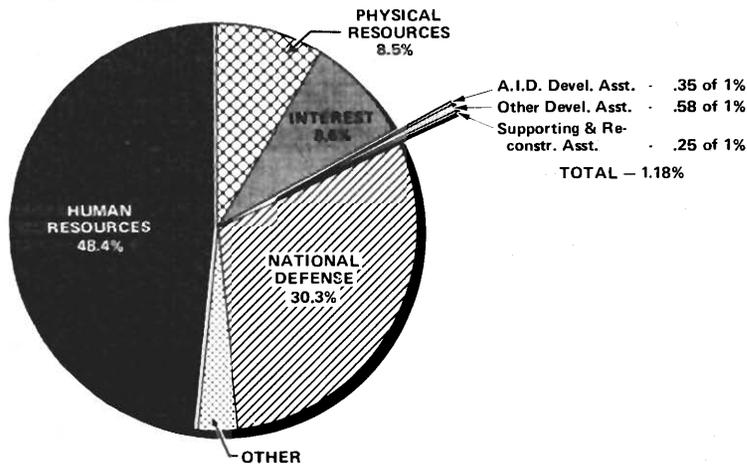
The amount of development assistance provided by the United States is modest compared to this country's economic resources. Our efforts are a declining percentage of world efforts to assist the less developed countries. The \$1,338.3 million program requested in FY 1974 for A.I.D.'s development assistance programs carried out under the Foreign Assistance Act amount to:

--only about 1/10 of one percent (0.1%) of the estimated U.S. Gross National Product (GNP) for 1974.

--less than 1/2 of one percent (0.35%) of the proposed Federal Budget for FY 1974.

The total U.S. development assistance program proposed for FY 1974 -- both bilateral and multilateral -- amounts to \$3.5 billion which is less than 1/3 of one percent (0.28%) of our estimated GNP and amounts to about 1-1/4 percent of the proposed Federal Budget for FY 1974.

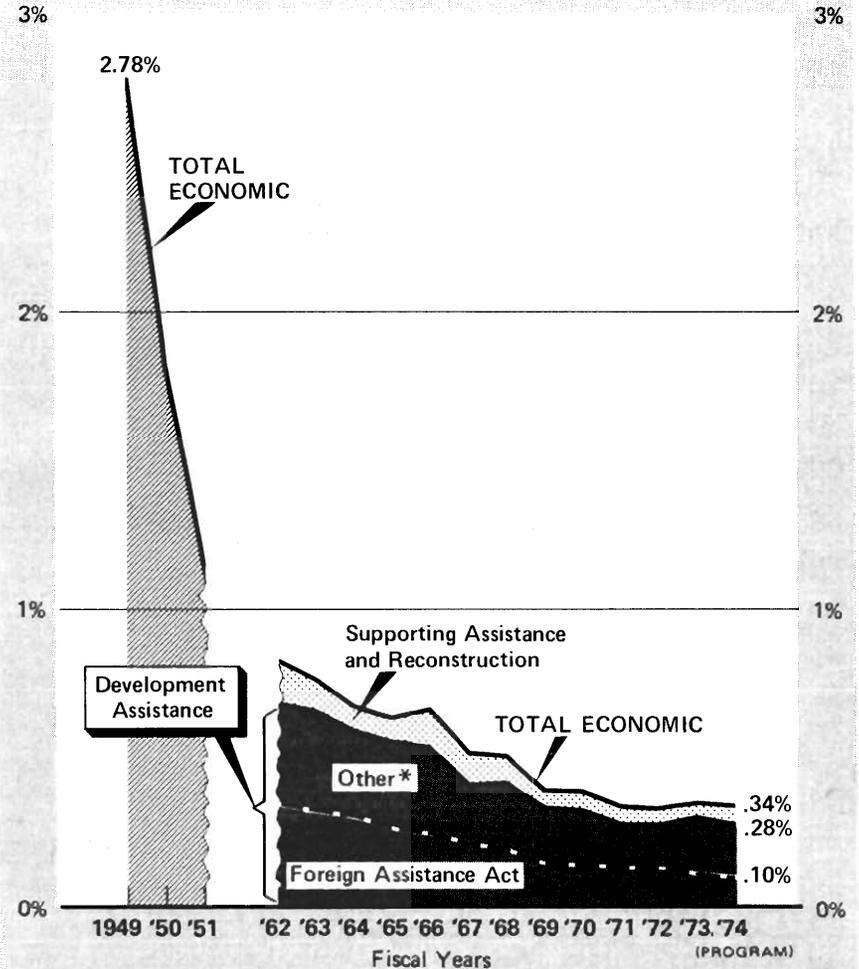
A.I.D. PROGRAMS ARE A SMALL PART OF THE FY 1974 FEDERAL BUDGET*



* RECOMMENDED BUDGET AUTHORITY.

U.S. ECONOMIC ASSISTANCE as a PERCENT OF GNP

Net Obligations and Loan Authorizations



* INCLUDES FOOD FOR PEACE (PL 480), CONTRIBUTIONS TO MULTILATERAL FINANCIAL INSTITUTIONS, PEACE CORPS, INTER-AMERICAN FOUNDATION, AND SOCIAL PROGRESS TRUST FUND.

All U.S. foreign economic aid, including both development and security supporting assistance, amounts to \$4.3 billion which is 1/3 of 1% of our estimated GNP and 1.2% of the Federal Budget for FY 1974. This is about 1/9 of the relative effort the United States carried during the start of the Marshall Plan.

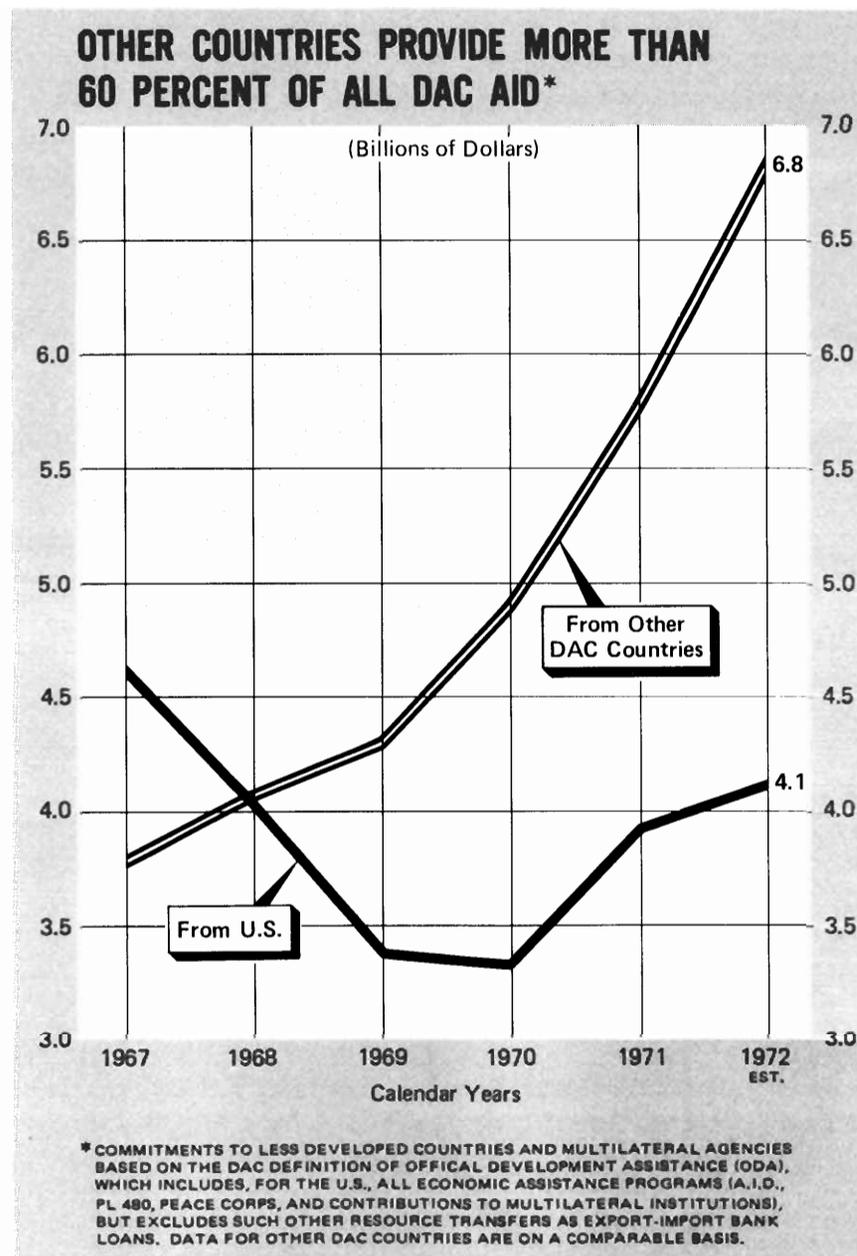
How the United States Compares with Other Donors

While U.S. economic assistance programs have remained about level for the past few years, other bilateral and multilateral donors have increased their assistance. U.S. assistance is a declining part of the expanding world effort.

Made up of the United States, Canada, 12 major Western European countries, Australia and Japan, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) is the major forum for considering the need for and the terms and conditions of development assistance. Its members provide, together with the international lending institutions, over 85% of the total assistance going to the poorer nations.

The United States now contributes 38% of the economic aid going to less developed countries and multilateral agencies, with other countries' contributions expected to continue rising during the 1970s. This compares to 62% for the United States in 1963.

The DAC and UN target for all financial flows to the developing countries is 1% of the GNP of the donor countries. In 1971, seven of the 16 DAC member countries achieved or exceeded the 1% target. Most DAC members, including the United States, have endorsed the 1% target in principle and some have offered specific timetables for achievement. The United States, however, has set no



time limit in which to reach the target. In terms of "Official Development Assistance", which includes all government-to-government transactions designed to promote economic development on a "concessional" basis, the United States ranks 12th among the 16 DAC countries, behind Australia, Belgium, Canada, Denmark, France, Germany, Netherlands, Norway, Portugal, Sweden and the United Kingdom.

Multilateral Cooperation

Bilateral and multilateral development aid programs, including those described throughout this Presentation, are coordinated internationally through consortia and consul-

tative groups for individual developing countries and through various arrangements for general consultation on assistance policies.

Consortia, consultative groups and similar mechanisms, normally led by the World Bank or other multilateral agencies, are the primary means used by donor countries and international institutions to coordinate development aid programs to individual countries. These coordinating groups provide a framework to assess the problems, requirements and performance of particular developing countries. They maximize the effectiveness of all donors' assistance by assuring that programs are complementary. In FY 1974, 93% of A.I.D.'s proposed Development Loans will be committed through such groups.

DOMESTIC IMPACT OF U.S. FOREIGN ASSISTANCE

Despite widespread misconceptions, U.S. development assistance is not provided by sending dollars abroad, nor is it all given as outright gifts to recipient countries, nor is it responsible for the U.S. balance of payments deficit.

