PC-AAA-426 ISN= 89066

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS FOR 1992

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

FIRST SESSION

SUBCOMMITTEE ON FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

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TERRY R. PEEL, WILLIAM E. SCHUERCH, MARK M. MURRAY, *Staff Assistants*, and LORI MAES, *Administrative Aide*

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U.S. GOVERNMENT PRINTING OFFICE

41-409 O WASHINGTON : 1991

For sale by the Superintendent of Documents, Congressional Sales Office
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41-409 - 91 - 1

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NOTE.—The Honorable Silvio O. Conte was Ranking Minority Member of the Committee until his death on February 8, 1991.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Fiscal Year 1992

SUMMARY TABLES

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OVERVIEW

The tables and graphs in this booklet illustrate the foreign assistance budget request for FY 1992, which is a part of the President's Budget. The tables also include budget levels for FYs 1990-FY 1991 for comparison and in table 3 from FY 1989. The levels for FY 1991 are based on the FY 1991 appropriations act (P.L. 101-513).

The Agency for International Development (A.I.D.) administers certain bilateral assistance programs including Development Assistance (DA), the Economic Support Fund (ESF), Special Assistance Initiatives (SAI), and Titles II and III of Food Assistance (P.L. 480).1/ The tables follow A.I.D. funding from the overall account summaries to the individual country program levels. There are differences between some of the tables because of the perspectives from which the tables were prepared.

Each table describes funding from one of several approaches. New budget authority refers to the funding level appropriated by Congress in a given year. For the actual results of the prior year, total budget authority (BA) refers to the new budget authority plus reappropriations (such as Deobligation/Reobligation) and transfers. The program level (or obligation level) is the same as the total BA plus obligations of funds carried over from prior years less unobligated balances carried into subsequent years. Funds appropriated are not always obligated within the same year.

Figures for FY 1989 (table 3) and FY 1990 are program or obligation levels except for Tables 1 and 2 where levels for FY 1990 represent total budget authority enacted or otherwise available.

Figures for FY 1991 are new budget authority (including a provision for deobligation/reobligation) except for Tables 3 and 5 which are program or obligation levels.

Amounts indicated for FY 1992 represent proposed new budget authority on all tables.

1/ Under the Agricultural Development and Trade Act of 1990 A.I.D. is responsible for Titles II and III of P.L. 480. Title I is now administered by the U.S. Department of Agriculture.

Budget Function 150 Summary Table (Table 1)

The "150 Account" is the portion of the President's Budget which pertains to International Affairs. Table 1 shows the budget authority for subfunctions of the 150 Account for FY 1990 and FY 1991, and the request for FY 1992. Subfunction 151, Foreign Economic and Financial Assistance, includes Multilateral and Bilateral Assistance for Development including P.L. 480 Food Assistance. Programs under Subfunction 152, International Security Assistance, help countries of strategic importance to the United States through Military Assistance and ESF. Subfunction 153, Conduct of Foreign Affairs, relates principally to the operations of the State Department. Subfunction 154, Foreign Information and Exchange Activities, pertains to the operations of the U. S. Information Agency and the Board for International Broadcasting, and other public information activities. Subfunction 155, International Financial Programs, provides funding for the Export-Import Bank and the Foreign Military Sales Trust Fund. The 150 Account is under the direction of the Secretary of State.

International Affairs - FY 1991 (Chart 1)

Chart 1 illustrates the proportions of the FY 1992 request for the 150 Account devoted to Economic Assistance, Military Assistance, and other accounts.

International Affairs Budget Authority Tracker (Table 2)

Programs and activities within the 150 Account fall under the jurisdiction of three appropriation subcommittees. Table 2 shows the 150 Account subdivided according to subcommittee jurisdiction (Foreign Operations, Agriculture, and State/Justice/Commerce) for FY 1990, FY 1991, and FY 1992. There are also receipts and certain reconciling items such as trust funds which are outside the responsibility of the appropriations committees.

-- Foreign Operations contains most of the programs under Subfunction 151 (International Development and Humanitarian Assistance), and subfunction 152 (International Security Assistance) including the A.I.D. administered DA, ESF, and SAI programs. Other programs in the Foreign Operations classification include Multilateral Assistance, Military Assistance, and Export-Import Bank Appropriations

-- The Agriculture portion of the 150 Account refers to the food assistance provided under P.L. 480 (Subfunction 151). As a result of the Agricultural Development and Trade Act of 1990 A.I.D. is now responsible for administration/implementation of Titles II and III and the U.S. Department of Agriculture is responsible for Title I.

-- The State/Justice/Commerce portion of the budget reflects Department of State administrative operations (Subfunction 153), and the operations of USIA and other public information programs (Subfunction 154).

Table 2 shows total budget authority levels for both FY 1990 and FY 1991 as well as the request level for FY 1992. The total for the 150 Account is the same as that indicated for Table 1.

FY 1988-FY 1992 Program Allocations (Chart 2)

This chart illustrates for FYs 1988-1992 the breakout of funding for A.I.D.'s four geographic bureaus and central programs for Development Assistance, ESF, and SAI.

A.I.D. Program Trends: FY 1989-FY 1991 (Table 3)

Table 3 compares DA and ESF obligations or program levels for FY 1989 through FY 1992. The program level varies from the new budget authority shown on other budget tables in any given year (see explanation in overview).

FY 1991 Appropriations Transfers and Adjustments (Table 4)

This table shows the transfers between programs and organizations provided for in the FY 1991 Foreign Assistance Appropriations.

All Spigots - A.I.D. Country Assistance Levels (Table 5)

The All-Spigots tables show the program level by bureau and country or office for DA, ESF, Peace Corps, Narcotics, PL 480, and Military Assistance. (SAI Funding is included under "Other" Economic Assistance). The program level is used (rather than budget authority because the obligation level is considered to be the most complete measure of assistance to a particular recipient.

The FY 1991 program level on Table 5 equals the funds available for obligation on the FY 1991 program trends table (Table 3). Table 5 represents new budget authority plus any country allocations of prior year funds. (Not all of the unobligated prior year funds are allocated to specific countries at this time). Table 5 FY 1991 allocations change until the year's obligations are final at the end of the fiscal year. FY 1991 country levels for P.L. 480 are preliminary and do not include the World Food Program (WFP) allocations.

There are several sets of All Spigots Tables. Table 5A shows program levels for FY 1990. Table 5B shows FY 1991 assistance levels based on the FY 1991 foreign assistance appropriations

act (P.L. 101-513) plus deobligations/reobligations, funds carried in from FY 1990. Table 5C shows proposed assistance levels for FY 1992.

All Spigots Appropriated Levels: FY 1990-FY 1991 (Table 6)

These tables represent the appropriated levels by bureau and country or office in each of FY 1990-FY 1991. Appropriated levels are those enacted by the Congress and do not include carryover amounts or funds available under the deobligation/reobligation authority.

Multilateral Development Banks and International Organizations and Programs (IO&P) (Table 7)

A.I.D. cooperates with the Department of State on the planning and monitoring of Multilateral Assistance. Table 7 shows, in new budget authority, actual and planned levels for the Multilateral Development Banks and International Organizations and Programs (IO&P). Multilateral Assistance is included unde Subfunction 151 on Table 2. The IO&P Account provides funding for voluntary contributions to International Organizations and Programs. These contributions are different from the assessed contributions to the United Nations which are included under Subfunction 153.

Table 1

INTERNATIONAL AFFAIRS ($ Thousands)
BUDGET AUTHORITY

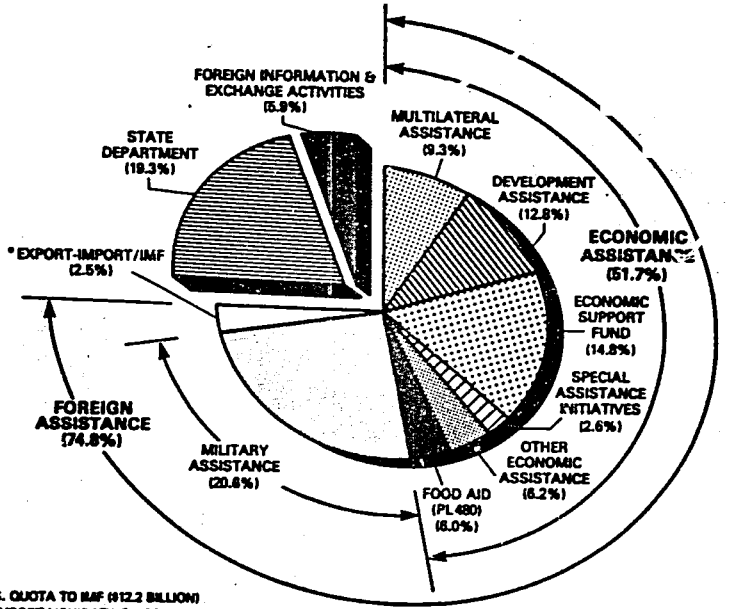
	FY 1990 ACTUAL	FY 1991 APPROP 1/	FY 1992 REQUEST
FUNCTION 151	5,694,116	6,615,611	7,451,489
MDBs/IO&P	1,743,328	1,903,565	1,935,216
A.I.D.	2,587,010	3,232,021	3,311,366
EAI	0	0	409,681
PL 480	978,221	1,010,853	1,301,252
OTHER	868,424	934,874	978,671
RECEIPTS	(482,867)	(465,702)	(484,697)
FUNCTION 152	8,392,827	7,755,594	7,394,802
ESF	3,956,679	3,144,800	3,240,000
FMF	4,811,142	4,708,421	4,650,000
FMF liquidating account	(259,175)	46,408	(206,373)
OTHER	116,303	86,603	95,500
RECEIPTS	(232,122)	(230,638)	(384,325)
SUBTOTAL 151+152	14,086,943	14,371,205	14,846,291
FUNCTION 153	2,932,532	3,164,230	4,120,139
A.I.D. FSRDF	40,147	40,341	41,351
OTHER	2,892,385	3,123,889	4,078,788
FUNCTION 154	1,316,573	1,240,138	1,303,136
FUNCTION 155	473,482	1,015,625	15,405,082
EX-IM	55,542	170,000	2,359,978
OTHER	417,940	845,625	13,045,104
TOTAL 150	18,809,530	19,791,198	35,674,648

1/ Does not reflect 1.9% sequester in the International Affairs discretionar accounts. A restoration is being proposed.

Chart 1

INTERNATIONAL AFFAIRS APPROPRIATIONS REQUEST

FY 1992



* EXCLUDES U.S. QUOTA TO IMF ($12.2 BILLION) AND EXPORT-IMPORT LIQUIDATING ACCOUNT ($1.8 BILLION)

Table 2

INTERNATIONAL AFFAIRS ($ Thousands)
BUDGET AUTHORITY

	FY 1990 ACTUAL	FY 1991 APPROP 1/	FY 1992 REQUEST
MULTILATERAL ASSISTANCE			
Inter-American Dev. Bank	31,482	57,449	57,313
Fund for Special Operations	63,451	20,850	20,576
Inter-American Investment Corp	---	13,000	12,500
Subtotal: IADB	94,933	91,299	90,389
World Bank	49,786	110,592	70,126
International Finance Corp.	74,607	40,331	---
International Development Association	960,851	1,064,150	1,060,000
Asian Development Fund	174,973	126,854	200,481
African Development Fund	104,548	105,452	---
African Development Bank	9,493	10,136	8,987
European Development Bank	---	70,021	70,021
MDB Other	---	---	185,000
Subtotal: MDBs	1,469,191	1,618,835	1,685,004
IO & P (Voluntary Contrib.)	274,137	284,730	250,212
Int'l Fund for Agricultural Dev.	[34,438]	[30,000]	[18,362]
TOTAL: MULTILATERAL ASSISTANCE	1,743,328	1,903,565	1,935,216
BILATERAL ASSISTANCE - A.I.D.			
Development Programs	---	---	1,277,000
Ag., Rural Dev. & Nutrition	526,045	462,413	---
Population	219,463	243,153	---
Health	150,411	125,097	---
Child Survival Fund	70,694	97,701	---
AIDS Prevention & Control	41,239	50,805	---
Education & Human Resources	136,050	125,716	---
Private Sector, Env. & Energy	145,361	145,574	---
Science & Technology	8,625	8,624	---
Deob/Reob Authority	[74,241]	60,000	36,000
Total: Functional Development Asst.	1,297,888	1,319,083	36,000
Development Fund for Africa	571,823	788,000	800,000
Private Sector Investment Limitation	[91,833]	[114,000]	[114,000]
Private Sector Investment Admin Exp.	---	---	1,367
American Sch. & Hosp. Abroad	35,350	29,500 2/	30,000
International Disaster Assistance	29,893	40,000	40,000
Humanit. Relief (McCollum Amdt)	2,845	---	---
Housing Guaranties Limitation	[499,570]	[150,000]	[100,000]
Housing Guaranty Borrowing Auth.	24,000	30,679	---
Housing Guaranty Liquidating Account	---	---	[31,460]
Housing Guaranty Subsidy Account	---	---	9,500
Foreign Service Retirement & Dis.	40,147	40,341	41,351
Trade Credit Insurance Program	[199,140]	[200,000]	---
TCIP for Poland	[199,140]	[200,000]	---
Operating Expenses	431,894	456,200	483,300
Operating Expenses - IG	30,453	33,884	37,739
Subtotal: Development Assistance	2,464,293	2,737,687	2,756,257

