

CLASSIFICATION:

AID 11-20-1		1. PAAD NO 492-0400 492-K-602	
AGENCY FOR INTERNATIONAL DEVELOPMENT		2. COUNTRY Philippines	
PROGRAM ASSISTANCE APPROVAL DOCUMENT		3. CATEGORY Cash Transfer	
5. TO: Frederick W. Schieck, Director		4. DATE September 30, 1985	
7. FROM: John S. Blackman, Deputy Director		6. OYB CHANGE NO N/A	
9. APPROVAL REQUESTED FOR COMMITMENT OF: \$45,000,000.00		8. OYB INCREASE None	
11. TYPE FUNDING: [X] LOAN [] GRANT		10. APPROPRIATION: P/C HESA-85-37492-KC-31	
12. LOCAL CURRENCY ARRANGEMENT: [X] INFORMAL [] FORMAL [] NONE		13. ESTIMATED DELIVERY PERIOD: December 1985	
15. COMMODITIES FINANCED:		14. TRANSACTION ELIGIBILITY: Date: N/A	

16. PERMITTED SOURCE		17. ESTIMATED SOURCE	
US only		US	
Limited F.W.		Industrialized Countries	
Free World		Local \$45,000,000.00	
Cash: \$45,000,000.00		Other	

18. SUMMARY DESCRIPTION

Since the latter months of 1983, the Philippine economy has been in a severe crisis which continues to manifest itself through debilitating deficits in both domestic and foreign exchange resources. The availability of foreign exchange to meet balance of payments and other financing requirements will continue to be insufficient over the medium term and severe budget cutbacks are having a detrimental effect on numerous development efforts. The primary objective of the proposed \$45 million Economic Support Fund Program Assistance for the Development Support Program (DSP) is to provide Balance of Payments (BOP) support to the Government of the Philippines (GOP). A secondary objective is to provide support to selected on-going foreign-assisted activities. The GOP has agreed that the local currency generated from the dollar transfer under the DSP will be used to meet a portion of its counterpart requirements for these development activities.

The GOP will monitor performance of the DSP and report periodically on progress toward achievement of Program objectives. The focus will be on progress of the Program as a whole rather than on any individual activities in the Program.

Prior to disbursement of dollars for the Program, the GOP will certify that obligational authorities for expenditures based on the 1986 Budget of Receipts and Expenditures will be issued, and will provide a list of projects included in the Program. Prior to release of pesos from the special account, the GOP will provide A.I.D. with a certification from the Office of Budget & Management that Advices of Allotment have been issued with respect to projects in the Program.

19. CLEARANCES		20. ACTION	
RIA: EMiller	DATE: 9-28-85	[X] APPROVED [] DISAPPROVED	
PO: WOliver		AUTHORIZED SIGNATURE: <i>Frederick W. Schieck</i> DATE: 9/30/85	
CO: E.Eckersley	DATE: 9-29-85		
OD/PE: SKRiley	DATE: 1-28-85		
		Director, USAID/Philippines	
		TITLE	