Virtually all of the economic assistance administered by A.I.D. consists of the products of American factories and farms, or the services of American experts transferring skills and experience to the needy countries of the world. For instance:

--In FY 1972, over 4,000 American manufacturers and suppliers from 48 states received \$792 million payment for commodities shipped to the less developed countries under A.I.D. economic assistance programs. Turned out by U.S. workers, these American goods and products were required for A.I.D.-supported economic development programs overseas and accounted for 96% of all A.I.D. commodity procurement.

--1,323 active A.I.D. contracts for technical services with U.S. institutions, private companies, and individual technical experts were valued at \$840 million as of June 30, 1972. Of this amount, 395 contracts valued at \$273 million were held by 137 American colleges and universities located in 43 states.

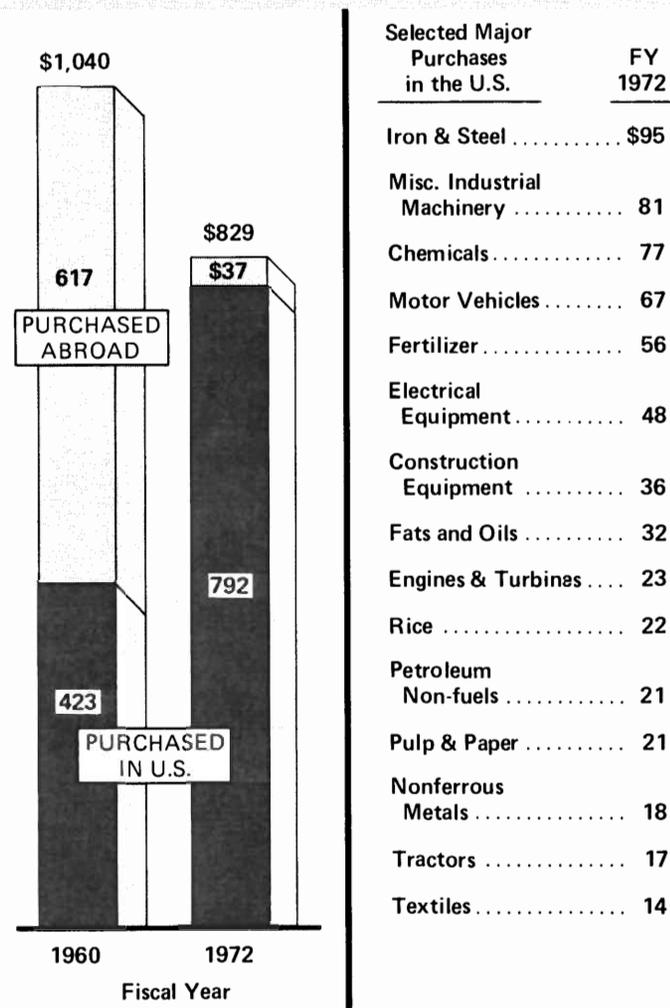
--In addition, American carriers earned about \$70 million in FY 1972 for transporting A.I.D. financed exports to the poor countries.

More development assistance is financed through loans and credits than on a grant basis. Over half of the \$1.3 billion development assistance proposed for FY 1974 under the Foreign Assistance Act consists of loans requiring repayment in dollars.

A.I.D. - FINANCED COMMODITY EXPENDITURES MAJOR COMMODITIES PURCHASED IN THE U.S.

FY 1960 vs 1972

(Millions of Dollars)



This emphasis on credit rather than grant assistance applies as well to the PL 480 (Food for Peace) program. Most PL 480 commodities are sold, not donated; and these credit sales are repayable in dollars or convertible local currencies.

Effect on U.S. Balance of Payments

A.I.D. development programs in FY 1972 had a net favorable effect on the U.S. balance of payments. In FY 1972, 80% of A.I.D. spending for development assistance was for goods and services from U.S. sources. The remaining 20% was spent for goods and services overseas. This offshore spending -- amounting to only \$266 million out of total expenditures of \$1,339 million -- was more than offset by \$276 million in net receipts of U.S. dollars due to repayments and interest on prior-year loans and credits. Moreover, \$22 million of the \$266 million spent overseas was in the form of excess foreign currencies used in lieu of dollars for development assistance. Thus, in FY 1972, the A.I.D. development assistance program actually resulted in a net flow to the United States of \$32 million. Supporting assistance expenditures in FY 1972 were \$684 million. Of this total, \$174 million represented offshore expenditures -- \$96 million in cash grants and \$78 million for personnel costs and procurement abroad.

The total level of offshore expenditures under A.I.D. programs thus came to \$142 million in net terms during the last fiscal year.

Creating Future Markets

U.S. development assistance programs continue to help expand the demand for U.S. exports by strengthening developing economies, thus making them better customers for U.S. exports.

In the 1960s, exports to the developing countries more than doubled. During the period 1966-1970, the value of U.S. exports to developing countries averaged \$11 billion annually. In 1971, the value of these exports increased to \$13.4 billion and, in 1972, rose to \$14.6 billion. In each of the past three years, U.S. exports to the developing countries have accounted for about 30% of total U.S. exports. Often, U.S. products are exported to countries for the first time through aid financing, creating a favorable climate for later commercial sales and expanded markets for American suppliers.

This favorable climate is further reflected in the growth of investments by U.S. corporations in the developing countries. These investments now total some \$25 billion and are increasing at an annual rate of about 9%.

WHERE DOES U.S. DEVELOPMENT ASSISTANCE GO?

U.S. development assistance goes to less developed countries in the non-Communist world. Many of the countries in Europe and elsewhere which the United States assisted at one time since 1946 have not received aid for years. And no Communist country receives foreign aid from the United States, except for limited emergency assistance to relieve human suffering in time of natural disasters.

Numbers of Countries Receiving Development Aid

The total number of countries receiving some form of development assistance under the Foreign Assistance Act has dropped to 69 in FY 1974. Over one-third (24) of the FY 1974 total are African countries which, apart from regional programs, will be receiving only self-help funds ranging normally from \$50,000 to \$100,000 a piece.

Excluding the African countries for which only self-help funds are planned, the total number of countries participating in A.I.D.'s bilateral programs will drop from 68 in FY 1967 to 45 proposed for FY 1974.

Regular bilateral Development Grant programs will have dropped during the same period from 65 to 41 (45 to 22 excluding Latin America). Development Loan programs will have decreased from 38 in FY 1967 to 30 in FY 1974 (23 to 18 excluding Latin America).

Development Assistance Program by Region

Most development assistance funds are used directly for countries in Latin America, Asia, and Africa.

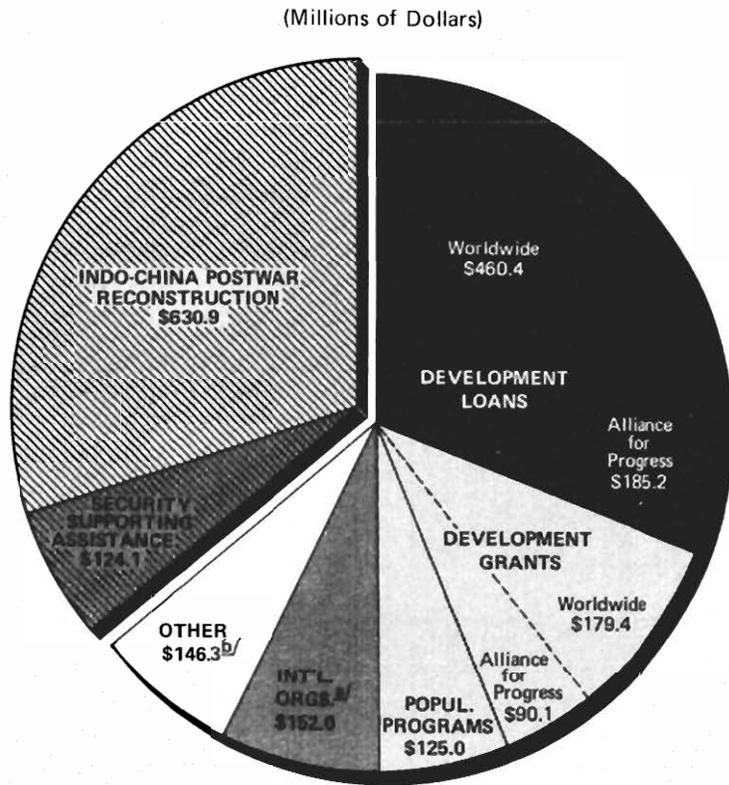
Latin America. The proposed FY 1974 program for Latin America totals \$273 million, of which \$182 million will fund programs in Colombia, Central America, and Inter-American and regional activities.

Asia. For countries in Asia, \$442 million is proposed for FY 1974. Over three-fourths (77%) of this amount is programmed for Indonesia, India, Bangladesh, Pakistan, and Turkey--where almost one-half of the population of less developed countries resides.

Africa. A total of \$160 million is proposed for Africa in FY 1974. Twelve countries will be the recipients of bilateral assistance amounting to \$97 million. Self-help assistance is planned for twenty-four other countries in Africa. Assistance provided on a regional basis will constitute 38% (\$61 million) of the proposed program.

Other. In addition, development assistance funds are used for activities not directly connected with a particular country or region, e.g., contributions to and support for international and private organizations involved in overseas development work, research on development problems, and program operating expenses.

PROPOSED FY 1974 ECONOMIC ASSISTANCE PROGRAMS UNDER THE FOREIGN ASSISTANCE ACT



Development Assistance Total \$1,338.3 Million

GRAND TOTAL \$2,093.3 MILLION

^{a/} INCLUDES IN MILLIONS OF DOLLARS: UN TECHNICAL ASSISTANCE AND OTHER PROGRAMS, \$124.8; UN ENVIRONMENT FUND, \$10.0; AND INDUS BASIN (LOANS \$2.2, GRANTS \$15.0).

^{b/} INCLUDES IN MILLIONS OF DOLLARS: AMERICAN SCHOOLS AND HOSPITALS ABROAD, \$10.0; INTERNATIONAL NARCOTICS CONTROL, \$42.5; CONTINGENCY FUND, \$30.3; REFUGEE RELIEF ASSISTANCE (BANGLADESH), \$0.5; AND ADMINISTRATIVE EXPENSES (A.I.D. \$57.9, STATE \$5.1).

Development Loans

For FY 1974 A.I.D. requests new obligational authority of \$201.4 million for Worldwide Development Loans and \$150 million for Alliance for Progress Development Loans in Latin America. Combined with receipts from prior year loans and recoveries these funds will support a total program of \$460.4 million Worldwide and \$185.2 million Alliance for Progress.

Development loans are repaid to the United States in dollars with interest. A.I.D. loans generally are made at the lowest concessional rate permitted by law: 2% during a 10-year principal grace period and 3% during the following 30-year principal repayment period. In the early 1960s the interest rate was 3/4% for the life of the loan; this was gradually increased to the current rate. As the United States has hardened its loan terms, most of the other donor nations have softened theirs. According to the Development Assistance Committee (DAC) of the OECD, the average interest rate charged by seven of the 15 member countries extending loans was lower than the United States.