Table 2

INTERNATIONAL AFFAIRS ($ Thousands)
BUDGET AUTHORITY

	FY 1990 ACTUAL	FY 1991 APPROP 1/	FY 1992 REQUEST
Economic Support Fund	3,936,910	3,110,800	3,228,000
International Fund for Ireland	19,769	20,000	---
Deob/Reob Authority	[40,169]	14,000	12,000
Economic Support Fund Total	3,956,679	3,144,800	3,240,000
Special Assistance Initiatives	159,312	529,675	560,000
MAI for the Philippines	[159,312]	[160,000]	[160,000]
Eastern Europe	---	[369,675]	[400,000]
Central Am. Reconciliation Asst.	26,360	---	---
Subtotal: A.I.D.	6,606,644	6,412,162	6,556,257
Trade & Development Program	31,499	35,000	35,000
Peacekeeping Operations	32,773	32,800	28,000
International Narcotics Control	129,540	150,000	171,500
Inter-American Foundation	16,859	25,000	28,794
African Development Foundation	8,845	13,000	14,950
Peace Corps	165,649	186,000	200,000
Migration & Refugee Assistance	428,473	485,648	490,557
Emergency Refugee & Migration Fund	84,785	35,000	20,000
Anti-Terrorism Assistance	9,974	12,026	15,000
Overseas Priv. Invest. Corp (OPIC)			
Loan Subsidy & Admin Expenses	---	---	10,649
(Limitation on direct loans)	[19,914]	[40,000]	[25,000]
(Limitation on Guar. Loans)	[211,537]	[250,000]	[375,000]
TOTAL: BILATERAL ASSISTANCE	7,515,041	7,386,636	7,570,707
MILITARY ASSISTANCE			
Int'l Military Education & Training	47,196	47,196	52,500
Special Defense Acquisition Fund	[278,796]	[350,000]	[275,000]
Foreign Military Financing	4,811,142	4,708,421	4,650,000
Grants and Administration	4,406,888	4,304,921	4,610,000
Loan Subsidy and Admin Expenses	404,254	403,500	40,000
Relocation of Facilities, Israel	---	(5,419)	---
TOTAL: MILITARY ASSISTANCE BA	4,858,338	4,750,198	4,702,500

Table 2

INTERNATIONAL AFFAIRS ($ Thousands) BUDGET AUTHORITY	FY 1990 ACTUAL	FY 1991 APPROP 1/	FY 1992 REQUEST
EXPORT-IMPORT BANK			
Subsidy BA and Grants	[129,441]	---	555,778
Limitation on Direct Loans	612,356	750,000	n/a
(Limitation on Guaranteed Loans)	[10,191,408]	[10,599,064]	n/a
IMF, U.S. Quota	---	---	12,158,000
IMF Enhanced Structural Adj Fac.	139,398	10,602	---
Enterprise for the Americas Initiative			
Debt Restructuring	---	[38,307]	304,273
Multilateral Investment Fund	---	---	100,000
Presidential Contingency Fund (155)	---	---	20,000
TOTAL: FOREIGN OPERATIONS SUBCOMMITTEE	14,868,461	14,801,001	27,346,474
AGRICULTURE SUBCOMMITTEE			
P.L. 480			
Title II & III Grants	810,038	1,064,500	936,200
Title I Loan subsidy & admin	168,183	(53,647)	365,052
Total Food Assistance (BA)	978,221	1,010,853	1,301,252
Enterprise for the Americas Initiative			
Debt Restructuring	---	[59,051]	5,408
TOTAL: AGRICULTURE SUBCOMMITTEE	978,221	1,010,853	1,306,660
CONDUCT OF FOREIGN AFFAIRS (153)	2,892,385	3,123,889	4,078,788
(Unassigned to Approp Committee)	(142,071)	(145,717)	(151,120)
FOREIGN INFO & EXCHANGE ACT. (154)	1,316,573	1,240,138	1,303,136
(Unassigned to Approp Committee)	1,694	13,123	9,547
TOTAL: APPROPRIATIONS COMMITTEE	20,196,017	20,308,475	34,176,631

Table 2

INTERNATIONAL AFFAIRS ($ Thousands)
BUDGET AUTHORITY

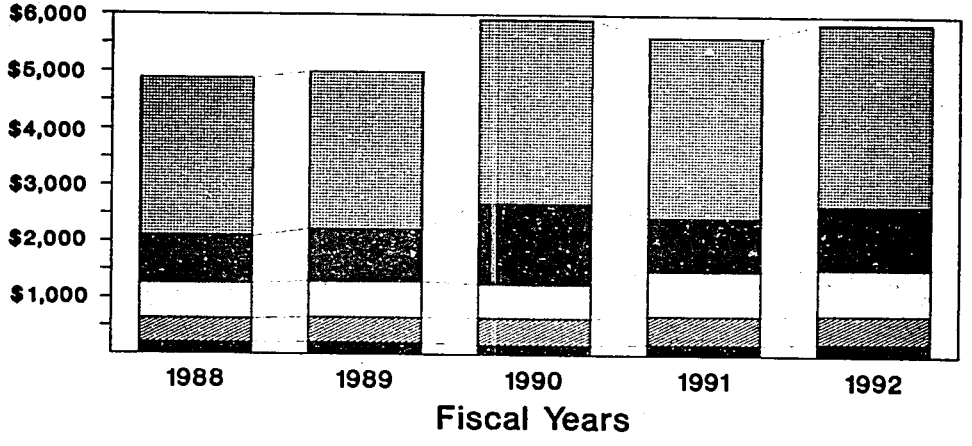
	FY 1990 ACTUAL	FY 1991 APPROP 1/	FY 1992 REQUEST
SUBFUNCTIONS 151,152,155 MANDATORIES	(1,246,110)	(384,683)	1,639,590
Misc. Trust Funds - A.I.D.	3,552	5,000	5,000
Misc. Trust Funds - Peace Corps	378	1,583	1,591
Misc. Trust Funds - DOT	2,392	3,643	5,630
Housing Guaranty Liquidating Account	---	---	31,460
IAF gifts and contributions	4	---	---
Misc. Trust Funds Receipts - DOT	(3,568)	(5,025)	(5,030)
Misc. Trust Funds Receipts - A.I.D.	(1,705)	(5,000)	(5,000)
A.I.D. Loan Repayments	(451,927)	(430,000)	(449,000)
Foreign Currency Loan Repayments	(25,667)	(25,677)	(25,667)
FMF Receipts	(232,122)	(230,638)	(384,325)
FMF liquidating account (pre-92, GRF)	(259,175)	46,408	(206,373)
FMF - Contract Authority	10,665,370	11,231,000	10,965,000
FMF - Liquidation of contract auth.	(10,292,733)	(10,300,000)	(10,000,000)
Ex-Im Liquidating Account	(556,814)	(580,000)	1,804,200
Treasury Loan Repayment (U.K.)	(94,095)	(95,977)	(97,896)
TOTAL INTERNATIONAL AFFAIRS	18,809,530	19,791,198	35,674,648

1/ Does not reflect 1.9% sequester in the International Affairs discretionary accounts. A restoration is being proposed.

2/ Includes $500 thousand of U.S. Food Aid-generated Polish currencies for the Research Center on Jewish History and Culture of the Jageillonian University of Krakow, Poland. These funds were not designated for ASHA by the Congress and, although they appear in the President's Budget under the ASHA program, they are to be administered by the U.S. Department of Agriculture.

Chart 2

PROGRAM ALLOCATIONS
DA, ESF & SAI



Asia
Latin America & Caribbean
Central Programs
Europe & Near East
Africa

(Millions)

Philippines, Cambodia and Pakistan are included within Europe and Near East.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROGRAM TRENDS: FY 1989 - FY 1992 1/
(in thousands of dollars)

	FY 1989 ACTUAL	FY 1990 ACTUAL	FY 1991 ESTIMATE 2/	FY 1992 PROPOSED
Development Programs	--	--	--	1,277,000
Functional Development Assistance:				
Agriculture, Rural Dev. & Nut.	553,800	542,752	465,384	--
Population Planning	201,579	225,649	245,102	--
Health	135,969	147,919	135,097	--
Child Survival Fund	71,000	72,679	97,701	--
AIDS	39,999	41,313	50,805	--
Education & Human Resources Dev.	148,925	142,801	126,006	--
Private Sector, Environment & Energy	129,453	157,535	146,423	--
Science and Technology	8,662	8,625	8,624	--
Private Enterprise Revolv. Fund	--	--	--	--
Decn/Recb	[90,516]	[74,241]	60,000	36,000
SUBTOTAL	1,289,387 3/	1,339,293	1,335,142 4/	36,000
Grants, included above	1,287,843	1,334,542	1,335,142	36,000
Loans, included above	1,544	4,751	--	--
Sahel Development Program	6,333	1,916	2,624 4/	--
Development Fund for Africa	549,928	570,643	796,939 4/	800,000
SUBTOTAL, Geographic & Central Programs	1,845,668	1,911,852	2,134,705	2,113,000
Private Sector Revolving Fund	5,000	3,400 5/	15,000 5/	--
Private Sector Investment Prg (PSIP)	[50,000]	[91,833]	[114,000]	[114,000]
PSIP Administrative Expenses	--	--	--	1,367
American Schools & Hospitals Abroad	33,500	35,350	29,500 6/	30,000
International Disaster Assistance	32,163	32,960	44,933 4/	40,000
Humanitarian Relief (McCollum Amdt.)	[3,000]	[2,843]	--	--
Housing Borrowing Authority	13,000	24,000	30,679	--
Housing Guaranties Loan Limitation	[125,000]	[499,570]	[150,000]	[100,000]
Housing Guaranties Liquidating Account	--	--	--	31,460
Housing Guaranties Subsidy/Admin	--	--	--	9,500
Advanced Acq. of Property	82	79	100	100
SUBTOTAL, DA Program Funds	1,929,413	2,007,641	2,254,917	2,225,427
Operating Expenses	433,735 7/	438,728 7/	461,600 7/	488,800
Oper. Exp. - Inspector General	28,084	30,351	33,884	37,739
Foreign Service Retirement & Dis	40,533	40,167	40,341	41,351
Trade Credit Insurance Prg (Cent Am.)	[200,000]	[200,000]	[200,000]	--
TCIP Poland	--	[200,000]	[200,000]	--
TOTAL, A.I.D. Development Assistance	2,431,765	2,516,867	2,790,742	2,793,317

Table 3

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROGRAM TRENDS: FY 1989 - FY 1992 1/
(in thousands of dollars)

	FY 1989 ACTUAL	FY 1990 ACTUAL	FY 1991 ESTIMATE 2/	FY 1992 PROPOSED
Economic Support Fund	3,411,679	4,010,857	3,390,468 4/	3,260,000
ESF Deob/Reob	[20,000]	[40,169]	[14,000]	[12,000]
Total ESF	3,411,679	4,010,857	3,390,468	3,260,000
Special Assistance Initiatives	--	119,484	569,503	560,000
Philippines	--	[119,484]	[199,828] 4/	[160,000]
Eastern Europe	--	--	[369,675]	[400,000]
Central American Reconciliation Asst.	56,895	37,140	256 4/	--
TOTAL, A.I.D. ECONOMIC ASSISTANCE	5,900,339	6,684,348	6,750,969	6,593,317

1/ Excludes Section 517 reappropriation.
2/ Does not reflect 1.9% sequester in the International Affairs discretionary accounts. A restoration is being proposed.
3/ Excludes transfers to the Private Sector Revolving Loan Fund.
4/ Includes unobligated funds carried forward as follows:
Health - $10 million; Disaster Assistance - $4.933 million; Sahel - $2.626 million; DFA - $6.3 million; $245.668 million Economic Support Fund; CARA - $.256 million; SAI - $39.828 million.
Also includes Section 517 funds as follows: $2.971 million of AEDN; $1.949 million of POP; $.290 million of ENR; $.849 million of PSEE; $4.808 million of ESF; and $2.439 million of DFA. Also includes $.021 million of other ESF no-year money.
5/ Funded from Private Sector Revolving Fund reflows.
6/ Includes $500 thousand of U.S. Food Aid-generated Polish currencies for the Research Center on Jewish History and Culture of the Jagellonian University of Krakow, Poland. These funds were not designated for ASHA by the Congress and, although they appear in the President's Budget under the ASHA program, they are to be administered by the U.S. Department of Agriculture.
7/ Includes offsetting collections of $5.311 million in FY 1989, $5.509 million in FY 1990, $5.4 million in FY 1991, and $5.5 million in FY 1992.

Table 4

FY 1991 TRANSFERS AND ADJUSTMENTS OF APPROPRIATIONS

	FY 1991 Approp.	OE Transfer	MAI Transfer	America Transfer	Sov.St. Transfer	Montreal Protocol	Debt/recob Increase	Polish Zloty	Pres.Bud. NOA	N/S Ctr. Transfer	BLS Transfer	Adjusted Net NOA	—Non-account-specific uses of FDAP— Cambodia	All Thai	Lebanon	Sequester	WID	Net NOA Available
FDAP ARDN	481.635	-0.650	-11.072	—	—	-7.500	—	—	462.413	—	—	462.413	-6.643	-0.923	-1.384	-8.151	-2.000	442.312
POP	250.000	-1.100	-5.747	—	—	—	—	—	243.153	—	—	243.153	-3.448	-0.479	-0.718	-4.750	-0.500	233.258
HEA	135.000	-6.800	-3.103	—	—	—	—	—	125.097	—	—	125.097	-1.862	-0.259	-0.388	-2.565	-0.500	119.523
AIDS	52.000	—	-1.195	—	—	—	—	—	50.805	—	—	50.805	-0.717	-0.100	-0.149	-0.988	—	48.851
CSF	100.000	—	-2.299	—	—	—	—	—	97.701	—	—	97.701	-1.379	-0.192	-0.287	-1.900	—	93.943
EHR	134.201	—	-3.085	—	-5.400	—	—	—	125.716	-10.000	—	115.716	-1.853	-0.255	-0.386	-2.550	-1.500	108.172
PSEE	152.223	-0.850	-3.499	—	—	-2.500	—	—	145.574	—	-0.150	145.424	-2.099	-0.292	-0.437	-2.892	-0.500	139.204
S&T	8.624	0.000	0.000	—	—	—	—	—	8.624	—	—	8.624	—	—	—	-0.164	—	8.460
Non-specific	—	—	—	—	—	—	—	—	—	—	—	—	18.000	2.500	3.750	—	5.000	29.250
Subtotal	1,313.583	(9.200)	(30.000)	0.000	(5.400)	(10.000)	0.000	0.000	1,259.083	(10.000)	(0.150)	1,248.933	(0.000)	(0.000)	0.000	(24.980)	0.000	1,223.973
D/R	23.000	—	—	—	—	—	37.000	—	60.000	—	—	60.000	—	—	—	—	—	60.000
FDAP Total	1,336.583	-9.200	-30.000	0.000	-5.400	-10.000	37.000	0.000	1,319.083	-10.000	-0.150	1,308.933	-0.000	-0.000	0.000	-24.980	0.000	1,283.973
DFA	800.000	-12.000	—	—	—	—	—	—	788.000	—	—	788.000	—	—	—	—	—	788.000
ASHA	29.000	—	—	—	—	—	—	0.500	29.500	—	—	29.500	—	—	—	—	—	29.500
IDA	40.000	—	—	—	—	—	—	—	40.000	—	—	40.000	—	—	—	—	—	40.000
HG Bor. Auth.	30.679	—	—	—	—	—	—	—	30.679	—	—	30.679	—	—	—	—	—	30.679
FSRDF	40.341	—	—	—	—	—	—	—	40.341	—	—	40.341	—	—	—	—	—	40.341
OE - A.I.D.	435.000	21.200	—	—	—	—	—	—	456.200	—	—	456.200	—	—	—	—	—	456.200
OE - IG	33.864	—	—	—	—	—	—	—	33.864	—	—	33.864	—	—	—	—	—	33.864
DA Total	2,748.887	0.000	-30.000	0.000	-5.400	-10.000	37.000	0.500	2,737.887	-10.000	-0.150	2,727.737	-0.000	-0.000	0.000	-24.980	0.000	2,702.757
ESF	3,141.000	—	-30.000	-0.200	—	—	—	—	3,110.800	—	—	3,110.800	—	—	—	—	—	3,110.800
Ireland	20.000	—	—	—	—	—	—	—	20.000	—	—	20.000	—	—	—	—	—	20.000
ESF D/R	14.000	—	—	—	—	—	—	—	14.000	—	—	14.000	—	—	—	—	—	14.000
ESF Total	3,175.000	0.000	-30.000	-0.200	0.000	0.000	0.000	0.000	3,144.800	0.000	0.000	3,144.800	0.000	0.000	0.000	0.000	0.000	3,144.800
SAI - MAI	100.000	—	60.000	—	—	—	—	—	160.000	—	—	160.000	—	—	—	—	—	160.000
E.Eur.	369.675	—	—	—	—	—	—	—	369.675	—	—	369.675	—	—	—	—	—	369.675
SAI Total	469.675	0.000	60.000	0.000	0.000	0.000	0.000	0.000	529.675	0.000	0.000	529.675	0.000	0.000	0.000	0.000	0.000	529.675
TOTAL	6,390.262	0.000	0.000	-0.200	-5.400	-10.000	37.000	0.500	6,412.162	-10.000	-0.150	6,402.012	-0.000	-0.000	0.000	-24.980	0.000	6,377.032

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
BILATERAL ASSISTANCE											
Africa	585,062	28,890	63,100	187,559	--	50,650	--	29,871	8,828	--	953,960
Asia and Private Enterprise	201,773	13,389	88,700	124,609	4,075	13,469	--	3,038	7,245	--	456,298
Europe and the Near East	257,570	2,866,924	411,800	64,961	5,725	11,470	119,484	4,526,037	19,670	--	8,285,641
Latin America & Caribbean	390,473	1,093,920	186,000	98,261	72,000	24,394	--	222,752	11,312	--	2,099,112
Central PL 480	--	--	39,789	255,709	--	--	--	--	--	--	295,498
S&T	374,888	240	--	--	--	--	--	--	--	--	375,128
FVA	60,390	--	--	--	--	--	--	--	--	--	60,390
PPC	22,096	--	--	--	--	--	--	--	--	--	22,096
OFDA	19,600	7,493	--	--	--	--	--	--	--	--	27,093
Other	--	--	--	--	47,740	65,666	--	29,870	141	--	143,417
Contingency Unallocated	--	--	--	--	--	--	--	--	--	--	0
Geographic & Central Programs	1,911,850	4,010,856	789,389	731,099	129,540	165,649	119,484	4,813,568	47,196	--	12,718,631
(Africa Fund)	[570,641]	--	--	--	--	--	--	--	--	--	[570,641]
(Andean Narcotics Init.)	--	--	--	--	--	--	--	--	--	--	0
Deob/Reob	[74,185]	[40,169]	--	--	--	--	--	--	--	--	[114,354]
Subtotal	1,911,850	4,010,856	789,389	731,099	129,540	165,649	119,484	4,813,568	47,196	--	12,718,631
ASHA	35,350	--	--	--	--	--	--	--	--	--	35,350
Disaster Assistance	30,115	--	--	--	--	--	--	--	--	--	30,115
Humanit. Relief (McCollum Amdt)	2,845	--	--	--	--	--	--	--	--	--	2,845
Private Sector Revolving Fund	3,400	--	--	--	--	--	--	--	--	--	3,400
Priv Sector Investment Guarantees	[91,833]	--	--	--	--	--	--	--	--	--	[91,833]
Priv Sector Investment Admin Exp	--	--	--	--	--	--	--	--	--	--	0
Housing Guaranty Subsidy & Admin	--	--	--	--	--	--	--	--	--	--	0
Housing Guarantee Limitation	[499,570]	--	--	--	--	--	--	--	--	--	[499,570]
Housing Borrowing Authority	24,000	--	--	--	--	--	--	--	--	--	24,000
Housing Guaranty Liquidating Acct.	--	--	--	--	--	--	--	--	--	--	0
Operating Expenses	438,728	--	--	--	--	--	--	--	--	--	438,728
Operating Expenses-IG	30,351	--	--	--	--	--	--	--	--	--	30,351
Foreign Service Retirement & Dis.	40,147	--	--	--	--	--	--	--	--	--	40,147
TCIP Central America	[200,000]	--	--	--	--	--	--	--	--	--	[200,000]
TCIP Poland	[200,000]	--	--	--	--	--	--	--	--	--	[200,000]
Miscellaneous Trust Funds	3,552	--	--	--	--	--	--	--	--	--	3,552
Central American Reconciliation	37,140	--	--	--	--	--	--	--	--	--	37,140
Advanced Acq. of Property	79	--	--	--	--	--	--	--	--	--	79
A.I.D. Loan Repayments	(451,927)	--	--	--	--	--	--	--	--	--	(451,927)
Misc. Trust Funds Receipts	(1,705)	--	--	--	--	--	--	--	--	--	(1,705)
Total A.I.D.	2,103,925	4,010,856	789,389	731,099	--	--	119,484	--	--	--	7,754,753

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
Enterprise for the Americas											
Debt Restructuring	--	--	--	--	--	--	--	--	--	--	0
Multilateral Investment Fund	--	--	--	--	--	--	--	--	--	--	0
Trade & Development Program	--	--	--	--	--	--	31,499	--	--	--	31,499
Inter-American Foundation	--	--	--	--	--	--	16,859	--	--	--	16,859
Inter-American Foundation Gifts	--	--	--	--	--	--	4	--	--	--	4
African Development Foundation	--	--	--	--	--	--	8,845	--	--	--	8,845
Peace Corps Trust Fund	--	--	--	--	--	378	--	--	--	--	378
Migration & Refugee Assistance	--	--	--	--	--	--	428,473	--	--	--	428,473
Emergency Refugee Fund	--	--	--	--	--	--	84,785	--	--	--	84,785
Misc. Trust Funds - DOT	--	--	--	--	--	--	2,392	--	--	--	2,392
Misc. Trust Funds - UOT Receipts	--	--	--	--	--	--	(3,568)	--	--	--	(3,568)
Overseas Priv. Invest Corp (OPIC)											
Loan Subsidy & Admin Expenses	--	--	--	--	--	--	--	--	--	--	0
(limit on direct loans)	--	--	--	--	--	--	[19,914]	--	--	--	[19,914]
(limit on guar. loans)	--	--	--	--	--	--	[211,537]	--	--	--	[211,537]
PL 480 Subsidy	--	--	--	--	--	--	--	--	--	--	0
PL 480 Administrative Expenses	--	--	--	--	--	--	--	--	--	--	0
Receipts	--	--	(542,267)	--	--	--	(25,667)	--	--	--	(567,934)
Adjustments	(63,355)	(54,178)	--	--	--	--	39,828	--	--	--	(77,705)
Total: Bilateral	2,040,570	3,958,678	247,122	731,099	129,540	168,027	702,934	4,813,568	47,196	--	12,834,734
MULTILATERAL ASSISTANCE											
MDB's	--	--	--	--	--	--	1,469,191	--	--	--	1,469,191
I O & P	--	--	--	--	--	--	274,137	--	--	--	274,137
Total: Multilateral	--	--	--	--	--	--	1,743,328	--	--	--	1,743,328
TOTAL ECONOMIC ASSISTANCE	2,040,570	3,958,678	247,122	731,099	129,540	168,027	2,446,262	--	--	--	9,717,398
Anti-Terrorism Assistance	--	--	--	--	--	--	--	--	--	9,974	9,974
Peacekeeping Operations	--	--	--	--	--	--	--	--	--	32,773	32,773
FMF Liquidating Acct (GRF pre-82)	--	--	--	--	--	--	--	--	--	(259,175)	(259,175)
FMF Subsidy & Admin Expenses	--	--	--	--	--	--	--	--	--	--	0
Relocation of Facilities, Israel	--	--	--	--	--	--	--	--	--	--	0
Special Defense Acquisition Fund	--	--	--	--	--	--	--	--	--	[278,796]	[278,796]
Repayment of Loans	--	--	--	--	--	--	--	--	--	(232,122)	(232,122)
MAP Receipts	--	--	--	--	--	--	--	(2,426)	--	--	(2,426)
TOTAL MILITARY ASSISTANCE	--	--	--	--	--	--	--	4,811,142	47,196	(448,550)	4,409,788
TOTAL ECONOMIC & MILITARY	2,040,570	3,958,678	247,122	731,099	129,540	168,027	2,446,262	4,811,142	47,196	(448,550)	14,127,086

1/ Includes P.L. 480 emergency programs in both Afghanistan and Pakistan.

2/ Presidential certification is required prior to obligation, pursuant to section 620E of the Foreign Assistance Act and Section 574 of P.L. 101-513. If certification is made, additional funding for 1991 and 1992 Title I or Title III will be considered assuming the program is consistent with the requirements of the new P.L. 480 legislation.

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
Carry in from prior FY											
FDAP	(26,907)										(26,907)
DFA	(637)										(637)
Sahel	(162)										(162)
Disaster Assistance	(4,222)										(4,222)
Economic Support Fund		(228,303)									(228,303)
SAI											0
CARA	(6,869)										(6,869)
OE	(1,512)										(1,512)
Carry over into next FY											
FDAP	28,172										28,172
DFA	6,500										6,500
Sahel	2,634										2,634
Disaster Assistance	4,933										4,933
Economic Support Fund		225,725									225,725
SAI							39,828				39,828
CARA	256										256
Reimbursements	(7,190)										(7,190)
Rescision		(90,000)									(90,000)
Recoveries	(61,240)	(22,469)									(83,711)
No-Year Funds											
Carry in from prior FY	(79)	(1,602)									(1,681)
Section 517 authority											0
Carry over into next FY	2,439	19,943									22,382
Returned to Treasury	5,571	925									6,496
PSRF Rollows	(3,400)										(3,400)
Total Adjustment	(93,389)	(84,779)	0	0	0	0	39,828	0	0	0	(77,700)