A.I.D. loans provide long-term, concessional financial support for the efforts of the developing nations to introduce new policies for more effective use of all resources; curb inflation; remove import restrictions; expand investment opportunities for private enterprise; and emphasize vital sectors such as agriculture and education. Since they are often provided within a multi-lateral context, they can also encourage other bilateral and international lending agencies to provide additional aid.

A.I.D. has three basic types of loans:

FY 1974 ECONOMIC ASSISTANCE REQUEST AND PROPOSED PROGRAMS UNDER THE FOREIGN ASSISTANCE ACT
(In thousands of dollars)

Assistance Category	Authorization/ Appropriation Request (NOA)	Transfers (Net), Other Funds Available	FY 1974 Proposed Program
DEVELOPMENT ASSISTANCE			
Development Loans	(351,400)	(294,150)	(645,550)
Worldwide	201,400 ^{a/}	258,950	460,350
Alliance for Progress	150,000	35,200	185,200
Development Grants	(251,750)	(17,717)	(269,467)
Worldwide	165,650	13,717	179,367
Alliance for Progress	86,100	4,000	90,100
Population Programs	116,000 ^{b/}	9,000 ^{b/}	125,000 ^{b/}
International Organizations	(152,000)	(22)	(152,022)
UNDP and Other Programs	134,800	22	134,822
UN Technical Assistance and Other Programs	(124,800)	(22)	(124,822)
UN Environment Fund	(10,000)	(-)	(10,000)
Indus Basin, Loans	2,200 ^{c/}	-	2,200
Indus Basin, Grants	15,000	-	15,000
Refugee Relief Assistance (Bangladesh)	-	500	500
American Schools & Hospitals Abroad	10,000	-	10,000
International Narcotics Control	42,500	-	42,500
Contingency Fund	30,000	300	30,300
Admin. Expenses - A.I.D.	53,100	4,775	57,875
State	5,100 ^{d/}	-	5,100
Profotype Desalting Plant	-	(20,000) ^{e/}	-
Total, Development Assistance	<u>1,011,850</u>	<u>326,464</u>	<u>1,338,314</u>
INDO-CHINA POSTWAR RECONSTRUCTION	632,000	-1,055	630,945
SECURITY SUPPORTING ASSISTANCE	<u>100,000</u>	<u>24,055</u>	<u>124,055</u>
TOTAL A.I.D.	<u><u>1,743,850</u></u>	<u><u>349,464</u></u>	<u><u>2,093,314</u></u>

a/ Excludes \$280 million authorized in prior years but unappropriated which is available in addition to the above authorization.

b/ A total of \$125 million of FY 1974 economic assistance funds authorized by the Foreign Assistance Act is earmarked for population programs.

c/ \$51.22 million was authorized in the Foreign Assistance Act of 1967. The amount shown is the level of the FY 1974 appropriation request.

d/ Permanently authorized. The amount shown is the level of the FY 1974 appropriation request.

e/ Funds are available but not programmed in FY 1974.

Project loans help finance capital projects such as roads, schools, irrigation works, power plants, water supplies and housing, and account for about half of A. I. D. lending. Project loans also support agricultural and industrial development banks. Typically, these loans help finance equipment and materials as well as technical, engineering and managerial services. Recently, some technical assistance programs to the relatively better off developing countries have been financed under these loans. Project lending will involve \$309 million, 48% of the loan funds requested in FY 1974. This represents a relative decline extending over the last two years.

Program loans finance the import of essential industrial materials and equipment or agricultural supplies such as fertilizer (virtually all from the United States) needed to sustain overall economic development. Often associated with fiscal or monetary reforms or other measures designed to affect the entire economy of the borrowing country, they promote use of existing productive capacity by helping close a foreign exchange gap; they stimulate new private investment by supplying import needs of private businesses which make up the main productive capacity of most developing countries; and they help avoid or minimize government controls on a nation's economy which might otherwise be necessary, and thus permit adoption of sound market-oriented economic policies. About half of A. I. D. 's lending has been in the form of program loans which are often made in association with other donors in consultative group arrangements. This percentage has declined to under 30% with the change to sectorally based lending. In FY 1974, \$185 million is requested for program lending. (For details see "Programs for Selected Countries and Organizations")

Sector loans assist a country to carry out an integrated program in one sector of its economy. Sector lending is largely concentrated in agriculture and education with some lending in health and urban development. Basic to

the sector loan approach is a comprehensive sector plan which enables the host country to focus its policies and resources on key constraints to development within a given sector. A. I. D. sector loans provide part of the foreign exchange or local currency necessary to carry out the plan. In some cases technical assistance is also provided. In FY 1974 sector lending will total \$151.5 million, up 60% from the average level of the last three years.

Programming of Loans

A. I. D. reviews the requests of LDC governments for loan assistance and identifies project, sector and program loan possibilities. In this process A. I. D. has found, as all major international lending agencies have, that a portion of firmly identified proposed loans fall aside due to unanticipated developments of a political or economic nature, or other changes adversely affecting the proposal. Thus, the number and amount of loans under review during any fiscal year exceeds the number and amounts ultimately approved. For example, the World Bank has found that it must intentionally over-program by 60% because of these factors. However, on the basis of current information, all of these projects are deemed worthy candidates for A. I. D. financial support. Therefore, if a proposed loan is delayed or dropped from further consideration, A. I. D. will then consider another loan consistent with the needs of the country or regional situation and sound financial review practices.

A. I. D. 's development lending to major recipients is usually coordinated with the lending of other donors through consortia and consultative groups led by the World Bank and other international agencies or through mechanisms such as the Inter-American Committee on the Alliance for Progress (CIAP). Multilateral coordination of development lending will be further strengthened as the United States increasingly looks to international institutions to provide the framework for U. S. lending programs.

Development Grants

For FY 1974 A. I. D. requests new obligational authority of Development Grants for Worldwide Technical Assistance at \$165.7 million and Alliance for Progress Technical Assistance at \$86.1 million for program levels of \$179.4 million and \$90.1 million respectively.

Almost all grants finance technical assistance projects although a limited amount will help finance capital assistance efforts in some of the least developed countries. U.S. advisory services and training expand knowledge and skills in the LDCs and help create the institutional and related facilities needed to solve key development problems.

Almost every economically developed country now provides some form of technical assistance. In 1971, over 102,800 experts and volunteers were supplied and over 82,400 people from the developing countries were trained under bilateral programs. Three-quarters of this assistance was provided by other bilateral donors. In addition, multilateral organizations such as the UN provided over 12,000 experts and 15,000 training fellowships.

In the 1960s, these activities emphasized the institutional bases for development. By the end of that decade, several significant changes had occurred.

- Most developing countries are better able to plot their courses and carry out their own development. In general, institutions built in the 1960s are operational in the 1970s.
- There was increased concern that economic development efforts be focused on raising the quality of the life of people in the developing countries.
- The success of the Green Revolution had demonstrated the great potential of research and related activities.

American scientific and technological skills can be used to adapt and apply modern methods and technologies. In addition, attention must be given to sector-wide analysis and program management and evaluation to build institutional capacity for the long-term tasks of development. Finally, the impact of donor assistance must be expanded through improved coordination with other donors and collaboration with and support of multilateral technical assistance activities.

In addition to technical advisory services, general institutional development and support for an international network of research institutions, the United States has long invested in the training of people from the developing countries. It includes formal education, on-the-job training in skills from crop spraying to computer technology, and other experiences related to adoption of modern methods to the problems of development. Technical assistance is most effective when it trains people to use their new skills and to pass them along to others.

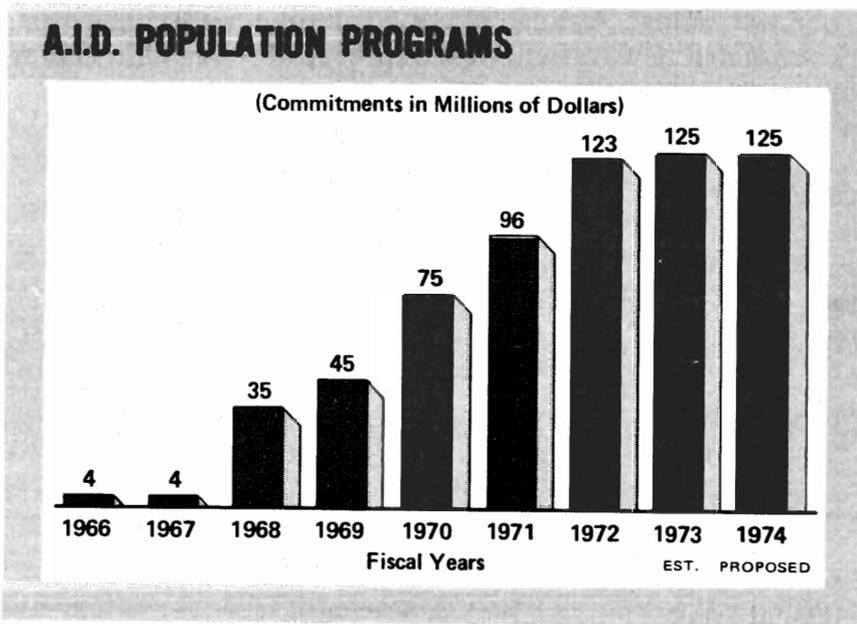
Since the program began, more than 162,000 foreign nationals have received technical training in the United States and third countries under the U.S. foreign assistance program. More than 99.5% have returned to their own countries to use their training. In FY 1972 the number of participants in training was 12,268 of whom 6,321 were new arrivals; about the same number is estimated in FY 1973.

Practically all technical assistance projects are now carried out through the active participation of intermediary organizations. A. I. D. will continue its efforts to use the competence and resources of U.S. and multilateral organizations, public and private, to plan and implement development projects in cooperation with developing countries. Increasingly, implementation of projects will be primarily through other organizations, with A. I. D.'s role limited to monitoring these operations.

Population Programs

Since 1967, Congress has annually earmarked funds for programs relating to population growth. In FY 1974 the \$116 million request will fund a program of \$125 million.

Population programs are grant-funded and emphasize technical assistance, often through international or private voluntary organizations. Some funds are used for the provision of contraceptives. Research efforts also are supported to develop more effective contraceptives for use in developing countries and to determine the various influences on family size.



International Organizations and Programs

The \$124.8 million request will permit voluntary U.S. contributions to 10 UN technical assistance and other programs including:

UN Development Program (UNDP). The UNDP is the focal point for UN grant assistance to developing countries. For FY 1974, \$90 million is requested for the U.S. contribution to UNDP activities, which include surveys to attract investment capital, aid for development of institutions for economic and social growth, and technical advice.

UN Children's Fund (UNICEF). UNICEF provides supplies, equipment and training to help improve the health and welfare of children and mothers in over 100 developing countries.

UN-FAO World Food Program. The World Food Program uses food aid on an international basis to improve nutrition, pay for work on development projects and feed victims of natural disasters.

UN Relief and Works Agency (UNRWA). Contributions to UNRWA help feed, house, educate and provide health services for Palestine refugees.