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
AFRICA											
Angola	–	–	–	2,075	–	–	–	–	–	–	2,075
Benin	915	–	–	2,081	–	1,452	–	–	75	–	4,523
Botswana	7,830	769	–	364	–	3,224	–	996	358	–	13,541
Burkina	2,908	–	–	5,710	–	–	–	–	100	–	8,718
Burundi	19,782	–	–	–	–	830	–	–	139	–	20,751
Cameroon	20,829	–	–	–	–	3,238	–	–	274	–	24,241
Cape Verde	2,360	–	–	4,275	–	–	–	–	70	–	6,705
Central African Republic	600	–	–	452	–	2,353	–	–	179	–	3,484
Chad	7,250	2,944	–	1,436	–	1,084	–	3,733	249	–	16,696
Comoros	700	–	–	33	–	407	–	–	40	–	1,180
Congo	800	–	2,000	187	–	49	–	–	50	–	2,786
Cote d'Ivoire	2,520	7,000	16,000	851	–	493	–	–	149	–	26,013
Djibouti	–	3,229	–	–	–	–	–	1,991	149	–	5,369
Equatorial Guinea	800	–	–	–	–	426	–	–	100	–	1,326
Ethiopia	–	–	–	33,534	–	–	–	–	–	–	33,534
Ethiopia (North)	–	–	–	38,364	–	–	–	–	–	–	38,364
Gabon	–	–	–	–	–	2,340	–	–	100	–	2,440
Gambia	4,885	–	–	1,169	–	1,012	–	–	70	–	6,986
Ghana	14,300	–	6,000	8,270	–	1,847	–	–	174	–	30,391
Guinea	13,250	–	–	225	–	873	–	–	149	–	14,597
Guinea-Bissau	2,735	–	–	1,032	–	1,135	–	–	70	–	4,974
Kenya	34,208	–	6,700	1,776	–	2,834	–	9,968	1,008	–	56,280
Lesotho	6,367	–	–	1,567	–	1,634	–	–	70	–	9,638
Liberia	–	–	–	14,509	–	1,897	–	–	398	–	16,804
Madagascar	15,730	–	2,500	2,132	–	–	–	299	75	–	20,736
Malawi	22,229	–	–	6,219	–	1,597	–	2,091	249	–	32,385
Mali	16,831	–	–	1,921	–	3,537	–	–	149	–	22,438
Mauritania	606	–	–	3,929	–	1,553	–	–	124	–	6,212
Mauritius	–	–	–	–	–	–	–	–	20	–	20
Mozambique	33,598	–	–	21,431	–	–	–	–	–	–	55,029
Namibia	30	–	–	–	–	260	–	–	–	–	290
Niger	16,755	–	–	1,798	–	3,034	–	1,693	274	–	23,554
Nigeria	6,000	–	–	–	–	–	–	–	100	–	6,100
Rwanda	11,500	–	–	123	–	640	–	–	100	–	12,363
Sao Tome	300	–	–	378	–	210	–	–	60	–	948
Senegal	36,007	–	4,800	1,824	–	2,328	–	1,146	473	–	46,580
Seychelles	–	2,991	–	–	–	311	–	–	100	–	3,402
Sierra Leone	500	–	4,000	1,959	–	2,068	–	–	70	–	8,597
Somalia	740	–	–	4,738	–	–	–	–	796	–	6,274
South Africa	22,111	9,957	–	–	–	–	–	–	–	–	32,068
Sudan	–	–	–	13,660	–	–	–	–	676	–	14,336
Swaziland	6,791	–	–	814	–	1,364	–	–	50	–	9,019
Tanzania	5,960	–	–	–	–	1,290	–	–	100	–	7,250
Togo	3,348	–	–	2,705	–	2,460	–	–	100	–	8,613
Uganda	42,050	–	6,000	5,584	–	25	–	–	149	–	53,808
Zaire	24,800	–	9,300	413	–	3,048	–	2,987	853	–	41,501
Zambia	4,860	–	7,000	–	–	–	–	–	–	–	11,860
Zimbabwe	5,000	–	–	–	–	–	–	–	239	–	5,239
S Africa Regional/SADCC	49,266	–	–	–	–	–	–	–	–	–	49,266
Africa Regional	115,930	2,000	–	–	–	–	–	4,979	–	–	122,909
AERRP	–	–	–	–	–	–	–	–	–	–	0
Total	565,062	28,890	63,100	187,599	–	50,880	–	29,671	8,828	–	963,980
(FDAP/Sahel)	[21,331]	–	–	–	–	–	–	–	–	–	[21,331]

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
ASIA & PRIVATE ENTERPRISE											
Bangladesh	54,760	–	60,000	21,834	–	–	–	–	299	–	136,893
Bhutan	–	–	–	292	–	–	–	–	–	–	292
Fiji	–	–	–	–	–	1,217	–	–	25	–	1,242
India	21,458	–	–	94,030	–	–	–	–	299	–	115,787
Indonesia	46,298	–	–	5,349	–	–	–	–	1,791	–	53,438
Korea	–	–	–	–	–	–	–	–	1,195	–	1,195
Laos	–	–	–	–	575	–	–	–	–	–	575
Maldives	–	–	–	–	–	–	–	–	30	–	30
Malaysia	–	–	–	–	–	–	–	–	946	–	946
Micronesia	–	–	–	–	–	1,804	–	–	–	–	1,804
Mongolia	–	–	–	–	–	–	–	–	–	–	0
Nepal	15,994	–	–	2,160	–	1,865	–	–	100	–	20,119
Papua New Guinea	–	–	–	–	–	1,488	–	–	50	–	1,538
Singapore	–	–	–	–	–	–	–	–	50	–	50
Solomon Islands	–	–	–	–	–	837	–	–	30	–	867
Sri Lanka	19,814	–	28,700	944	–	412	–	–	159	–	50,029
Thailand	6,277	–	–	–	3,500	3,119	–	3,036	2,191	–	18,125
Affected Thai Villages	2,500	2,539	–	–	–	–	–	–	–	–	5,039
Tonga	–	–	–	–	–	809	–	–	50	–	859
Tuvalu	–	–	–	–	–	69	–	–	–	–	69
Vanuatu	–	–	–	–	–	78	–	–	30	–	108
Western Samoa	–	–	–	–	–	898	–	–	–	–	898
ASEAN	3,810	–	–	–	–	–	–	–	–	–	3,810
South Pacific	6,529	10,000	–	–	–	1,073	–	–	–	–	17,602
APRE Regional	5,843	850	–	–	–	–	–	–	–	–	6,693
Subtotal Asia	184,281	13,389	88,700	124,609	4,075	13,469	–	3,036	7,245	–	437,806
Investment	908	–	–	–	–	–	–	–	–	–	908
Emerging Markets	8,520	–	–	–	–	–	–	–	–	–	8,520
Finance & Program Management	367	–	–	–	–	–	–	–	–	–	367
International Business Staff	1,325	–	–	–	–	–	–	–	–	–	1,325
Small, Micro & Informal Ent.	2,366	–	–	–	–	–	–	–	–	–	2,366
Housing & Urban Development	4,986	–	–	–	–	–	–	–	–	–	4,986
Subtotal PRE	18,492	–	–	–	–	–	–	–	–	–	18,492
Total	201,773	13,389	88,700	124,609	4,075	13,469	–	3,036	7,245	–	456,298

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
EUROPE & THE NEAR EAST											
Algeria	--	--	--	--	--	--	--	--	100	--	100
Austria	--	--	--	--	--	--	--	--	15	--	15
Afghanistan Humanitarian 1/	34,849	35,135	--	15,083	--	--	--	--	--	--	85,067
Bulgaria	--	--	--	--	--	--	--	--	--	--	0
Cambodia	2,000	5,078	--	2,642	--	--	--	--	--	--	9,720
Cyprus	--	4,979	--	--	--	--	--	--	--	--	4,979
Czechoslovakia	--	--	--	--	--	332	--	--	--	--	332
Egypt	--	898,389	203,000	--	--	--	--	1,294,410	1,493	--	2,397,292
Finland	--	--	--	--	--	--	--	--	35	--	35
Greece	--	--	--	--	--	--	--	348,495	597	--	349,092
Hungary	--	--	--	--	--	892	--	--	--	--	892
Iceland	--	--	--	--	--	--	--	--	10	--	10
Ireland	--	10,000	--	--	--	--	--	--	30	--	10,030
Israel	--	1,194,840	--	--	--	--	--	1,792,260	--	--	2,987,100
Jordan	--	3,700	--	5,760	--	--	--	67,794	1,991	--	79,245
Lebanon	4,561	3,734	--	10,706	--	--	--	--	398	--	19,399
Luxembourg	--	--	--	--	--	--	--	--	1	--	1
Malta	--	--	--	--	--	51	--	--	50	--	101
Morocco	10,340	19,914	33,000	15,899	--	2,485	--	42,815	996	--	125,449
Oman	--	12,546	--	--	--	--	--	--	100	--	12,646
Pakistan 2/	46,000	229,011	80,000	--	5,000	774	--	229,011	911	--	590,707
Philippines	62,193	130,403	21,000	12,632	--	3,536	119,484	140,395	2,588	--	492,231
Poland	--	--	14,800	--	--	926	--	--	--	--	15,726
Portugal	--	39,402	--	--	--	--	--	84,635	2,564	--	126,621
Romania	--	--	20,000	--	--	--	--	--	--	--	20,000
Spain	--	--	--	--	--	--	--	--	1,892	--	1,892
Tunisia	40	12,746	15,000	--	--	1,333	--	29,871	1,394	--	60,384
Turkey	--	14,263	--	--	400	--	--	497,850	3,385	--	515,898
USSR (Armenian Earthquake)	--	4,929	--	--	--	--	--	--	--	--	4,929
West Bank/Gaza	--	12,618	--	2,239	--	--	--	--	--	--	14,857
Yemen	21,972	--	25,000	--	--	1,141	--	501	1,000	--	49,614
Yugoslavia	--	--	--	--	--	--	--	--	100	--	100
Eastern Europe Regional	57,251	228,391	--	--	--	--	--	--	--	--	285,642
Europe and Near East Regional	18,364	6,846	--	--	325	--	--	--	--	--	25,535
Total	257,570	2,888,924	411,800	64,961	5,725	11,470	119,484	4,628,037	19,670	--	8,285,641

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
LATIN AMERICA & CARIBBEAN											
Argentina	--	--	--	--	--	--	--	--	139	--	139
Bahamas	--	--	--	--	1,520	--	--	--	65	--	1,585
Belize	6,311	--	--	--	--	1,820	--	--	100	--	8,231
Bolivia	34,221	33,413	20,000	13,632	15,700	805	--	39,228	408	--	147,697
Brazil	--	--	--	1,146	1,900	--	--	--	124	--	3,170
Chile	--	--	--	--	--	--	--	--	50	--	50
Colombia	--	2,107	--	178	20,000	--	--	71,730	1,494	--	95,509
Costa Rica	11,303	63,544	--	207	--	2,241	--	--	229	--	77,524
Dominican Republic	17,998	--	14,800	5,028	--	2,245	--	1,276	777	--	41,920
Ecuador	16,290	--	--	335	1,400	2,360	--	485	722	--	21,622
El Salvador	61,804	136,355	40,200	6,808	--	--	--	79,635	1,394	--	326,196
Guatemala	29,478	56,483	18,000	8,490	--	2,632	--	2,687	306	--	118,388
Guyana	--	1,687	6,100	--	--	--	--	--	50	--	7,837
Haiti	40,220	2,500	--	16,016	--	737	--	498	100	--	60,071
Honduras	34,850	130,017	12,000	5,378	--	4,005	--	20,183	1,095	--	207,308
Jamaica	13,978	13,728	40,000	4,202	1,000	2,344	--	1,000	299	--	76,551
Mexico	--	--	--	2,829	15,000	--	--	--	249	--	18,078
Nicaragua	1,400	242,910	15,100	2,753	--	--	--	--	--	--	262,163
Panama	--	394,487	--	224	--	25	--	--	--	--	394,736
Paraguay	--	--	--	--	--	1,948	--	--	124	--	2,072
Peru	16,029	3,286	20,000	30,839	10,000	--	--	1,000	523	--	81,677
Suriname	--	--	--	--	--	--	--	--	25	--	25
Trinidad/Tobago	--	--	--	--	--	--	--	650	65	--	715
Uruguay	--	--	--	--	--	--	--	--	124	--	124
Venezuela	--	--	--	--	1,000	--	--	--	124	--	1,124
Nicaragua/Panama Admin Exp.	--	920	--	--	--	--	--	--	--	--	920
Caribbean Regional	34,949	2,032	--	--	--	3,202	--	4,200	453	--	34,836
Central American Reg	44	70	--	--	--	--	--	--	--	--	114
ROCAP	28,858	--	--	--	--	--	--	--	--	--	28,858
LAC Regional	65,144	10,381	--	--	4,480	--	--	--	--	--	80,005
PACAMS	--	--	--	--	--	--	--	--	2,091	--	2,091
Andean Narcotics Initiative	--	--	--	--	--	--	--	--	--	--	0
Total	390,473	1,089,830	186,000	88,861	72,000	24,384	--	222,782	11,312	--	2,065,112

Table 5A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL OBLIGATIONS

(DOLLARS THOUSANDS)

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	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
S&T											
Agriculture	35,665	-	-	-	-	-	-	-	-	-	35,665
Education	5,242	-	-	-	-	-	-	-	-	-	5,242
Energy	15,533	-	-	-	-	-	-	-	-	-	15,533
Forestry & Env Nat Res	10,880	-	-	-	-	-	-	-	-	-	10,880
Health	82,830	240	-	-	-	-	-	-	-	-	83,070
Nutrition	9,317	-	-	-	-	-	-	-	-	-	9,317
Population	142,419	-	-	-	-	-	-	-	-	-	142,419
Rural & Institutional Dev	9,778	-	-	-	-	-	-	-	-	-	9,778
Research & Univ Relations	8,635	-	-	-	-	-	-	-	-	-	8,635
Science Advisor	8,785	-	-	-	-	-	-	-	-	-	8,785
Israel Cooperation	2,319	-	-	-	-	-	-	-	-	-	2,319
International Training	2,160	-	-	-	-	-	-	-	-	-	2,160
Program Office	1,495	-	-	-	-	-	-	-	-	-	1,495
CGIARS	39,829	-	-	-	-	-	-	-	-	-	39,829
Total S&T	374,888	240	-	-	-	-	-	-	-	-	375,128
FVA											
Food for Peace	300	-	-	-	-	-	-	-	-	-	300
PVC	39,408	-	-	-	-	-	-	-	-	-	39,408
Biden Pell	[2,712]	-	-	-	-	-	-	-	-	-	[2,712]
Program Mgt Support	682	-	-	-	-	-	-	-	-	-	682
Total FVA	40,390	-	-	-	-	-	-	-	-	-	40,390
PPC											
Economic Affairs	4,576	-	-	-	-	-	-	-	-	-	4,576
Evaluation/Development Info.	4,157	-	-	-	-	-	-	-	-	-	4,157
PDPR	2,958	-	-	-	-	-	-	-	-	-	2,958
Women in Development	4,862	-	-	-	-	-	-	-	-	-	4,862
Donor Coordination	350	-	-	-	-	-	-	-	-	-	350
ITIP	275	-	-	-	-	-	-	-	-	-	275
Strategic Planning	-	-	-	-	-	-	-	-	-	-	0
Peace Corps	-	-	-	-	-	-	-	-	-	-	0
Israel Cooperation	4,918	-	-	-	-	-	-	-	-	-	4,918
Total PPC	22,096	-	-	-	-	-	-	-	-	-	22,096
OFDA	19,600	7,493	-	-	-	-	-	-	-	-	27,093
OFDA Disaster Preparedness	-	-	-	-	-	-	-	-	-	-	0
Other	-	-	-	-	47,740	65,666	-	29,870	141	-	143,417
Hostages in Iraq	-	-	-	-	-	-	-	-	-	-	0
War Victims	-	-	-	-	-	-	-	-	-	-	0
P.L.480:											
Reserve	-	-	-	-	-	-	-	-	-	-	0
World Food Program	-	-	-	533	-	-	-	-	-	-	533
Stock Adjustment	-	-	-	(21,069)	-	-	-	-	-	-	(21,069)
Freight Costs	-	-	51,695	291,526	-	-	-	-	-	-	343,221
Initial Payment	-	-	(12,700)	-	-	-	-	-	-	-	(12,700)
Farmer to Farmer	-	-	794	731	-	-	-	-	-	-	1,525
PVO Administration	-	-	-	-	-	-	-	-	-	-	0
Buydown	-	-	-	38,835	-	-	-	-	-	-	38,835
Forward Funding	-	-	-	(47,847)	-	-	-	-	-	-	(47,847)
DOT Reflows	-	-	-	(7,000)	-	-	-	-	-	-	(7,000)

Table 5B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - ESTIMATED OBLIGATIONS 3/

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I a/	PL 480 TITLE I b/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
BILATERAL ASSISTANCE													
Africa	800,625	39,300	21,000	7,000	108,375	88,580	-	54,057	-	19,500	6,941	-	1,119,378
Asia and Private Enterprise	185,648	18,782	7,300	5,000	93,205	81,200	4,500	16,372	-	-	6,510	-	425,527
Europe and the Near East	159,409	2,508,808	15,000	232,900	34,992	-	8,800	9,085	800,503	4,405,400	18,815	-	8,042,963
Latin America & Caribbean	357,057	712,766	67,000	61,100	78,748	74,000	88,800	25,681	-	210,800	12,770	-	1,707,304
Central PL 480	-	-	12,500	63,100	373,880	144,720	-	-	-	-	-	-	594,000
S&T	413,636	-	-	-	-	-	-	-	-	-	-	-	413,636
FVA	54,888	-	-	-	-	-	-	-	-	-	-	-	54,888
PPC	18,800	-	-	-	-	-	-	-	-	-	-	-	18,800
OFDA	-	-	-	-	-	-	-	-	-	-	-	-	7
Other	-	11,188	-	-	-	-	50,250	80,935	-	27,921	2,188	-	172,358
Contingency Unallocated	94,448	803	-	-	-	-	-	-	-	-	-	-	95,249
Geographic & Central Programs	2,074,706	3,376,488	142,800	299,700	688,800	388,800	139,000	186,000	800,503	4,663,421	47,198	-	12,843,294
(Africa Fund)	[798,838]	-	-	-	-	-	-	-	-	-	-	-	[798,838]
(Andean Narcotics Init.)	-	[175,000]	-	-	-	-	-	-	-	-	-	-	[175,000]
Dscb/Fscb	60,000	14,000	-	-	-	-	-	-	-	-	-	-	119,000
Subtotal	2,134,706	3,390,488	142,800	299,700	688,800	388,800	139,000	186,000	800,503	4,663,421	47,198	-	12,962,294
ASHA	29,500	-	-	-	-	-	-	-	-	-	-	-	29,500
Disaster Assistance	44,933	-	-	-	-	-	-	-	-	-	-	-	44,933
Humanit. Relief (McCollum Amdt)	-	-	-	-	-	-	-	-	-	-	-	-	0
Private Sector Revolving Fund	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000
Priv Sector Investment Guarantees	[114,000]	-	-	-	-	-	-	-	-	-	-	-	[114,000]
Priv Sector Investment Admin Exp	-	-	-	-	-	-	-	-	-	-	-	-	0
Housing Guaranty Subsidy & Admin	-	-	-	-	-	-	-	-	-	-	-	-	0
Housing Guarantees Limitation	[150,000]	-	-	-	-	-	-	-	-	-	-	-	[150,000]
Housing Borrowing Authority	30,676	-	-	-	-	-	-	-	-	-	-	-	30,676
Housing Guaranty Liquidating Acct.	-	-	-	-	-	-	-	-	-	-	-	-	0
Operating Expenses	461,800	-	-	-	-	-	-	-	-	-	-	-	461,800
Operating Expenses-IG	33,884	-	-	-	-	-	-	-	-	-	-	-	33,884
Foreign Service Retirement & Dis.	40,341	-	-	-	-	-	-	-	-	-	-	-	40,341
TCIP Central America	[200,000]	-	-	-	-	-	-	-	-	-	-	-	[200,000]
TCIP Poland	[200,000]	-	-	-	-	-	-	-	-	-	-	-	[200,000]
Miscellaneous Trust Funds	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
Central American Reconciliation	236	-	-	-	-	-	-	-	-	-	-	-	236
Advanced Acq. of Property	100	-	-	-	-	-	-	-	-	-	-	-	100
A.I.D. Loan Repayments	(430,000)	-	-	-	-	-	-	-	-	-	-	-	(430,000)
Misc. Trust Funds Receipts	(5,000)	-	-	-	-	-	-	-	-	-	-	-	(5,000)
Total A.I.D.	2,300,000	3,390,488	142,800	299,700	688,800	388,800	-	-	800,503	-	-	-	7,609,970

Table 5B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - ESTIMATED OBLIGATIONS 3/

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I a 4/	PL 480 TITLE I b 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
Enterprise for the Americas													
Debt Restructuring	-	-	-	-	-	-	-	-	[87,358]	-	-	-	0
Multilateral Investment Fund	-	-	-	-	-	-	-	-	-	-	-	-	0
Trade & Development Program	-	-	-	-	-	-	-	-	35,000	-	-	-	35,000
Inter-American Foundation	-	-	-	-	-	-	-	-	25,000	-	-	-	25,000
Inter-American Foundation Gifts	-	-	-	-	-	-	-	-	-	-	-	-	0
African Development Foundation	-	-	-	-	-	-	-	-	13,000	-	-	-	13,000
Peace Corps Trust Fund	-	-	-	-	-	-	-	1,583	-	-	-	-	1,583
Migration & Refugee Assistance	-	-	-	-	-	-	-	-	485,648	-	-	-	485,648
Emergency Refugee Fund	-	-	-	-	-	-	-	-	35,000	-	-	-	35,000
Misc. Trust Funds - DOT	-	-	-	-	-	-	-	-	3,643	-	-	-	3,643
Misc. Trust Funds - DOT Receipts	-	-	-	-	-	-	-	-	(3,025)	-	-	-	(3,025)
Overseas Priv. Invest Corp (OPIC)													
Loan Subsidy & Admin Expenses	-	-	-	-	-	-	-	-	-	-	-	-	0
(limit on direct loans)	-	-	-	-	-	-	-	-	[40,000]	-	-	-	[40,000]
(limit on guar. loans)	-	-	-	-	-	-	-	-	[250,000]	-	-	-	[250,000]
PL 480 Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	0
PL 480 Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-	0
Receipts	-	-	-	[365,147]	-	-	-	-	(25,677)	-	-	-	(390,824)
Adjustments	(53,311)	(245,[illegible])	-	-	-	-	-	-	(39,539)	-	-	-	(338,807)
Total: Bilateral	2,307,[illegible]	3,144,[illegible]	142,[illegible]	(165,447)	[illegible]	[illegible]	199,[illegible]	167,[illegible]	1,[illegible],284	4,700,421	47,199	-	12,[illegible],905
MULTILATERAL ASSISTANCE													
MDB's	-	-	-	-	-	-	-	-	1,616,635	-	-	-	1,616,635
I O & P	-	-	-	-	-	-	-	-	284,730	-	-	-	284,730
Total: Multilateral	-	-	-	-	-	-	-	-	1,[illegible]	-	-	-	[illegible]
TOTAL ECONOMIC ASSISTANCE	2,307,[illegible]	3,144,[illegible]	142,[illegible]	(165,447)	[illegible]	[illegible]	199,[illegible]	167,[illegible]	2,[illegible]	-	-	-	9,[illegible],753
Anti-Terrorism Assistance	-	-	-	-	-	-	-	-	-	-	-	12,026	12,026
Peacekeeping Operations	-	-	-	-	-	-	-	-	-	-	-	32,800	32,800
FMF Liquidating Acct (GRF pre-92)	-	-	-	-	-	-	-	-	-	-	-	46,405	46,405
FMF Subsidy & Admin Expenses	-	-	-	-	-	-	-	-	-	-	-	-	0
Relocation of Facilities, Israel	-	-	-	-	-	-	-	-	-	-	-	(5,419)	(5,419)
Special Defense Acquisition Fund	-	-	-	-	-	-	-	-	-	-	-	[350,000]	[350,000]
Repayment of Loans	-	-	-	-	-	-	-	-	-	-	-	(230,638)	(230,638)
MAP Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL MILITARY ASSISTANCE	-	-	-	-	-	-	-	-	-	4,700,421	47,199	(144,823)	4,610,794
TOTAL ECONOMIC & MILITARY	2,307,[illegible]	3,144,[illegible]	142,[illegible]	(165,447)	[illegible]	[illegible]	199,[illegible]	167,[illegible]	2,[illegible]	4,700,421	47,199	(144,823)	14,411,547

Table 5B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - ESTIMATED OBLIGATIONS 3/

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE Ia 4/	PL 480 TITLE Ib 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL

1/ Includes P.L. 480 emergency programs in both Afghanistan and Pakistan.

2/ Presidential certification is required prior to obligation, pursuant to section 620E of the Foreign Assistance Act and Section 574 of P.L. 101-513. If certification is made, additional funding for 1991 and 1992 Title I or Title III will be considered assuming the program is consistent with the requirements of the new P.L. 480 legislation.

3/ Does not reflect 1.9% sequester in the International Affairs discretionary accounts. A restoration is being proposed.

4/ Agreements signed before January 1, 1991.

5/ Agreements signed after December 31, 1990 (UDSA-only programs).

6/ Reprogramming to increase FY 1991 funding in Laos is under consideration.

7/ Includes $500 thousand of U.S. Food Aid-generated Polish currencies for the Research Center on Jewish History and Culture of the Jagellonian University of Krakow, Poland. These funds were not designated for ASHA by the Congress and, although they appear in the President's Budget under the ASHA program, they are to be administered by the U.S. Department of Agriculture.

Table 5B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - ESTIMATED OBLIGATIONS 3/

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I&II 4/	PL 480 TITLE I&II 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
Carry in from prior FY													
FDAP	(10,000)												(10,000)
DFA	(6,500)												(6,500)
Sahel	(2,624)												(2,624)
Disaster Assistance	(4,933)												(4,933)
Economic Support Fund		(225,725)											(225,725)
SAI													
CARA	(259)								(39,828)				(39,828)
OE													(259)
													0
Carry over into next FY													
FDAP													0
DFA													0
Sahel													0
Disaster Assistance													0
Economic Support Fund													0
SAI													0
CARA													0
Reimbursements	(5,400)												(5,400)
Rescision													0
Recoveries													0
No-Year Funds													
Carry in from prior FY	(100)	(19,943)											(20,043)
Section 517 authority	(8,496)												(8,496)
Carry over into next FY													0
Returned to Treasury													0
PSRF Rollover	(15,000)												(15,000)
Total Adjustments	(59,311)	(245,668)	0	0	0	0	0	0	(39,828)	0	0	0	(338,807)

Table 5B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - ESTIMATED OBLIGATIONS 3/