UN Environment Program Fund (UNEP). Separate legislation has been submitted to authorize support for this new program which will provide international leadership for coordination of environmental activities, including identification and evaluation of global problems, assignment of priorities, and monitoring. A \$10 million appropriation is requested under the International Organizations account for FY 1974.

Indus Basin Development Fund. Established by international agreement and administered by the World Bank, this Fund finances construction of dams and other facilities to provide an equitable distribution of the waters of the Indus Basin between India and Pakistan. Begun in 1960, the project is nearing completion and is already providing irrigation to over 50 million people. Work on the last part of the project, the Tarbela Dam, is expected to be completed in 1976. The United States, seven other countries and the World Bank have contributed to the \$1.5 billion Fund. For FY 1974, \$15 million in grant funds and \$2.2 million in loans is proposed.

UN Fund for Population Activities (UNFPA). The UNFPA is a central coordinating and financing body for population activities throughout the UN system and helps UN member countries identify and cope with population problems. In FY 1974, \$20 million will be allocated from funds appropriated for Population Programs.

UN Fund for Drug Abuse Control (UNFDAC). The UNFDAC provides assistance to control narcotics production and traffic, disseminate information on drug abuse, and treat and rehabilitate addicts. In FY 1974, \$5 million of International Narcotics Control funds will be allocated for this purpose.

American Schools and Hospitals Abroad

Under this program grant support is given to selected private, non-profit institutions overseas sponsored or founded by U.S. citizens. Grants provide the extra margin required to maintain standards that reflect favorably on the United States. To the extent that these institutions represent U.S. excellence in education and medicine, they attract the caliber of students who may become leaders in their countries.

To qualify for grants, applicants must provide evidence that they represent viable institutions identified with the United States. Sponsors are required to take full responsibility for the management of these institutions and to make substantial financial contributions.

In FY 1974, \$10 million is requested for the American Schools and Hospitals Abroad program.

International Narcotics Control

In June of 1971, President Nixon announced a major U.S. effort to control illicit international narcotics traffic. The Cabinet Committee on International Narcotics Control, chaired by the Secretary of State, coordinates the program, which involves a number of departments and agencies.

Because of its experience and expertise in overseas assistance activities, A.I.D. plays a major supporting role. As amended in 1971 with section 481, the Foreign Assistance Act permits assistance to any country to support its efforts to control drug production and trafficking.

Current efforts involve two major initiatives to thwart distribution and restrict production in each of the countries producing illicit drugs. First, to achieve the U.S. goal of reducing the illicit supply of drugs, heavy emphasis is placed on law enforcement activities abroad. Second, where feasible, support is also provided to efforts to decrease the production of narcotics. Particular emphasis is placed on action through United Nations agencies, especially the UN Fund for Drug Abuse Control, which was established in 1971 at U.S. initiative.

For FY 1974, \$42.5 million is requested for the International Narcotics Control program.

Contingency Fund

Requirements for assistance frequently arise which were unforeseen or could not be accurately defined at the time the proposed program was prepared and submitted to the Congress. The Fund is used primarily for two purposes -- for disaster relief and for situations involving the security interests of the United States.

The precise amount needed from the Contingency Fund in any given year cannot be predicted. It can be predicted, however, that natural and man-made disasters and other urgent contingencies will inevitably arise and that funds will be needed to meet them. The need to have funds available is illustrated by such recent emergencies as relief for the victims of the Nicaragua earthquake and aid for refugees in southern Sudan. In such circumstances, it is imperative that the United States be able to respond quickly and effectively and, in an international context, to encourage positive action on the part of other donors.

For FY 1974, \$30 million is requested for the Contingency Fund.

Administrative Expenses (A.I.D.)

A.I.D.'s operating expenses are funded from a variety of sources. Approximately one-third of the appropriated dollar funding is from the Administrative Expenses appropriation, with the remainder divided between worldwide program funding and country program funds shown in other parts of the Presentation.

The FY 1974 request of \$53.1 million for A.I.D. Administrative Expenses, together with other availabilities, will provide a total of \$57.9 million. Almost 80% of the costs are for salaries and benefits. FY 1974 funding requirements are only slightly higher than FY 1973.

Although added costs result from the January 1973 pay raise, these are largely offset by the proposed reductions in the numbers of personnel.

Administrative Expenses (State)

These funds are administered by the State Department for personnel and support costs for the U.S. Mission to the North Atlantic Treaty Organization (NATO), the Mutual Defense Assistance Control Act (Battle Act) staff, the Military Assistance and Arms Sales supervision function, and the U. S. Mission to the Organization for Economic Cooperation and Development (OECD). The FY 1974 request is for \$5.1 million.

Housing Investment Guaranties

The U. S. Government guarantees housing loans made by U.S. private investors throughout the developing world. Authority to issue guaranties now amounts to \$780.1 million. Fees charged for guaranties are used to meet claims and pay administrative expenses for the program. Thus, it operates essentially without cost to the U.S. taxpayer.

The original authority to finance pilot demonstration projects was broadened in 1965 to include projects involving housing finance institutions, trade unions, cooperatives, and lower-income housing. An increasingly large percentage of new guaranteed loans are reloaned by central housing finance institutions to local savings and loan institutions and mortgage and other housing institutions in the developing countries. Thus the financial institutional capacity of developing countries is strengthened as they cope with their own housing problems. For future programs, increasing emphasis is to be placed on assisting recipients to meet the housing needs of low-income groups.

Indochina Postwar Reconstruction

A postwar assistance program in Indochina is an important element in maintaining the peace and turning the energies of the people toward the reconstruction and development of their countries.

It is important -- particularly during the transition period from war to peace -- to provide economic support to meet the immediate humanitarian needs of Vietnam, Laos and Cambodia; to help restore the agricultural and commercial productivity of the region; and to undertake development activities that can provide the means for the Indochina people eventually to become economically self-sufficient.

The most urgent requirements are to provide sustenance and shelter to refugees, to assist them to re-establish themselves, and to rebuild hospitals, schools, public utilities and other facilities damaged by the conflict.

At the same time, imports of essential commodities must be provided so that the economies of these nations can continue to function and to permit rebuilding and restoration to go forward. The peoples of Indochina can and must restore their own countries. The United States, as well as other donors, can assist with the necessary imported materials and machinery. These countries must also begin upon development to increase their productive capacity and permit a decrease in their requirements for assistance from abroad.

Authorization and appropriation of \$632 million is requested for Indochina Postwar Reconstruction in FY 1974.

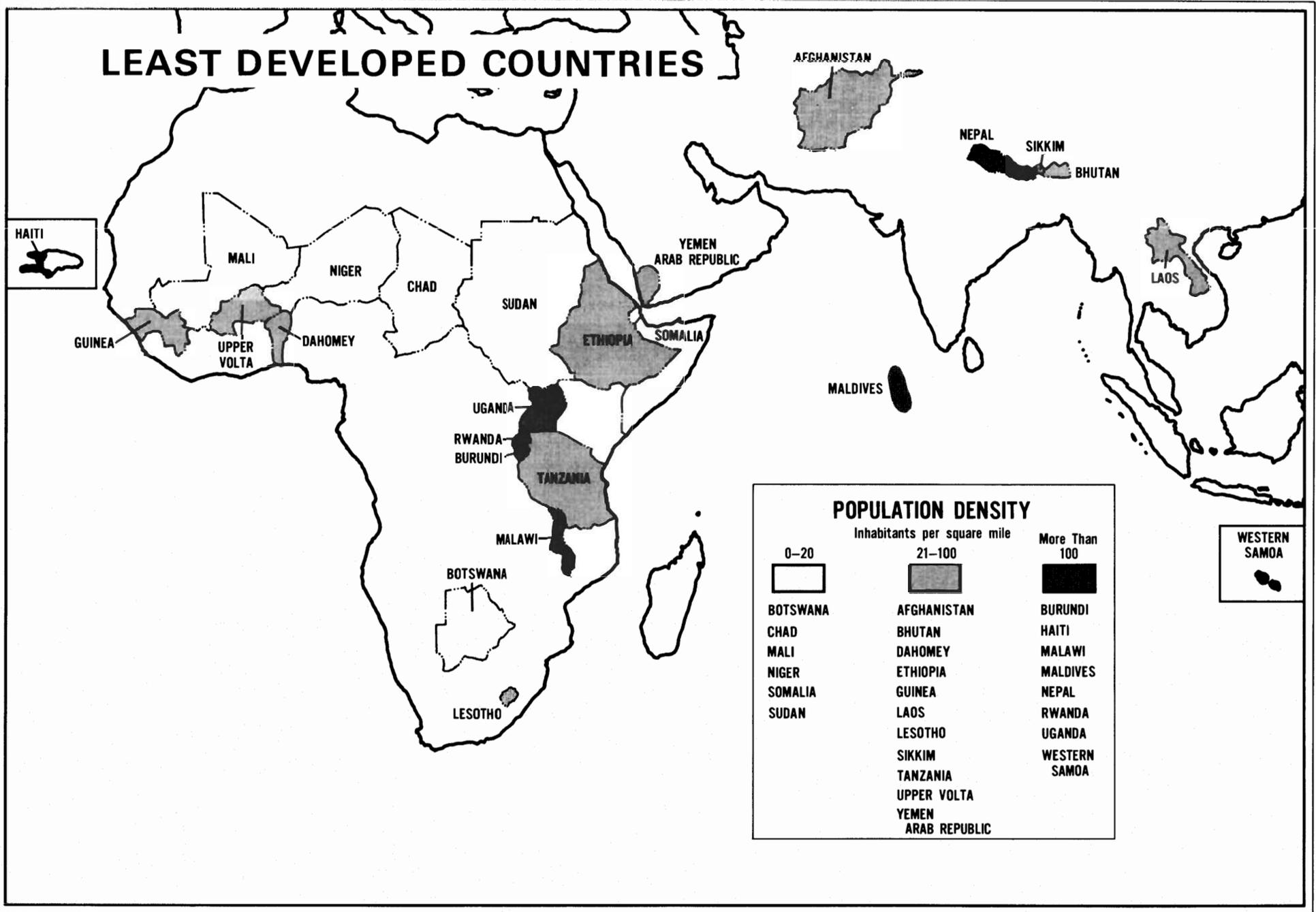
Supporting Assistance

While the international security situation of the 1970s differs markedly from that of the 1950s, security assistance is still needed to help friendly governments maintain their independence. Our goal continues to be to create and maintain an environment in which nations can use their resources for economic and social progress. But some nations must have support, economic and military, to maintain a reasonable measure of security while seeking to remove the causes of tension through negotiation.

Supporting Assistance funds normally contribute to the economic growth or to the developmental goals of the recipient country, but the primary purpose of these funds is neither economic growth nor development per se. Rather, it is to stabilize the economic or political situation, usually in the context of a given security situation. Supporting Assistance seeks, therefore, to help the recipient nation avoid deterioration of the national economy as much as possible while it overcomes a security threat.