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I 4/	PL 480 TITLE II 5/	PL 480 TITLE II	PL 480 TITLE III	HARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
AFRICA													
Angola	-	-	-	-	8,308	-	-	-	-	-	-	-	8,308
Benin	8,000	-	-	-	1,460	-	-	1,573	-	-	100	-	11,183
Botswana	7,000	-	-	-	-	-	-	3,461	-	-	411	-	10,872
Burkina	3,000	-	-	-	8,074	-	-	-	-	-	100	-	11,174
Burundi	13,000	-	-	-	-	-	-	883	-	-	175	-	14,058
Cameroon	20,000	-	-	-	-	-	-	3,692	-	-	275	-	23,967
Cape Verde	3,000	-	-	-	225	-	-	-	-	-	75	-	3,300
Central African Republic	4,000	-	-	-	-	-	-	2,325	-	-	200	-	6,525
Chad	15,000	-	-	-	1,016	2,300	-	1,357	-	-	300	-	20,073
Comoros	700	-	-	-	-	-	-	483	-	-	75	-	1,258
Congo	1,000	-	-	2,000	93	-	-	580	-	-	50	-	3,723
Cote d'Ivoire	7,000	6,000	-	6,000	-	-	-	882	-	-	150	-	19,032
Djibouti	-	3,000	-	-	-	-	-	-	-	1,000	175	-	4,175
Equatorial Guinea	1,000	-	-	-	-	-	-	691	-	-	100	-	1,791
Ethiopia	-	-	-	-	24,000	-	-	-	-	-	-	-	24,000
Ethiopia (North)	-	-	-	-	-	-	-	-	-	-	-	-	0
Gabon	-	-	-	-	-	-	-	2,480	-	-	100	-	2,580
Gambia	6,000	-	-	-	1,460	-	-	1,011	-	-	100	-	8,571
Ghana	25,000	-	-	-	4,510	6,000	-	1,884	-	-	175	-	37,569
Guinea	25,000	-	-	-	-	7,600	-	1,073	-	-	150	-	33,223
Guinea-Bissau	6,000	-	-	-	73	-	-	1,335	-	-	100	-	6,508
Kenya	28,000	-	-	-	1,404	7,000	-	2,888	-	-	1,175	-	38,067
Lesotho	7,000	-	-	-	-	-	-	1,760	-	-	75	-	8,835
Liberia	-	-	-	-	21,388	-	-	-	-	-	-	-	21,388
Madagascar	44,000	-	-	-	2,452	6,000	-	-	-	-	75	-	51,527
Malawi	40,000	-	-	-	4,638	-	-	1,892	-	-	250	-	46,880
Mali	33,000	-	-	-	1,804	600	-	3,732	-	-	175	-	39,801
Mauritania	-	-	-	-	555	-	-	1,540	-	-	125	-	2,230
Mauritius	1,500	-	-	-	33	-	-	-	-	-	25	-	1,558
Mozambique	44,000	-	-	-	8,887	7,200	-	-	-	-	100	-	60,087
Namibia	7,000	10,000	-	-	-	-	-	945	-	-	100	-	18,045
Niger	26,000	-	-	-	167	-	-	3,376	-	300	275	-	30,318
Nigeria	11,000	-	-	-	-	-	-	438	-	-	100	-	11,538
Rwanda	15,000	-	-	-	-	-	-	885	-	-	100	-	16,785
Sao Tome	438	-	-	-	312	-	-	342	-	-	125	-	1,119
Senegal	22,000	1,000	-	-	2,021	7,200	-	2,288	-	-	525	-	34,034
Seychelles	-	3,300	-	-	-	-	-	300	-	-	100	-	3,700
Sierra Leone	540	-	5,000	-	1,377	-	-	2,056	-	-	100	-	9,073
Somalia	-	-	-	-	3,075	-	-	-	-	-	-	-	3,075
South Africa	40,000	10,000	-	-	-	-	-	-	-	-	-	-	50,000
Sudan	-	-	-	-	7,629	13,600	-	-	-	-	-	-	21,229
Swaziland	6,000	-	-	-	-	-	-	1,341	-	-	75	-	7,416
Tanzania	30,000	-	-	-	-	-	-	535	-	-	100	-	30,635
Togo	6,000	-	-	-	2,500	-	-	2,537	-	-	100	-	14,537
Uganda	43,000	-	-	-	1,435	7,200	-	300	-	-	175	-	52,170
Zaire	23,000	-	16,000	-	-	-	-	3,094	-	-	5	-	42,099
Zambia	7,500	-	-	-	-	5,600	-	-	-	-	-	-	13,100
Zimbabwe	10,000	-	-	-	-	-	-	525	-	-	250	-	10,775
S Africa Regional/SADCC	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
Africa Regional	103,985	-	-	-	-	-	-	-	-	18,000	-	-	121,985
AEPRP	55,000	-	-	-	-	-	-	-	-	-	-	-	55,000
Total	800,625	33,300	21,000	7,000	160,375	68,000	-	54,067	-	18,000	6,041	-	1,119,376
(FDAP/Sahel)	[5,475]	-	-	-	-	-	-	-	-	-	-	-	[5,475]

Table 5B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - ESTIMATED OBLIGATIONS 3/

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I 4/	PL 480 TITLE I 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
ASIA & PRIVATE ENTERPRISE													
Bangladesh	50,863	-	-	-	16,667	60,000	-	-	-	-	300	-	127,830
Bhutan	-	-	-	-	-	-	-	-	-	-	-	-	0
Fiji	-	300	-	-	-	-	-	1,443	-	-	50	-	1,793
India	19,076	-	-	-	77,106	-	-	-	-	-	300	-	97,282
Indonesia	38,062	6,891	-	-	6,412	-	-	-	-	-	1,800	-	53,365
Korea	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000
Laos	-	-	-	-	-	-	500	643	-	-	-	-	1,143
Maldives	-	-	-	-	-	-	-	-	-	-	50	-	50
Malaysia	-	-	-	-	-	-	-	-	-	-	-	-	0
Micronesia	-	-	-	-	-	-	-	1,867	-	-	-	-	1,867
Mongolia	2,000	-	-	-	-	-	-	630	-	-	-	-	2,630
Nepal	12,345	-	-	-	-	-	-	2,136	-	-	125	-	14,506
Papua New Guinea	-	-	-	-	-	-	-	1,718	-	-	75	-	1,793
Singapore	-	-	-	-	-	-	-	-	-	-	20	-	20
Solomon Islands	-	-	-	-	-	-	-	912	-	-	50	-	962
Sri Lanka	16,164	-	7,300	5,000	-	21,200	-	867	-	-	180	-	44,301
Thailand	6,134	-	-	-	-	-	4,600	3,536	-	-	2,400	-	19,080
Affected Thai Villages	2,500	2,500	-	-	-	-	-	-	-	-	-	-	5,000
Tonga	-	-	-	-	-	-	-	668	-	-	50	-	718
Tuvalu	-	-	-	-	-	-	-	64	-	-	-	-	64
Vanuatu	-	-	-	-	-	-	-	110	-	-	30	-	140
Western Samoa	-	-	-	-	-	-	-	859	-	-	-	-	859
ASEAN	2,710	-	-	-	-	-	-	-	-	-	-	-	2,710
South Pacific	5,421	10,001	-	-	-	-	-	1,220	-	-	-	-	16,642
APRE Regional	16,079	-	-	-	-	-	-	-	-	-	-	-	16,079
Subtotal Asia	185,894	19,792	7,300	5,000	99,205	81,200	4,600	16,572	-	-	6,510	-	408,773
Investment	800	-	-	-	-	-	-	-	-	-	-	-	800
Emerging Markets	7,700	-	-	-	-	-	-	-	-	-	-	-	7,700
Finance & Program Management	-	-	-	-	-	-	-	-	-	-	-	-	0
International Business Staff	1,190	-	-	-	-	-	-	-	-	-	-	-	1,190
Small, Micro & Informal Ent.	2,800	-	-	-	-	-	-	-	-	-	-	-	2,800
Housing & Urban Development	4,065	-	-	-	-	-	-	-	-	-	-	-	4,065
Subtotal PRE	16,754	-	-	-	-	-	-	-	-	-	-	-	16,754
Total	185,848	19,792	7,300	5,000	99,205	81,200	4,600	16,572	-	-	6,510	-	425,527

Table 5B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - ESTIMATED OBLIGATIONS 3/

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE Ia 4/	PL 480 TITLE Ib 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
EUROPE & THE NEAR EAST													
Algeria	-	-	-	-	-	-	-	-	-	-	150	-	150
Austria	-	-	-	-	-	-	-	-	-	-	15	-	15
Afghanistan Humanitarian 1/	30,000	30,000	-	-	116	-	-	-	-	-	-	-	60,116
Bulgaria	-	-	-	-	-	-	-	647	-	-	-	-	647
Cambodia	18,000	7,000	-	-	1,861	-	-	-	-	-	-	-	26,861
Cyprus	-	24,957	-	-	-	-	-	-	-	-	-	-	24,957
Czechoslovakia	-	-	-	-	-	-	-	968	-	-	50	-	1,018
Egypt	-	848,997	-	150,000	-	-	-	-	-	1,300,000	1,500	-	2,300,497
Finland	-	-	-	-	-	-	-	-	-	-	15	-	15
Greece	-	-	-	-	-	-	-	-	-	350,000	550	-	350,550
Hungary	-	-	-	7,500	-	-	-	1,430	-	-	50	-	8,980
Iceland	-	-	-	-	-	-	-	-	-	-	-	-	0
Ireland	-	39,769	-	-	-	-	-	-	-	-	30	-	39,799
Israel	-	1,200,000	-	-	-	-	-	-	-	1,800,000	-	-	3,000,000
Jordan	-	68,150	-	-	3,400	-	-	-	-	20,000	2,180	-	91,730
Lebanon	3,750	3,750	-	-	10,262	-	-	-	-	-	400	-	18,262
Luxembourg	-	-	-	-	-	-	-	-	-	-	-	-	0
Malta	-	-	-	-	-	-	-	61	-	-	60	-	121
Morocco	12,500	20,000	-	35,000	3,415	-	-	1,464	-	43,000	1,050	-	116,429
Oman	-	15,000	-	-	-	-	-	-	-	500	100	-	15,600
Pakistan 2/	25,000	100,000	-	20,000	-	-	7,500	751	-	91,900	915	-	246,066
Philippines	40,000	120,000	-	20,000	13,689	-	-	458	199,828	200,000	2,800	-	596,573
Poland	-	-	-	-	-	-	-	1,598	-	-	50	-	1,648
Portugal	-	42,800	-	-	-	-	-	-	-	100,000	2,850	-	145,250
Romania	-	-	-	-	-	-	-	467	-	-	-	-	467
Spain	-	-	-	-	-	-	-	-	-	-	1,500	-	1,500
Tunisia	-	3,000	15,000	-	-	-	-	955	-	-	1,450	-	20,405
Turkey	-	50,000	-	-	-	-	350	-	-	500,000	3,400	-	553,750
USSR (Armenian Earthquake)	-	50	-	-	-	-	-	-	-	-	-	-	50
West Bank/Gaza	-	12,444	-	-	2,149	-	-	-	-	-	-	-	14,593
Yemen	2,900	-	-	-	-	-	-	288	-	-	-	-	3,188
Yugoslavia	-	-	-	-	-	-	-	-	-	-	100	-	100
Eastern Europe Regional	6,150	1,616	-	-	-	-	-	-	369,675	-	-	-	377,441
Europe and Near East Regional	12,109	13,276	-	-	-	-	800	-	-	-	-	-	26,185
Total	150,409	2,598,609	15,000	232,500	34,892	-	8,650	8,085	569,503	4,405,400	18,815	-	8,042,963

Table 5B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - ESTIMATED OBLIGATIONS 3/

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE Ia 4/	PL 480 TITLE Ib 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
LATIN AMERICA & CARIBBEAN													
Argentina	-	-	-	-	-	-	-	-	-	1,000	150	-	1,150
Bahamas	-	-	-	-	-	-	1,200	-	-	-	125	-	1,325
Belize	8,736	-	-	-	-	-	-	1,532	-	500	115	-	8,883
Bolivia	22,906	12,000	-	-	12,512	20,000	15,700	1,158	-	35,000	900	-	120,174
Brazil	-	-	-	-	-	-	2,500	-	-	-	125	-	2,625
Chile	10,400	-	-	-	-	-	-	543	-	-	100	-	11,043
Colombia	-	26	-	-	-	-	20,000	-	-	27,055	2,500	-	49,581
Costa Rica	8,163	25,000	15,000	-	-	-	-	1,949	-	-	230	-	50,342
Dominican Republic	9,970	-	-	-	4,611	-	-	2,218	-	500	900	-	18,199
Ecuador	13,971	-	-	-	-	-	1,500	2,325	-	-	800	-	18,596
El Salvador	54,984	128,001	35,000	-	4,981	-	-	-	-	83,945	1,055	-	307,966
Guatemala	28,428	30,000	-	18,000	8,888	-	-	2,615	-	2,000	400	-	90,109
Guyana	-	2,802	7,000	-	-	-	-	252	-	-	50	-	9,904
Haiti	38,302	12,500	-	-	7,826	20,000	-	1,051	-	1,000	200	-	80,679
Honduras	33,625	50,000	-	-	6,240	12,000	-	3,458	-	21,850	1,100	-	128,273
Jamaica	13,721	10,000	30,000	-	3,800	-	1,400	2,380	-	500	400	-	61,981
Mexico	-	-	-	-	-	-	18,300	-	-	-	400	-	18,700
Nicaragua	11,000	204,273	-	29,700	2,525	-	-	394	-	-	-	-	247,892
Panama	-	42,638	-	13,400	-	-	-	586	-	-	-	-	56,624
Paraguay	-	-	-	-	-	-	-	2,202	-	-	175	-	2,377
Peru	9,736	-	-	-	28,985	22,000	19,000	-	-	34,000	900	-	114,623
Suriname	-	-	-	-	-	-	-	-	-	-	25	-	25
Trinidad/Tobago	-	-	-	-	-	-	-	-	-	250	95	-	345
Uruguay	-	-	-	-	-	-	-	460	-	-	200	-	660
Venezuela	-	-	-	-	-	-	1,000	-	-	-	125	-	1,125
Nicaragua/Panama Admin Exp.	-	9,080	-	-	-	-	-	-	-	-	-	-	9,080
Caribbean Regional	17,029	2,150	-	-	-	-	-	2,550	-	3,000	700	-	25,429
Central American Reg	-	-	-	-	-	-	-	-	-	-	-	-	0
ROCAP	17,307	-	-	-	-	-	-	-	-	-	-	-	17,307
LAC Regional	60,789	9,498	-	-	-	-	6,000	-	-	-	-	-	76,287
PACAMS	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000
Andean Narcotics Initiative	-	175,000	-	-	-	-	-	-	-	-	-	-	175,000
Total	357,087	712,768	87,000	61,100	78,748	74,000	88,600	25,651	-	210,600	12,770	-	1,707,304