Last year, by far the major portion of the proposed supporting assistance program was for Indochina. For FY 1974, assistance for Indochina is presented separately now that a cease-fire permits new emphasis on relief and reconstruction. Supporting Assistance is requested for five countries: Israel, Jordan, Malta, Thailand and Spain, and for the U.S. contribution to the United Nations Forces in Cyprus. The FY 1974 request of \$100 million will fund a program of \$124 million.

LEAST DEVELOPED COUNTRIES



THE LEAST DEVELOPED COUNTRIES

The primary object of U.S. economic assistance is to help the developing nations achieve modernization and prosperity peacefully, within an open international economic system, without social chaos and violence.

During the last decade as we have worked toward this goal, the United States has become increasingly aware of the special situation of certain developing countries whose incomes and natural endowments are so low that very little of the basic prerequisites for growth and development exist. These nations--the least developed countries--are poor almost beyond measure. Their literacy rates are minimal; their economies are almost entirely rural and overwhelmingly devoted to traditional agriculture.

In the 25 countries in this category live 150 million people--about 10% of the total population of all developing countries (excluding the Peoples' Republic of China). While they differ in size, population, culture and language, they face many of the same extreme conditions of human poverty.

The UN Committee for Development Planning uses three criteria to identify the least developed countries:

--Per capita gross domestic product per annum is \$100 or less;

--Manufactured goods represent 10% or less of total product; and

--The literate portion of the total adult population (age 15+) is less than 20%.

The least developed countries share other common characteristics:

--Fifteen of them are landlocked; most have arid climates and difficult terrain;

--There are few schools and fewer hospitals and clinics. On the average there is only one doctor for every 40,000 people;

--Malnutrition and disease are common; life expectancy is about 40 years;

--Over 80% of the people barely make a subsistence living off the land using primitive farming methods. During the last decade there has been virtually no increase in per capita agricultural output.

Some nations not included on the UN list believe they meet the criteria. For example, Bangladesh is not included since it did not exist as an independent nation when the list was prepared.

In sum, the process of development has largely bypassed these countries. They will continue to be left behind unless they can make the transition from subsistence to market agriculture using modern institutions and practices and changed policies.

An International Response

The growing concern for the critical situation in these least developed countries was expressed at the UN Conference on Trade and Development (UNCTAD) held in Santiago, Chile in 1972. A major resolution adopted by all representatives urged every country to take special measures to aid the least developed--in trade and commercial policy, business and technology and technical and capital assistance. The United States strongly supported this resolution.

In the areas of development finance and technical assistance the resolution raised a series of major issues regarding the quality and quantity of aid. Not only do those countries require more aid, but assistance must be specially designed to meet their particular problems. These countries lack skilled manpower, technical and institutional capacity to manage their own development, and the capital resources required to construct basic infrastructure such as schools, roads, factories and health clinics.

Our assistance can make a significant difference, but only if they demonstrate a desire and capacity to help themselves and demonstrate the determination to make the difficult decisions required. Many things must be done immediately and simultaneously. There are several generally accepted, priority steps to be taken in these countries:

--The acute shortage of trained and skilled manpower in business, government and schools is the central bottleneck impeding their efforts to help themselves. Managerial, technical, professional and clerical personnel and skilled labor are in short supply. Programs to train middle level manpower skills rapidly and to develop relevant and low cost educational systems must be given the highest priority.

--During the short term the effort to increase agricultural production must include the provision of such farm inputs as irrigation equipment, fertilizer and the seeds plus the acceptance of new cultivation practices, the creation of adequate extension and marketing systems and the adoption of appropriate incentives. Longer term programs must focus on expanded research efforts to seek solutions to the problems of severe water shortage and the adaptation of crops to extremely arid conditions.

--Modern industry is virtually non-existent in most of these countries. Their exports are limited to a few traditional commodities. Their industrial base must be expanded and

new exports identified and promoted. An adequate system of transportation must also be created to undergird basic agricultural and industrial development. In the absence of adequate exploration, little has been done to survey and exploit their natural resource and mineral potential with modern tools and techniques.

--Debilitating endemic diseases must be controlled. Effective and extensive health delivery systems, including child health and population planning, must be developed to provide a strong working force and prevent continued rapid population growth.

The response to the needs of the least developed countries thus far has been encouraging. Special efforts have been made to expand and accelerate assistance programs and adapt them to the special situation of each country. The UNDP, which has initiated a special country programming effort in the 25 least developed countries, expects to increase its resource flows by at least \$25 million during the next annual program cycle. The UN has also agreed to eliminate its requirement for a local contribution by these countries. The World Bank has decided to assist these countries with long-term, concessional loans only and will increase the amount of local costs it will finance. Sweden, Australia, Canada, Germany and other countries have taken similar steps and are meeting all local costs, making interest free loans and using grant funds or earmarking special additional funds for technical assistance to these countries. Together, the donor countries, through the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), have agreed to give loans on improved terms and are studying the possibility of further agreements to give special benefits to these countries. We are hopeful that the United States may also be able to make available interest-free loans to the least developed countries.

U.S. Support for the Least Developed Countries

The United States has pledged its support for this special effort. A.I.D. has devised new policies and programs of assistance to meet the most urgent needs of these countries. To ensure the success of this new effort maximum flexibility must be maintained to respond most effectively to the varying conditions and needs of each country. We will pursue this policy initially in countries where we already have established A.I.D. programs such as Tanzania, Lesotha, Botswana, Ethiopia, Afghanistan, Nepal, Haiti, and others.

A.I.D. Initiatives

1. Special Integrated Project Grants: First, A.I.D. will fund selected integrated technical and capital assistance projects in high priority development sectors on a grant basis. Although grant funds have been provided for capital projects at various times in the past, this policy was changed as conditions in many of the developing countries improved. As a result, A.I.D. became more selective and restricted Development Grants primarily to technical assistance. Thus, capital assistance has been primarily funded from Development Loan funds in recent years. However, this has penalized the poorest nations whose potential revenue and repayment capabilities are, and will continue to be, severely limited. Therefore, we propose to use Development Grants on a case-by-case basis to fund projects designed to expand basic institutions and strengthen production organizations, as well as technical assistance requirements. For example, the provision of rural credit to small farmers in Tanzania and the development of an institutional capability to manage and use the credit effectively through cooperatives and other means are activities deserving of special integrated project grants.

2. Improving Our Ability to Respond: The procedures and practices through which we provide aid are being changed to take into account the realities of working in the least devel-

oped countries. For example, A.I.D. is supporting an innovative program to develop private enterprise and entrepreneurs in West Africa. Regional banks are being strengthened to play a more dynamic role in national and regional development and to mobilize private capital. Drawing upon past experience and the problems faced in these countries, a more flexible approach will be used in local operations, lending procedures, local cost financing and procurement policies.

Fewer demands will be placed upon the capabilities and supporting facilities of the host countries. A.I.D. advisors will work more closely with host country personnel and at their pace. The measures taken to adapt Agency procedures and practices to facilitate our assistance to the least developed include:

- Increased funding of local costs and recurrent expenditures to fit particularly difficult circumstances.
- More flexible contracting procedures, including greater U.S. assistance to host governments during the contracting process if necessary.
- Provision of A.I.D. experts either directly to the least developed countries or to development advisory teams; and
- Special guidelines for provision and training of host country counterpart personnel to meet the manpower constraints and local support requirements of the least developed countries.

3. Mobilizing U.S. Private Voluntary Agencies: Many U.S. voluntary agencies have been active in the least developed countries and have gained extensive experience and knowledge of their development needs and problems. While their resources are often limited, they have attracted highly motivated volunteer personnel and have committed substantial financial resources

of their own.

The total aid volume can be expanded by supporting the work of these organizations in priority development areas in which they are especially well experienced--middle level manpower training, rural health delivery systems, small enterprise development, and related activities which reach out into rural areas and other disadvantaged parts of society.

Multilateral Cooperation

1. Collaboration: As new programs for assistance are developed by the World Bank, the UNDP and other donors, A.I.D. will participate in joint technical assistance and capital investment projects. Such cooperation and coordination is essential to overcome the difficulties of working in these countries and to reduce duplication of projects and the resulting burden upon local planning and management skills.

A.I.D. has actively supported the development of regional competence to control communicable diseases in West and Central Africa. After 6 years and 148 million smallpox vaccinations, the valuable and successful program of smallpox eradication in the region is being concluded. In the process, a competent locally-managed health delivery system was created. Building upon this experience, and with our active encouragement, the 17 participating countries of the region have joined in a new program to develop an effective organization to combat communicable diseases. Several donors are assisting this important cooperative effort.

2. Capital Investment: Coordination is especially important for infrastructure investments and agricultural and industrial production projects where joint financing with the World Bank or other donors helps achieve a multiplier effect in assistance. Such coordination also decreases the need for separate expert staffs, overlapping technical studies and analysis, while increasing the drain on scarce manpower in the host countries.

Better results can also be achieved by insisting on adequate self-help measures.

Thus A.I.D. joined with other donors to support an irrigated farming project managed by the World Bank in the Sudan. We have also joined with France and other European countries in providing capital and technical assistance to help a newly established organization, the Entente Livestock Community. This program is designed to improve livestock production, sanitation, marketing and related support for expansion of the livestock industry in the five Entente countries of West Africa.

3. Special Technical Assistance Activities: As a special measure to get development projects underway in these countries, A.I.D. will make experts available for joint international technical assistance activities. Through this effort, U.S. technicians will help alleviate the critical shortage of technical experts now delaying implementation of priority projects. Moreover, A.I.D. will avoid incurring project management and support requirements in countries where there are no bilateral aid missions and none are expected to be started.

4. Development Advisory Teams: Parallel to the effort to expand technical assistance activities is the need to help the least developed countries organize and manage their own resources in order to exploit foreign assistance opportunities more effectively. In the short run, the bottleneck in absorptive capacity can be overcome, in part, by providing planning advisors for the appropriate planning and executing ministries to improve the scope and quality of their development plans. Such planning assistance teams, working directly within the executing agencies, will be able to serve as resident experts with respect to program and sector planning, project development, as well as to help accelerate aid flows.

Such small groups of advisors should be multidisciplinary and multinational covering economics, agriculture, education,

transport, industry, health and other disciplines. Because of the extreme shortage of such expertise and the relatively small size of the African least developed countries, six to eight such teams are planned to cover the 16 least developed countries in Africa. Sweden has already taken the lead to fund two such teams in Central and West Africa. Management support has been provided by the UN.

Preliminary indications show a positive response to the first field teams. The demand for such assistance now exceeds the supply of skilled personnel. Based on the experience already gained by the multilateral agencies and the African countries, A.I.D. will fund two such development advisory

teams in the eastern and southern Africa regions.

While relatively small in absolute terms, our aid flows to the 25 least developed countries have steadily increased from \$58 million in FY 1970 to \$116 million in FY 1972 and to the proposed level of \$130 million in FY 1974.

These measures taken within our bilateral programs and through the multilateral framework are the initial steps needed to expand the development capacity of these countries and to meet the challenge of helping the least developed countries in their struggle for a better future. We will further expand this assistance effort in the next decade, and beyond, to support our commitment to a generation of peace.

THE LEAST DEVELOPED COUNTRIES: ECONOMIC AND SOCIAL DATA

COUNTRY	POPULATION (Mid-1972)	PER CAPITA GNP 1972	MANUFAC- TURING as % of GDP	AGRICUL- TURAL OUTPUT (Growth rate 1967-72)	EXPORTS (Growth rate 1966-71)	EDUCATION		HEALTH	
						LITERACY	SCHOOL ENROLLMENT RATE ^a	LIFE EXPECT- ANCY	PEOPLE PER DOCTOR
	Millions	\$	Percent	Percent	Percent	Percent	Percent	Years	Number
Afghanistan	17.9	90	11	n.a.	7.6	8	11	39	20,670
Bhutan	0.9	n.a.	n.a.	n.a.	n.a.	n.a.	55	n.a.	n.a.
Botswana	0.7	105	8	n.a.	23.4	20	39	43	16,900
Burundi	3.8	60	4	1.7	6.3	10	15	41	60,700
Chad	3.9	76	n.a.	n.a.	3.6	5-10	15	40	63,900
Dahomey	2.6	97	n.a.	2.7	33.2	20	19	41	29,900
Ethiopia	26.4	79	7	1.6	4.1	5	8	40	71,200
Guinea	4.1	81	n.a.	4.1	-0.8	5-10	15	40	49,800
Haiti	5.1	93	n.a.	2.2	5.6	10	20	47	13,210
Laos	3.1	65	n.a.	n.a.	25.0	15	34	50	16,570
Lesotho	1.1	90	1	n.a.	-13.0	n.a.	50	45	29,800
Malawi	4.7	89	12	5.5	8.0	22	23	40	43,500
Maldives	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	50,000
Mali	5.3	60	8	0.4	23.9	5	12	39	37,100
Nepal	11.5	80	10	n.a.	-5.4	9	15	42	49,100
Niger	4.1	100	n.a.	-5.2	3.2	5	6	43	54,100
Rwanda	3.8	65	3	2.6	14.9	10	31	43	58,100
Sikkim	0.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Somalia	2.9	88	n.a.	n.a.	2.5	5	6	40	17,900
Sudan	16.7	117	9	1.6	10.2	10-15	14	50	14,300
Tanzania	14.0	103	10	0.7	2.1	15-20	19	44	29,100
Uganda	10.4	141	9	2.1	3.7	20	24	49	8,600
Upper Volta	5.6	64	6	-0.8	1.2	5-10	6	37	92,800
Western Samoa	0.2	140	n.a.	n.a.	n.a.	86	62	63	2,860
Yemen Arab Rep.	6.1	80	n.a.	n.a.	-3.0	10	4	44	62,700

a - Primary and secondary students as a percent of 5 - 19 age group.

**SUMMARY OF PROGRAM BY AREA AND APPROPRIATION ACCOUNT
FISCAL YEARS 1972 - 1973 - 1974**

(In thousands of dollars)

TABLE I

COUNTRY	TOTAL			DEVELOPMENT LOANS			DEVELOPMENT GRANTS (Including Population)			OTHER		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972 ^{a/}	1973	1974
SUMMARY - DEVELOPMENT ASSISTANCE	1,474,228	1,334,391	1,338,314	606,300	597,609	645,550	387,720	376,701	394,467	480,207	360,081	298,297
LATIN AMERICA	335,911	315,064	274,664	242,400	225,000	185,000	91,475	87,468	87,737	2,036	2,596	1,927
ASIA	527,352	424,567 ^{b/}	457,777	257,600	260,000	380,000	54,715	57,970	61,569	215,037	106,597 ^{b/}	16,208
AFRICA	171,505 ^{c/}	162,203	159,730	104,050	96,000	80,000	67,455	66,203	79,680	-- ^{c/}	--	50
INTERREGIONAL PROGRAMS	142,696	165,736	148,202	500	550	550	140,550	151,178	140,471	1,646	14,008	7,181
INTERNATIONAL ORGANIZATIONS	182,037	145,631	177,122	1,750	4,059	--	29,040	9,000	20,000	151,247	132,572	157,122
UNDP and Other Programs	(151,775)	(119,572)	(149,922)	--	--	--	(29,040)	(9,000)	(20,000)	(122,735)	(110,572)	(129,922)
UN Environment Fund	--	--	(10,000)	--	--	--	--	--	--	--	--	(10,000)
Indus Basin												
Loans	(13,750)	(16,059)	(2,200)	(1,750)	(4,059)	--	--	--	--	(12,000)	(12,000)	(2,200)
Grants	(16,512)	(10,000)	(15,000)	--	--	--	--	--	--	(16,512)	(10,000)	(15,000)
AMERICAN SCHOOLS AND HOSPITALS ABROAD	19,987	25,532	10,000	--	--	--	--	--	--	19,987	25,532	10,000
ADMINISTRATIVE EXPENSES - A.I.D.	58,628	57,159	57,875	--	--	--	--	--	--	58,628	57,159	57,875
State	4,448	4,320	5,100	--	--	--	--	--	--	4,448	4,320	5,100
CONTINGENCY FUND	(32,939)	(23,998) ^{d/}	30,300	--	--	--	--	--	--	(32,939)	(23,998) ^{d/}	30,300
INTERNATIONAL NARCOTICS CONTROL	(20,637)	(20,500)	(42,500)	--	--	--	--	--	--	(20,637)	(20,500)	(42,500)
UNDISTRIBUTED	--	12,773 ^{e/}	9,738 ^{f/}	--	--	--	--	--	--	--	12,773 ^{e/}	9,738 ^{f/}
OTHER DEVELOPMENT ASST. PROGRAMS ^{g/}	31,663	21,406	7,806	--	12,000	--	4,485	4,882	5,010	27,178	4,524	2,796
SUMMARY - SUPPORTING ASSISTANCE	593,225	627,891	124,055	--	--	--	--	--	--	593,225	627,891	124,055
SUPPORTING ASSISTANCE COUNTRIES	574,483	556,786	117,500	--	--	--	--	--	--	574,483	556,786	117,500
OTHER S.A. PROGRAMS ^{h/}	18,743	71,105	6,555	--	--	--	--	--	--	18,743	71,105	6,555
INDO-CHINA RECONSTRUCTION	--	--	630,945	--	--	--	--	--	--	--	--	630,945
TOTAL - A.I.D.	2,067,453	1,962,282	2,093,314	606,300	597,609	645,550	387,720	376,701	394,467	1,073,433	987,972	1,053,297

^{a/} Includes Development Loan funds used for International Narcotics Control purposes.

^{b/} Excludes \$50,000,000 of Supporting Assistance funds for Philippines disaster relief.

^{c/} Excludes \$3,700,000 of Supporting Assistance funds for a police academy in Nigeria and training of refugees in Southern Africa.

^{d/} \$11,225,000 was allocated for humanitarian assistance and disaster relief while \$12,773,000 was undistributed as of December 31, 1972.

^{e/} Unprogrammed Contingency Fund as of December 31, 1972.

^{f/} Unprogrammed International Narcotics Control funds.

^{g/} Includes programs in Supporting Assistance countries funded from development assistance or other appropriations - Development Loans, Development Grants, International Narcotics Control, Population and Contingency Fund.

^{h/} Supporting Assistance funded support for Philippines, Nigeria, Southern Africa Regional, UN Force in Cyprus, Southeast Asia Regional and Interregional.

SUMMARY OF PROGRAM BY AREA AND OBJECTIVE
(in thousands of dollars)

TABLE II

	Total			Food Production and Nutrition			Population Planning and Health			Human Resource Development			Selected Development Problems			Selected Countries and Organizations			Other Programs and Support Costs		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
SUMMARY - DEVELOPMENT ASSIST.	1,474,228	1,334,391	1,338,314	191,993	195,796	299,568	137,316	167,900	152,762	100,313	84,449	113,771	273,846	232,247	177,650	200,288	204,691	218,367	570,472	449,308	376,196
LATIN AMERICA	335,911	315,064	274,664	75,654	75,988	85,883	19,079	45,206	31,715	52,797	49,529	77,837	124,583	96,957	46,939	46,673	28,892	15,800	17,126	18,492	16,490
ASIA	527,352	424,567 ^{a/}	457,777	53,345	65,294	140,081	14,465	18,494	21,510	17,621	15,569	13,433	79,112	76,378	83,425	135,984	131,385	171,500	226,825	117,447	27,828
AFRICA	171,505 ^{b/}	162,203	159,730	50,229	33,560	58,128	14,220	18,514	16,188	28,071	15,701	17,573	64,079	50,569	38,355	2,064	31,555	17,865	12,842	12,304	11,621
INTERREGIONAL PROGRAMS	142,696	165,736	148,202	12,706	10,523	15,131	57,304	72,800	59,439	1,485	3,350	4,628	6,072	6,223	8,731	15,567	12,859	13,202	49,563	59,981	47,071
INTERNATIONAL ORGANIZATIONS	182,037	145,631	177,122	--	--	--	29,040	9,000	20,000	--	--	--	--	--	--	--	--	--	152,997	136,631	157,122
UNDP & Other Programs	(151,775)	(119,572)	(149,922)	--	--	--	(29,040)	(9,000)	(20,000)	--	--	--	--	--	--	--	--	--	(122,735)	(110,572)	(129,922)
UN Environment Fund	--	--	(10,000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(10,000)
Indus Basin	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Loans	(13,750)	(16,059)	(2,200)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(13,750)	(16,059)	(2,200)
Grants	(16,512)	(10,000)	(15,000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(16,512)	(10,000)	(15,000)
AMERICAN SCHOOLS AND HOSPITALS ABROAD	19,987	25,532	10,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	19,987	25,532	10,000
ADMIN. EXPENSES - A.I.D.	58,628	57,159	57,875	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	58,628	57,159	57,875
State	4,448	4,320	5,100	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	4,448	4,320	5,100
CONTINGENCY FUND	(32,939)	(23,998) ^{c/}	30,300	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(32,939)	(23,998) ^{c/}	30,300
INT'L. NARCOTICS CONTROL	(20,637)	(20,500)	(42,500)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(20,637)	(20,500)	(42,500)
UNDISTRIBUTED	--	12,773 ^{d/}	9,738 ^{e/}	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	12,773 ^{d/}	9,738 ^{e/}
OTHER DEVEL. ASST. PROGRAMS ^{f/}	31,663	21,406	7,806	59	10,431	345	3,208	3,886	3,910	339	300	300	--	2,120	200	--	--	--	28,057	4,669	3,051
SUMMARY - SUPPORTING ASSISTANCE	593,225	627,891	124,055	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	593,225	627,891	124,055
SUPPORTING ASSIST. COUNTRIES	574,483	556,786	117,500	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	574,483	556,786	117,500
OTHER S.A. PROGRAMS ^{g/}	18,743	71,105	6,555	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	18,743	71,105	6,555
INDO-CHINA RECONSTRUCTION	--	--	630,945	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	630,945
TOTAL - A.I.D.	2,067,453	1,962,282	2,093,314	191,993	195,796	299,568	137,316	167,900	152,762	100,313	84,449	113,771	273,846	232,247	177,650	200,288	204,691	218,367	1,163,697	1,077,199	1,131,196

a/ Excludes \$50,000,000 of Supporting Assistance funds for Philippines disaster relief.

b/ Excludes \$3,700,000 of Supporting Assistance funds for a police academy in Nigeria and training of refugees in Southern Africa.

c/ \$11,225,000 was allocated for humanitarian assistance and disaster relief while \$12,773,000 was undistributed as of December 31, 1972.

d/ Unprogrammed Contingency Fund as of December 31, 1972.

e/ Unprogrammed International Narcotics Control funds.

f/ Includes programs in Supporting Assistance countries funded from development assistance or other appropriations - Development Loans, Development Grants, International Narcotics Control, Population and Contingency Fund.

g/ Supporting Assistance funded support for Philippines, Nigeria, Southern Africa Regional, UN Force in Cyprus, Southeast Asia Regional and Interregional.