Table 5B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - ESTIMATED OBLIGATIONS 3/

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I & 4/	PL 480 TITLE II & 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
S&T													
Agriculture	35,750	-	-	-	-	-	-	-	-	-	-	-	35,750
Education	6,110	-	-	-	-	-	-	-	-	-	-	-	6,110
Energy	20,000	-	-	-	-	-	-	-	-	-	-	-	20,000
Forestry & Envr Nat Res	13,200	-	-	-	-	-	-	-	-	-	-	-	13,200
Health	90,894	-	-	-	-	-	-	-	-	-	-	-	90,894
Nutrition	7,654	-	-	-	-	-	-	-	-	-	-	-	7,654
Population	161,400	-	-	-	-	-	-	-	-	-	-	-	161,400
Rural & Institutional Dev	8,200	-	-	-	-	-	-	-	-	-	-	-	8,200
Research & Univ Relations	8,000	-	-	-	-	-	-	-	-	-	-	-	8,000
Science Advisor	8,624	-	-	-	-	-	-	-	-	-	-	-	8,624
Israel Cooperation	7,500	-	-	-	-	-	-	-	-	-	-	-	7,500
International Training	2,300	-	-	-	-	-	-	-	-	-	-	-	2,300
Program Office	1,404	-	-	-	-	-	-	-	-	-	-	-	1,404
CGIARS	42,000	-	-	-	-	-	-	-	-	-	-	-	42,000
Total S&T	413,936	-	-	-	-	-	-	-	-	-	-	-	413,936
FVA													
Food for Peace	315	-	-	-	-	-	-	-	-	-	-	-	315
PVC	46,288	-	-	-	-	-	-	-	-	-	-	-	46,288
Biden Pell	[2,500]	-	-	-	-	-	-	-	-	-	-	-	[2,500]
Program Mgt Support	8,083	-	-	-	-	-	-	-	-	-	-	-	8,083
Total FVA	54,686	-	-	-	-	-	-	-	-	-	-	-	54,686
PPC													
Economic Affairs	4,469	-	-	-	-	-	-	-	-	-	-	-	4,469
Evaluation/Development Info.	4,230	-	-	-	-	-	-	-	-	-	-	-	4,230
PDPR	2,280	-	-	-	-	-	-	-	-	-	-	-	2,280
Women in Development	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
Donor Coordination	350	-	-	-	-	-	-	-	-	-	-	-	350
ITIP	-	-	-	-	-	-	-	-	-	-	-	-	0
Strategic Planning	670	-	-	-	-	-	-	-	-	-	-	-	670
Peace Corps	1,800	-	-	-	-	-	-	-	-	-	-	-	1,800
Israel Cooperation	-	-	-	-	-	-	-	-	-	-	-	-	0
Total PPC	18,808	-	-	-	-	-	-	-	-	-	-	-	18,808
OFDA	-	7	-	-	-	-	-	-	-	-	-	-	7
OFDA Disaster Preparedness	-	-	-	-	-	-	-	-	-	-	-	-	0
Other	-	-	-	-	-	-	50,250	60,835	-	27,921	2,160	-	161,166
Hostages in Iraq	-	10,000	-	-	-	-	-	-	-	-	-	-	10,000
War Victims	-	1,189	-	-	-	-	-	-	-	-	-	-	1,189
P.L.480:													
Reserve	-	-	-	17,800	176,219	-	-	-	-	-	-	-	193,819
World Food Program	-	-	-	-	49,622	-	-	-	-	-	-	-	49,622
Stock Adjustment	-	-	-	-	(14,139)	-	-	-	-	-	-	-	(14,139)
Freight Costs	-	-	14,700	44,500	189,397	143,983	-	-	-	-	-	-	392,570
Initial Payment	-	-	(2,200)	-	-	-	-	-	-	-	-	-	(2,200)
Farmer to Farmer	-	-	-	1,800	1,428	737	-	-	-	-	-	-	3,163
PVO Administration	-	-	-	-	10,000	-	-	-	-	-	-	-	10,000
Buydown	-	-	-	-	-	-	-	-	-	-	-	-	0
Forward Funding	-	-	-	-	(38,635)	-	-	-	-	-	-	-	(38,635)
DOT Reflows	-	-	-	-	-	-	-	-	-	-	-	-	0

Table 5C

FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE - REQUEST

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	PL 480 TITLE III	NARCS	PEACE CORPS	OTHER ECON	FMF LOANS	FMF GRANTS	IMET	OTHER MILITARY	TOTAL
BILATERAL ASSISTANCE													
Africa	800,000	28,300	17,000	58,383	73,800	-	58,045	-	-	34,500	9,145	-	1,066,973
Asia and Private Enterprise	237,212	17,800	5,000	97,888	81,800	7,000	17,310	-	-	800	6,145	-	472,766
Europe and the Near East	164,209	2,468,000	235,000	48,934	-	9,900	11,885	580,000	313,861	4,279,585	18,005	-	8,111,409
Latin America & Caribbean	408,200	713,808	125,000	108,164	88,000	99,800	27,953	-	-	288,405	13,745	-	1,828,267
Central PL 480	-	-	81,800	313,820	88,000	-	-	-	-	-	-	-	483,420
S&T	387,379	-	-	-	-	-	-	-	-	-	-	-	387,379
FVA	56,000	-	-	-	-	-	-	-	-	-	-	-	56,000
PPC	20,500	-	-	-	-	-	-	-	-	-	-	-	20,500
OFDA	5,500	-	-	-	-	-	-	-	-	-	-	-	5,500
Other	-	-	-	-	-	54,700	84,757	-	-	28,700	2,480	-	170,657
Contingency Unallocated	-	-	-	-	-	-	-	-	-	-	-	-	0
Geographic & Central Programs	2,077,000	3,228,000	483,800	627,800	308,200	171,800	200,000	580,000	313,861	4,600,000	52,500	-	12,602,961
(Africa Fund)	[800,000]	-	-	-	-	-	-	-	-	-	-	-	[800,000]
(Andean Narcotics Init.)	-	[250,000]	-	-	-	-	-	-	-	-	-	-	[250,000]
Deob/Reob	36,000	12,000	-	-	-	-	-	-	-	10,000	-	-	58,000
Subtotal	2,113,000	3,240,000	483,800	627,800	308,200	171,800	200,000	580,000	313,861	4,610,000	52,500	-	12,660,961
ASHA	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000
Disaster Assistance	40,000	-	-	-	-	-	-	-	-	-	-	-	40,000
Humanit. Relief (McCollum Amdt)	-	-	-	-	-	-	-	-	-	-	-	-	0
Private Sector Revolving Fund	-	-	-	-	-	-	-	-	-	-	-	-	0
Priv Sector Investment Guarantees	[114,000]	-	-	-	-	-	-	-	-	-	-	-	[114,000]
Priv Sector Investment Admin Exp	1,367	-	-	-	-	-	-	-	-	-	-	-	1,367
Housing Guaranty Subsidy & Admin	9,500	-	-	-	-	-	-	-	-	-	-	-	9,500
Housing Guarantees Limitation	[100,000]	-	-	-	-	-	-	-	-	-	-	-	[100,000]
Housing Borrowing Authority	-	-	-	-	-	-	-	-	-	-	-	-	0
Housing Guaranty Liquidating Acct.	31,460	-	-	-	-	-	-	-	-	-	-	-	31,460
Operating Expenses	483,300	-	-	-	-	-	-	-	-	-	-	-	483,300
Operating Expenses-IG	37,739	-	-	-	-	-	-	-	-	-	-	-	37,739
Foreign Service Retirement & Dis.	41,351	-	-	-	-	-	-	-	-	-	-	-	41,351
TCIP Central America	-	-	-	-	-	-	-	-	-	-	-	-	0
TCIP Poland	-	-	-	-	-	-	-	-	-	-	-	-	0
Miscellaneous Trust Funds	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
Central American Reconciliation	-	-	-	-	-	-	-	-	-	-	-	-	0
Advanced Acq. of Property	-	-	-	-	-	-	-	-	-	-	-	-	0
A.I.D. Loan Repayments	(449,000)	-	-	-	-	-	-	-	-	-	-	-	(449,000)
Misc. Trust Funds Receipts	(5,000)	-	-	-	-	-	-	-	-	-	-	-	(5,000)
Total A.I.D.	2,338,717	3,240,000	483,800	627,800	308,200	-	-	580,000	-	-	-	-	7,538,717

Table 5C

FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE - REQUEST

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	PL 480 TITLE III	NARCS	PEACE CORPS	OTHER ECON	FMF LOANS	FMF GRANTS	IMET	OTHER MILITARY	TOTAL
Enterprise for the Americas													
Debt Restructuring	-	-	-	-	-	-	-	309,681	-	-	-	-	309,681
Multilateral Investment Fund	-	-	-	-	-	-	-	100,000	-	-	-	-	100,000
Trade & Development Program	-	-	-	-	-	-	-	35,000	-	-	-	-	35,000
Inter-American Foundation	-	-	-	-	-	-	-	28,794	-	-	-	-	28,794
Inter-American Foundation Gifts	-	-	-	-	-	-	-	-	-	-	-	-	0
African Development Foundation	-	-	-	-	-	-	-	14,950	-	-	-	-	14,950
Peace Corps Trust Fund	-	-	-	-	-	-	1,591	-	-	-	-	-	1,591
Migration & Refugee Assistance	-	-	-	-	-	-	-	490,557	-	-	-	-	490,557
Emergency Refugee Fund	-	-	-	-	-	-	-	20,000	-	-	-	-	20,000
Misc. Trust Funds - DOT	-	-	-	-	-	-	-	5,630	-	-	-	-	5,630
Misc. Trust Funds - DOT Receipts	-	-	-	-	-	-	-	(5,030)	-	-	-	-	(5,030)
Overseas Priv. Invest Corp (OPIC)													
Loan Subsidy & Admin Expenses	-	-	-	-	-	-	-	10,649	-	-	-	-	10,649
(limit on direct loans)	-	-	-	-	-	-	-	[25,000]	-	-	-	-	[25,000]
(limit on guar. loans)	-	-	-	-	-	-	-	[375,000]	-	-	-	-	[375,000]
PL 480 Subsidy	-	-	(100,594)	-	-	-	-	-	-	-	-	-	(100,594)
PL 480 Administrative Expenses	-	-	1,847	-	-	-	-	-	-	-	-	-	1,847
Receipts	-	-	-	-	-	-	-	(25,667)	-	-	-	-	(25,667)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	0
Total: Bilateral	2,338,717	3,340,000	365,000	627,000	308,200	171,800	201,591	1,944,994	313,881	4,610,000	52,500	-	13,774,086
MULTILATERAL ASSISTANCE													
MDB's	-	-	-	-	-	-	-	1,685,004	-	-	-	-	1,685,004
I O & P	-	-	-	-	-	-	-	250,212	-	-	-	-	250,212
Total: Multilateral	-	-	-	-	-	-	-	1,935,216	-	-	-	-	1,935,216
TOTAL ECONOMIC ASSISTANCE	2,338,717	3,340,000	365,000	627,000	308,200	171,800	201,591	3,879,760	-	-	-	-	10,732,841
Anti-Terrorism Assistance	-	-	-	-	-	-	-	-	-	-	-	15,000	15,000
Peacekeeping Operations	-	-	-	-	-	-	-	-	-	-	-	28,000	28,000
FMF Liquidating Act (GRF pre-92)	-	-	-	-	-	-	-	-	(312,961)	-	-	(208,373)	(520,334)
FMF Subsidy & Admin Expenses	-	-	-	-	-	-	-	-	40,000	-	-	-	40,000
Relocation of Facilities, Israel	-	-	-	-	-	-	-	-	-	-	-	-	0
Special Defense Acquisition Fund	-	-	-	-	-	-	-	-	-	-	-	[275,000]	[275,000]
Repayment of Loans	-	-	-	-	-	-	-	-	-	-	-	(364,325)	(364,325)
MAP Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL MILITARY ASSISTANCE	-	-	-	-	-	-	-	-	40,000	4,610,000	52,500	(547,698)	4,154,802
TOTAL ECONOMIC & MILITARY	2,338,717	3,340,000	365,000	627,000	308,200	171,800	201,591	3,879,760	40,000	4,610,000	52,500	(547,698)	14,887,643

1/ Includes P.L. 480 emergency programs in both Afghanistan and Pakistan.

2/ Presidential certification is required prior to obligation, pursuant to section 620E of the Foreign Assistance Act and Section 574 of P.L. 101-513. If certification is made, additional funding for 1991 and 1992 Title I or Title III will be considered assuming the program is consistent with the requirements of the new P.L. 480 legislation.