SUMMARY OF PROGRAM BY COUNTRY AND APPROPRIATION ACCOUNT
FISCAL YEARS 1972 - 1973 - 1974

REGION: LATIN AMERICA

(In thousands of dollars)

TABLE I

COUNTRY	TOTAL			DEVELOPMENT LOANS			DEVELOPMENT GRANTS (Including Population)			OTHER		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
LATIN AMERICA - TOTAL	335,911	315,064	274,664	242,400	225,000	185,000	91,475	87,468	87,737	2,036	2,596 ^{b/}	1,927 ^{b/}
Bolivia	55,592	15,568	23,683	50,000	11,700	20,000	3,573	3,721	3,679	2,019 ^{a/}	147	4
Brazil	9,965	36,654	6,100	--	29,600	--	9,965	7,050	6,000	--	4	100
Chile	1,021	921	647	--	--	--	1,021	815	572	--	106	75
Colombia	92,596	69,901	63,731	89,000	66,600	60,000	3,596	3,250	3,493	--	51	238
Dominican Republic	6,855	1,075	10,894	5,100	--	10,000	1,755	1,075	894	--	--	--
Ecuador	4,852	4,963	4,661	--	--	--	4,852	4,655	4,361	--	308	300
Guyana	15,600	776	4,174	14,300	--	3,500	1,300	776	672	--	--	2
Haiti	3,182	6,800	8,900	--	3,700	5,000	3,182	3,100	3,900	--	--	--
Jamaica	1,159	5,998	7,965	--	5,000	7,000	1,159	965	939	--	33	26
Panama	22,780	14,758	13,082	19,100	11,600	10,000	3,680	3,110	3,062	--	48	20
Paraguay	2,769	5,494	6,295	--	2,500	3,000	2,769	2,944	3,273	--	50	22
Peru	31,738	3,919	4,028	27,600	--	--	4,138	3,776	3,778	--	143	250
Uruguay	1,355	1,382	1,305	--	--	--	1,355	1,242	1,170	--	140	135
Venezuela	850	493	399	--	--	--	850	471	359	--	22	40
Central America Regional Programs (ROCAP)	13,198	42,523	13,260	9,900	40,000	10,000	3,298	2,523	3,260	--	--	--
Costa Rica	1,662	1,249	1,065	--	--	--	1,662	1,249	1,065	--	--	--
El Salvador	6,050	2,079	9,564	4,000	--	7,500	2,050	2,079	2,064	--	--	--
Guatemala	12,518	9,471	12,807	8,400	5,700	9,000	4,118	3,771	3,807	--	--	--
Honduras	3,583	5,486	18,026	--	2,000	15,000	3,583	3,486	3,026	--	--	--
Nicaragua	2,489	22,720	18,553	--	20,300	16,000	2,489	2,420	2,553	--	--	--
Caribbean Regional	40	22,490	5,750	--	22,300	5,000	40	190	750	--	--	--
Latin America Regional	31,387	24,908	23,260	15,000	4,000	4,000	16,387	20,908	19,260	--	--	--
Inter-American Programs	14,653	13,892	15,800	--	--	--	14,653	13,892	15,800	--	--	--
International Narcotics Control Only:												
Argentina	17	234	310	--	--	--	--	--	--	17 ^{b/}	234	310
Bahamas	--	--	15	--	--	--	--	--	--	--	--	15
Barbados	--	5	12	--	--	--	--	--	--	--	5	12
Mexico	--	1,305	375	--	--	--	--	--	--	--	1,305	375
Netherlands Antilles	--	--	3	--	--	--	--	--	--	--	--	3

^{a/} Contingency Fund \$2,000,000; International Narcotics Control \$19,000.

^{b/} International Narcotics Control.

SUMMARY OF PROGRAM BY COUNTRY AND OBJECTIVE
(in thousands of dollars)

REGION: LATIN AMERICA

TABLE II

COUNTRY	Total			Food Production and Nutrition			Population Planning and Health			Human Resource Development			Selected Development Problems			Selected Countries and Organizations			Other Programs and Support Costs		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
Bolivia	55,592	15,568	23,683	12,071	5,078	13,290	309	286	279	1,194	5,812	8,959	7,320	3,286	50	32,000	--	--	698	1,106	1,105
Brazil	9,965	36,654	6,100	2,422	8,896	437	51	7,766	222	4,812	3,209	4,265	50	15,000	--	--	--	--	2,630	1,783	1,176
Chile	1,021	921	647	--	--	--	21	--	--	234	75	65	69	155	155	--	--	--	697	691	427
Colombia	92,596	69,901	63,731	31,209	28,000	--	680	20,000	14,600	21,446	14,593	13,593	37,749	5,732	33,800	--	--	--	1,512	1,576	1,738
Dominican Republic	6,855	1,075	10,894	469	375	274	--	--	--	630	--	10,000	5,101	10	25	--	--	--	655	690	595
Ecuador	4,852	4,963	4,661	288	418	286	1,346	1,206	1,148	1,927	1,785	1,733	369	308	213	--	--	--	922	1,246	1,281
Guyana	15,600	776	4,174	322	334	2,722	2,400	--	--	637	52	1,000	11,950	50	50	--	--	--	291	340	402
Haiti	3,182	6,800	8,900	760	4,859	6,800	2,087	1,771	1,900	--	--	--	335	50	50	--	--	--	--	120	150
Jamaica	1,159	5,998	7,965	--	5,000	--	779	449	500	211	196	7,179	50	50	50	--	--	--	119	303	236
Panama	22,780	14,758	13,082	467	8,178	5,350	621	4,300	5,520	747	468	380	19,492	256	50	--	--	--	1,453	1,556	1,782
Paraguay	2,769	5,494	6,295	926	950	3,934	417	544	595	591	702	1,052	227	2,525	50	--	--	--	608	773	664
Peru	31,738	3,919	4,028	11,266	1,291	1,380	193	115	50	1,155	991	600	18,178	175	623	--	--	--	946	1,347	1,375
Uruguay	1,355	1,382	1,305	377	381	425	--	100	--	608	420	425	88	129	93	--	--	--	282	352	362
Venezuela	850	493	399	--	--	--	--	--	--	752	245	227	--	50	50	--	--	--	98	198	122
Central America Regional Prog. (ROCAP)	13,198	42,523	13,260	6,168	175	10,555	--	--	200	5,522	767	725	557	40,577	780	--	--	--	951	1,004	1,000
Costa Rica	1,662	1,249	1,065	389	328	325	313	336	290	450	123	100	259	249	145	--	--	--	252	213	205
El Salvador	6,050	2,079	9,564	4,703	766	5,955	465	522	355	468	391	2,803	41	50	50	--	--	--	373	350	401
Guatemala	12,518	9,471	12,807	1,011	5,303	1,076	4,093	745	800	1,568	2,452	7,145	5,151	102	3,050	--	--	--	695	869	736
Honduras	3,583	5,486	18,026	793	2,737	10,955	833	976	626	970	610	602	150	153	5,140	--	--	--	837	1,010	703
Nicaragua	2,489	22,720	18,553	427	300	15,377	560	500	600	363	5,510	1,200	424	219	250	--	15,000	--	715	1,191	1,126
Caribbean Regional	40	22,490	5,750	--	--	--	--	--	--	--	--	5,000	40	22,490	750	--	--	--	--	--	--
Latin America Regional	31,387	24,908	23,260	1,586	2,619	6,742	3,911	5,590	4,030	8,512	11,128	10,784	16,983	5,341	1,515	20	--	--	375	230	189
Inter-American Programs	14,653	13,892	15,800	--	--	--	--	--	--	--	--	--	--	--	--	14,653	13,892	15,800	--	--	--
International Narcotics Control	17	1,544	715	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	17	1,544	715
Total	335,911	315,064	274,664	75,654	75,988	85,883	19,079	45,206	31,715	52,797	49,529	77,837	124,583	96,957	46,939	46,673	28,892	15,800	17,126	18,492	16,490

SUMMARY OF PROGRAM BY COUNTRY AND APPROPRIATION ACCOUNT
FISCAL YEARS 1972 - 1973 - 1974

REGION: ASIA

(In thousands of dollars)

TABLE I

COUNTRY	TOTAL			DEVELOPMENT LOANS			DEVELOPMENT GRANTS (Including Population)			OTHER		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
ASIA BUREAU - TOTAL	527,352	474,567	457,777	257,600	260,000	380,000	54,715	57,970	61,569	215,037	156,597	16,208
Afghanistan	9,560	24,292	17,887	3,000	16,500	10,000	6,560	7,732	7,587	--	60 _d /	300 _d /
Bangladesh	199,107	102,100	55,500	--	--	50,000	--	1,000	5,000	199,107 _a /	101,100 _b /	500 _b /
India	5,560	2,135	76,500	--	--	75,000	5,560	2,135	1,500	--	--	--
Indonesia	114,701	102,736	101,431	108,100	92,500	90,000	6,601	10,217	11,413	--	19 _d /	18 _d /
Korea	30,036	27,245	27,011	26,500	25,000	25,000	3,536	2,245	2,011	--	--	--
Nepal	1,995	9,340	9,000	--	6,000	5,000	1,995	3,340	4,000	--	--	--
Pakistan	62,401	63,261	63,542	60,000	60,000	60,000	2,401	3,256	3,492	--	5 _d /	50 _d /
Philippines	30,520	79,796	28,981	20,000	20,000	20,000	10,290	9,496	8,716	230 _d /	50,300 _c /	265 _d /
Turkey	58,963	47,593	57,510	40,000	40,000	40,000	3,263	2,593	2,510	15,700 _d /	5,000 _d /	15,000 _d /
Yemen Arab Republic	--	1,600	7,200	--	--	5,000	--	1,600	2,200	--	--	--
Regional	14,509	14,356	13,140	--	--	--	14,509	14,356	13,140	--	--	--
Int'l. Narcotics Control:												
Lebanon	--	65	75	--	--	--	--	--	--	--	65 _d /	75 _d /
Singapore	--	40	--	--	--	--	--	--	--	--	40 _d /	--
Syria	--	8	--	--	--	--	--	--	--	--	8 _d /	--

a/ \$194,422,000 for Relief and Rehabilitation; \$4,685,000 for Contingency Fund

b/ Relief and Rehabilitation only.

c/ \$50,000,000 for Supporting Assistance; \$300,000 for International Narcotics Control.

d/ International Narcotics Control. In 1972 funded from worldwide development loans.

SUMMARY OF PROGRAM BY COUNTRY AND OBJECTIVE
(in thousands of dollars)

REGION: ASIA

TABLE II

COUNTRY	Total			Food Production and Nutrition			Population Planning and Health			Human Resource Development			Selected Development Problems			Selected Countries and Organizations			Other Programs and Support Costs		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
Afghanistan	9,560	24,292	17,887	2,042	17,741	11,015	275	1,432	1,087	2,031	2,812	3,135	3,117	337	400	-	-	-	2,095	1,970	2,250
Bangladesh	199,107	102,100	55,500	-	-	51,000	-	1,000	3,000	-	-	-	-	-	-	-	-	-	199,107	101,100	1,500
India	5,560	2,135	76,500	3,359	872	-	512	135	-	338	20	179	-	-	500	-	-	75,000	1,351	1,108	821
Indonesia	114,701	102,736	101,431	833	5,835	2,525	2,686	5,417	6,013	814	945	810	33,490	38,880	30,475	75,000	50,000	60,000	1,878	1,659	1,608
Korea	30,036	27,245	27,011	22,768	25,165	20,380	436	305	361	3,577	725	510	2,217	305	5,165	-	-	-	1,038	745	595
Nepal	1,995	9,340	9,000	575	661	975	383	1,044	1,411	549	517	451	-	6,000	5,000	-	-	-	488	1,118	1,163
Pakistan	62,402	63,261	63,542	182	397	25,580	303	1,390	1,692	86	302	315	16	85	-	60,000	60,000	35,000	1,815	1,087	955
Philippines	30,520	79,796	28,981	22,070	2,505	22,550	6,523	5,601	5,016	802	560	200	-	-	-	-	20,000	-	1,125	51,130	1,215
Turkey	58,963	47,593	57,510	591	10,691	4,569	-	93	60	1,780	1,061	1,053	40,000	30,000	36,000	-	-	-	16,592	5,748	15,828
Yemen	-	1,600	7,200	-	427	587	-	430	255	-	122	323	-	271	5,585	-	-	-	-	350	450
Asia Regional	14,508	14,356	13,140	925	1,000	900	3,347	1,647	2,615	7,644	8,505	6,457	272	500	300	984	1,385	1,500	1,336	1,319	1,368
Sub-Total	527,352	474,454	457,702	53,345	65,294	140,081	14,465	18,494	21,510	17,621	15,569	13,433	79,112	76,378	83,425	135,984	131,385	171,500	226,825	167,334	27,753
International Narcotics Control:																					
Lebanon	-	65	75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65	75
Singapore	-	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40	-
Syria	-	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8	-
Total	527,352	474,567	457,777	53,345	65,294	140,081	14,465	18,494	21,510	17,621	15,569	13,433	79,112	76,378	83,425	135,984	131,385	171,500	226,825	167,447	27,828

SUMMARY OF PROGRAM BY COUNTRY AND APPROPRIATION ACCOUNT
FISCAL YEARS 1972 - 1973 - 1974

REGION: AFRICA

(In thousands of dollars)

TABLE I

COUNTRY	TOTAL			DEVELOPMENT LOANS			DEVELOPMENT GRANTS (Including Population)			OTHER		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
AFRICA - TOTAL	175,205	162,203	159,730	104,050	96,000	80,000	67,455	66,203	79,680	3,700	--	50
Regional Programs:												
Central & West Africa	32,426	18,860	37,615	22,450	9,000	22,000	9,976	9,860	15,615	--	--	--
East Africa	1,279	1,185	1,600	--	--	--	1,279	1,185	1,600	--	--	--
Southern Africa	17,431	28,160	12,428	15,000	24,300	8,000	2,131	3,860	4,428	300 ^{b/}	--	--
Africa Regional	21,561	16,729	18,547	6,000	--	--	15,561	16,729	18,547	--	--	--
Country Programs:												
Ethiopia	31,121	9,366	17,480	26,700	5,200	13,000	4,421	4,166	4,480	--	--	--
Ghana	2,580	23,060	13,265	--	20,000	10,000	2,580	3,060	3,265	--	--	--
Kenya	2,149	12,105	10,440	--	10,000	7,000	2,149	2,105	3,440	--	--	--
Liberia	12,258	14,059	3,150	6,900	10,900	--	5,358	3,159	3,150	--	--	--
Morocco	1,553	1,738	7,617	--	--	5,000	1,553	1,738	2,617	--	--	--
Nigeria	24,880	10,070	7,655	13,000	600	--	8,480	9,470	7,655	3,400 ^{b/}	--	--
Sudan	--	11,000	5,400	--	11,000	5,000	--	--	400	--	--	--
Tanzania	1,940	6,570	5,840	--	3,000	--	1,940	3,570	5,840	--	--	--
Tunisia	17,067	2,780	9,408	11,000	--	5,000	6,067	2,780	4,358	--	--	50 ^{c/}
Uganda	5,270	1,330	360	3,000	--	--	2,270	1,330	360	--	--	--
Zaire	1,990	3,491	7,125	--	2,000	5,000	1,990	1,491	2,125	--	--	--
Self-Help Programs:												
Botswana	62	a/	a/	--	--	--	62	a/	a/			
Burundi	46	a/	a/	--	--	--	46	a/	a/			
Cameroon	81	a/	a/	--	--	--	81	a/	a/			
Central African Republic	212	a/	a/	--	--	--	212	a/	a/			
Chad	118	a/	a/	--	--	--	118	a/	a/			
Dahomey	125	a/	a/	--	--	--	125	a/	a/			
Gabon	56	a/	a/	--	--	--	56	a/	a/			
Gambia	41	a/	a/	--	--	--	41	a/	a/			
Guinea	--	a/	a/	--	--	--	--	a/	a/			
Ivory Coast	45	a/	a/	--	--	--	45	a/	a/			
Lesotho	72	a/	a/	--	--	--	72	a/	a/			
Malagasy	--	a/	a/	--	--	--	--	a/	a/			
Malawi	152	a/	a/	--	--	--	152	a/	a/			
Mali	51	a/	a/	--	--	--	51	a/	a/			
Mauritania	22	a/	a/	--	--	--	22	a/	a/			
Mauritius	51	a/	a/	--	--	--	51	a/	a/			
Niger	114	a/	a/	--	--	--	114	a/	a/			
Rwanda	23	a/	a/	--	--	--	23	a/	a/			
Senegal	70	a/	a/	--	--	--	70	a/	a/			
Seychelles	5	a/	a/	--	--	--	5	a/	a/			
Sierra Leone	94	a/	a/	--	--	--	94	a/	a/			
Swaziland	55	a/	a/	--	--	--	55	a/	a/			
Togo	77	a/	a/	--	--	--	77	a/	a/			
Upper Volta	113	a/	a/	--	--	--	113	a/	a/			
Zambia	13	a/	a/	--	--	--	13	a/	a/			
Total Self-Help	(1,711)	1,700	1,800	--	--	--	(1,711)	1,700	1,800			

a/ Included in Self-Help Total.
b/ Supporting Assistance.

c/ International Narcotics Control.

SUMMARY OF PROGRAM BY COUNTRY AND OBJECTIVE
(in thousands of dollars)

REGION: AFRICA

TABLE II

COUNTRY	Total			Food Production and Nutrition			Population Planning and Health			Human Resource Development			Selected Development Problems			Selected Countries and Organizations			Other Programs and Support Costs		
	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974	1972	1973	1974
ETHIOPIA	31,121	9,366	17,480	16,176	1,181	14,260	74	5,221	325	3,110	2,145	2,105	10,715	--	--	--	--	--	1,046	819	790
GHANA	2,580	23,060	13,265	606	335	630	650	1,105	1,140	747	855	815	49	--	--	--	20,000	10,000	528	765	680
KENYA	2,149	12,105	10,440	1,217	1,275	8,650	489	215	1,200	11	100	100	--	--	--	--	10,000	--	432	515	490
LIBERIA	12,258	14,059	3,150	3,885	278	557	1,587	1,490	1,328	1,496	225	700	4,453	11,420	--	--	--	--	837	646	565
MOROCCO	1,553	1,738	7,617	372	450	5,977	417	548	982	113	125	100	97	--	--	--	--	--	554	615	558
NIGERIA	24,880	10,070	7,655	2,934	3,031	2,074	--	595	655	8,802	1,436	1,443	6,301	2,500	1,500	--	--	--	6,843 ^{1/}	2,508	1,983
SUDAN	--	11,000	5,400	--	11,000	350	--	--	--	--	--	--	--	--	--	--	--	5,000	--	--	50
TANZANIA	1,940	6,570	5,840	1,240	4,300	4,070	--	1,800	1,400	--	--	--	466	160	--	--	--	--	234	310	370
TUNISIA	17,067	2,780	9,408	12,106	1,015	6,430	3,884	950	2,118	372	215	210	--	--	--	--	--	--	705	600	650
UGANDA	5,270	1,330	360	4,288	810	260	125	125	--	475	--	--	--	--	--	--	--	--	382	395	100
ZAIRE	1,990	3,491	7,125	5	--	320	610	301	525	895	730	955	--	2,000	5,000	--	--	--	480	460	325
CENTRAL WEST AFRICA REGIONAL	32,426	18,860	37,615	3,879	3,765	8,830	4,056	1,695	3,175	626	300	510	21,889	11,035	22,735	267	415	615	1,709	1,650	1,750
EAST AFRICA REGIONAL	1,279	1,185	1,600	388	585	660	--	--	--	563	485	820	180	--	--	--	--	--	148	115	120
SOUTHERN AFRICA REGIONAL	17,431	28,160	12,428	815	3,410	1,855	--	510	228	2,165	1,515	1,920	13,800	22,370	8,000	10	--	--	641 ^{2/}	355	425
AFRICA REGIONAL	21,561	16,729	18,547	1,519	1,375	2,455	2,226	3,759	2,812	7,897	6,820	7,145	6,129	1,084	1,120	1,787	1,140	2,250	2,003	2,551	2,765
SELF-HELP	1,700	1,700	1,800	799	750	750	102	200	300	799	750	750	--	--	--	--	--	--	--	--	--
1/ Includes 3,400 in Supporting Assistance Funds.																					
2/ Includes 300 in Supporting Assistance Funds.																					
Total	175,205	162,203	159,730	50,229	33,560	58,128	14,220	18,514	16,188	28,071	15,701	17,573	64,079	50,569	38,355	2,064	31,555	17,865	16,542	12,304	11,621