Table 5C

04:07 PM
25-Feb-91

FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE - REQUEST

(DOLLARS THOUSANDS)

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	PL 480 TITLE III	NARCS	PEACE CORPS	OTHER ECON	FMF LOANS	FMF GRANTS	IMET	OTHER MILITARY	TOTAL
AFRICA													
Angola	-	-	-	-	-	-	-	-	-	-	-	-	0
Benin	6,000	-	-	1,274	-	-	1,035	-	-	-	125	-	11,055
Botswana	7,000	-	-	-	-	-	3,199	-	-	1,000	400	-	11,599
Burkina	3,000	-	-	5,901	-	-	-	-	-	-	100	-	8,801
Burundi	10,000	-	-	-	-	-	651	-	-	-	200	-	19,051
Cameroon	24,000	-	-	-	-	-	3,854	-	-	-	325	-	28,179
Cape Verde	3,000	-	-	-	-	-	-	-	-	-	100	-	3,100
Central African Republic	4,000	-	-	-	-	-	2,941	-	-	-	255	-	6,696
Chad	15,000	-	-	-	1,400	-	1,518	-	-	2,800	380	-	20,298
Comoros	700	-	-	-	-	-	480	-	-	-	75	-	1,255
Congo	1,000	-	2,800	-	-	-	839	-	-	-	105	-	3,744
Cote d'Ivoire	7,000	4,000	10,800	-	-	-	1,224	-	-	-	300	-	22,424
Djibouti	-	3,000	-	-	-	-	-	-	-	2,800	175	-	6,175
Equatorial Guinea	1,000	-	-	-	-	-	640	-	-	-	100	-	1,740
Ethiopia	-	-	-	11,500	-	-	-	-	-	-	-	-	11,500
Ethiopia (North)	-	-	-	-	-	-	-	-	-	-	-	-	0
Gabon	-	-	-	-	-	-	2,464	-	-	-	150	-	2,614
Gambia	8,000	-	-	1,157	-	-	1,030	-	-	-	125	-	10,312
Ghana	28,000	-	-	3,992	6,300	-	1,942	-	-	-	175	-	40,280
Guinea	28,000	-	-	-	7,000	-	1,252	-	-	-	175	-	34,427
Guinea-Bissau	3,000	-	-	992	-	-	1,882	-	-	-	150	-	7,304
Kenya	28,000	-	-	1,018	6,300	-	2,416	-	-	4,000	1,100	-	41,534
Lesotho	7,000	-	-	-	-	-	1,348	-	-	-	75	-	8,424
Liberia	-	-	-	-	-	-	-	-	-	-	100	-	100
Madagascar	28,000	-	-	2,330	4,900	-	-	-	-	-	100	-	35,330
Malawi	24,000	-	-	7,000	-	-	1,829	-	-	1,000	250	-	44,174
Mali	28,000	-	-	1,000	1,300	-	3,854	-	-	-	175	-	38,077
Mauritania	-	-	-	3,000	-	-	2,035	-	-	-	-	-	5,035
Mauritius	1,800	-	-	-	-	-	-	-	-	-	100	-	1,900
Mozambique	28,000	-	-	7,000	13,000	-	-	-	-	-	100	-	57,899
Namibia	7,000	5,000	-	-	-	-	1,899	-	-	-	180	-	13,779
Niger	28,000	-	-	-	-	-	3,479	-	-	800	300	-	30,879
Nigeria	11,000	-	-	-	-	-	804	-	-	-	500	-	12,304
Rwanda	20,000	-	-	-	-	-	611	-	-	-	100	-	20,911
Sao Tome	300	-	-	-	-	-	418	-	-	-	125	-	843
Senegal	20,000	3,000	-	1,000	7,300	-	2,542	-	-	1,000	625	-	35,267
Seychelles	-	3,300	-	-	-	-	351	-	-	-	100	-	3,751
Sierra Leone	540	-	5,000	1,000	-	-	2,145	-	-	-	300	-	8,730
Somalia	-	-	-	-	-	-	-	-	-	-	300	-	300
South Africa	40,000	-	-	-	-	-	-	-	-	-	-	-	40,000
Sudan	-	-	-	1,015	-	-	-	-	-	-	300	-	1,315
Swaziland	6,000	-	-	-	-	-	1,345	-	-	-	100	-	7,445
Tanzania	20,000	-	-	-	2,000	-	1,694	-	-	-	150	-	34,044
Togo	10,000	-	-	2,867	-	-	2,442	-	-	-	150	-	15,279
Uganda	28,000	-	-	3,000	5,900	-	644	-	-	-	300	-	47,744
Zaire	23,000	-	-	-	10,800	-	3,345	-	-	3,000	300	-	40,145
Zambia	10,000	-	-	-	6,000	-	-	-	-	-	-	-	16,000
Zimbabwe	10,000	-	-	-	-	-	831	-	-	-	300	-	10,931
S Africa Regional/SADCC	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
Africa Regional	110,000	10,000	-	-	-	-	-	-	-	16,000	-	-	136,000
AEPRP	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
Total	600,000	28,300	17,000	69,300	73,000	-	59,945	-	-	34,500	9,145	-	1,066,973
(FDAP/Sahel)	-	-	-	-	-	-	-	-	-	-	-	-	0

Table 5C

FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE - REQUEST

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	PL 480 TITLE III	NARCS	PEACE CORP'S	OTHER ECON	FMF LOANS	FMF GRANTS	IMET	OTHER MILITARY	TOTAL
ASIA & PRIVATE ENTERPRISE													
Bangladesh	62,000	-	-	14,524	60,000	-	-	-	-	-	350	-	136,874
Bhutan	-	-	-	-	-	-	-	-	-	-	-	-	0
Fiji	-	300	-	-	-	-	1,570	-	-	300	50	-	2,220
India	22,000	-	-	77,583	-	-	-	-	-	-	345	-	99,928
Indonesia	45,250	5,000	-	5,792	-	-	-	-	-	-	2,300	-	58,342
Korea	-	-	-	-	-	-	-	-	-	-	800	-	800
Laos	-	-	-	-	-	2,000	628	-	-	-	-	-	2,628
Maldives	-	-	-	-	-	-	-	-	-	-	70	-	70
Malaysia	-	-	-	-	-	-	-	-	-	-	1,100	-	1,100
Micronesia	-	-	-	-	-	-	1,873	-	-	-	-	-	1,873
Mongolia	4,000	-	-	-	-	-	810	-	-	-	-	-	4,810
Nepal	15,000	-	-	-	-	-	2,174	-	-	500	185	-	17,859
Papua New Guinea	-	-	-	-	-	-	1,942	-	-	-	80	-	2,022
Singapore	-	-	-	-	-	-	-	-	-	-	15	-	15
Solomon Islands	-	-	-	-	-	-	929	-	-	-	50	-	979
Sri Lanka	19,300	-	5,000	-	21,600	-	671	-	-	-	200	-	46,771
Thailand	12,300	-	-	-	-	5,000	3,583	-	-	-	2,500	-	23,383
Affected Thai Villages	-	2,500	-	-	-	-	-	-	-	-	-	-	2,500
Tonga	-	-	-	-	-	-	716	-	-	-	50	-	766
Tuvalu	-	-	-	-	-	-	95	-	-	-	-	-	95
Vanuatu	-	-	-	-	-	-	134	-	-	-	50	-	184
Western Samoa	-	-	-	-	-	-	1,019	-	-	-	-	-	1,019
ASEAN	3,300	-	-	-	-	-	-	-	-	-	-	-	3,300
South Pacific	8,250	10,000	-	-	-	-	1,359	-	-	-	-	-	20,609
APRE Regional	13,712	-	-	-	-	-	-	-	-	-	-	-	13,712
Subtotal Asia	208,112	17,800	5,000	97,899	81,600	7,000	17,310	-	-	800	6,145	-	441,666
Investment	1,500	-	-	-	-	-	-	-	-	-	-	-	1,500
Emerging Markets	8,000	-	-	-	-	-	-	-	-	-	-	-	8,000
Finance & Program Management	10,000	-	-	-	-	-	-	-	-	-	-	-	10,000
International Business Staff	2,554	-	-	-	-	-	-	-	-	-	-	-	2,554
Small, Micro & Informal Ent.	4,546	-	-	-	-	-	-	-	-	-	-	-	4,546
Housing & Urban Development	3,500	-	-	-	-	-	-	-	-	-	-	-	3,500
Subtotal PRE	31,100	0	-	-	-	-	-	-	-	-	-	-	31,100
Total	237,212	17,800	5,000	97,899	81,600	7,000	17,310	-	-	800	6,145	-	472,766

Table 5C

FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE - REQUEST

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	PL 480 TITLE III	NARCS	PEACE CORPS	OTHER ECON	FMF LOANS	FMF GRANTS	IMET	OTHER MILITARY	TOTAL
EUROPE & THE NEAR EAST													
Algeria	-	-	-	-	-	-	-	-	-	-	150	-	150
Austria	-	-	-	-	-	-	-	-	-	-	-	-	0
Afghanistan Humanitarian 1/	30,000	30,000	-	19,365	-	-	-	-	-	-	-	-	79,365
Bulgaria	-	-	-	-	-	-	936	-	-	-	-	-	936
Cambodia	20,000	5,000	-	2,531	-	-	-	-	-	-	-	-	27,531
Cyprus	-	3,000	-	-	-	-	-	-	-	-	-	-	3,000
Czechoslovakia	-	-	-	-	-	-	1,478	-	-	-	75	-	1,553
Egypt	-	815,000	150,000	-	-	-	-	-	-	1,300,000	1,800	-	2,266,800
Finland	-	-	-	-	-	-	-	-	-	-	-	-	0
Greece	-	-	-	-	-	-	-	-	285,000	65,000	500	-	350,500
Hungary	-	-	-	-	-	-	1,902	-	-	-	75	-	1,977
Iceland	-	-	-	-	-	-	-	-	-	-	-	-	0
Ireland	-	-	-	-	-	-	-	-	-	-	-	-	0
Israel	-	1,200,000	-	-	-	-	-	-	-	1,800,000	-	-	3,000,000
Jordan	-	30,000	-	-	-	-	-	-	-	25,000	2,000	-	57,000
Lebanon	4,000	2,000	-	10,766	-	-	-	-	-	-	400	-	17,166
Luxembourg	-	-	-	-	-	-	-	-	-	-	-	-	0
Malta	-	-	-	-	-	-	77	-	-	-	65	-	142
Morocco	23,000	12,000	35,000	1,759	-	-	1,362	-	-	40,000	1,150	-	114,291
Oman	-	15,000	-	-	-	-	-	-	-	5,000	100	-	20,100
Pakistan 2/	25,000	100,000	30,000	-	-	7,500	865	-	6,981	108,565	815	-	267,857
Philippines	40,000	120,000	30,000	13,428	-	-	864	160,000	-	200,000	2,800	-	557,112
Poland	-	-	-	-	-	-	1,933	-	-	-	75	-	2,008
Portugal	-	40,000	-	-	-	-	-	-	22,000	103,000	2,850	-	167,850
Romania	-	-	-	-	-	-	689	-	-	-	-	-	689
Spain	-	-	-	-	-	-	-	-	-	-	1,200	-	1,200
Tunisia	-	3,000	10,000	-	-	-	1,008	-	-	10,000	1,250	-	25,258
Turkey	-	75,000	-	-	-	400	-	-	-	625,000	3,500	-	703,900
USSR (Armenian Earthquake)	-	-	-	-	-	-	-	-	-	-	-	-	0
West Bank/Gaza	-	12,000	-	2,085	-	-	-	-	-	-	-	-	14,085
Yemen	3,000	-	-	-	-	-	740	-	-	-	-	-	3,740
Yugoslavia	-	-	-	-	-	-	-	-	-	-	100	-	100
Eastern Europe Regional	-	-	-	-	-	-	-	400,000	-	-	-	-	400,000
Europe and Near East Regional	19,209	8,000	-	-	-	2,000	-	-	-	-	-	-	27,209
Total	164,209	2,488,000	235,000	49,984	-	9,900	11,895	560,000	313,981	4,279,565	19,005	-	8,111,499

Table 5C

FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE - REQUEST

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	PL 480 TITLE III	NARCS	PEACE CORPS	OTHER ECON	FMF LOANS	FMF GRANTS	IMET	OTHER MILITARY	TOTAL
LATIN AMERICA & CARIBBEAN													
Argentina	-	-	-	-	-	-	-	-	-	1,000	200	-	1,200
Bahamas	-	-	-	-	-	1,200	-	-	-	-	125	-	1,325
Belize	7,500	-	-	-	-	-	1,632	-	-	500	125	-	9,757
Bolivia	22,500	25,000	-	13,295	20,000	15,700	1,262	-	-	40,000	900	-	138,657
Brazil	-	-	-	-	-	3,500	-	-	-	-	150	-	3,650
Chile	400	-	-	-	-	-	700	-	-	1,000	150	-	2,250
Colombia	-	-	-	-	-	20,000	-	-	-	58,000	2,300	-	80,300
Costa Rica	8,000	20,000	10,000	-	-	-	2,187	-	-	2,360	230	-	42,777
Dominican Republic	13,000	5,000	10,000	4,306	-	-	2,213	-	-	2,000	900	-	37,419
Ecuador	15,000	-	-	-	-	3,000	2,486	-	-	5,000	800	-	26,286
El Salvador	55,000	120,000	30,000	2,812	-	-	-	-	-	85,000	1,400	-	294,212
Guatemala	28,225	30,000	15,000	8,909	-	-	2,560	-	-	2,000	400	-	87,094
Guyana	-	2,000	5,000	-	-	-	638	-	-	-	50	-	7,688
Haiti	38,750	24,000	-	13,810	12,000	-	1,428	-	-	2,200	665	-	92,853
Honduras	41,000	50,000	-	5,432	12,000	-	3,645	-	-	19,100	1,100	-	132,277
Jamaica	16,500	15,000	30,000	3,600	-	1,500	2,346	-	-	3,000	450	-	72,396
Mexico	-	-	-	-	-	26,000	-	-	-	-	430	-	26,430
Nicaragua	22,000	150,000	25,000	7,000	-	-	659	-	-	-	-	-	204,659
Panama	17,000	10,000	-	-	-	-	838	-	-	-	-	-	27,838
Paraguay	-	-	-	-	-	-	2,061	-	-	500	175	-	2,736
Peru	15,700	-	-	50,000	22,000	-	-	-	-	39,000	900	-	127,600
Suriname	-	-	-	-	-	-	-	-	-	-	-	-	0
Trinidad/Tobago	-	-	-	-	-	-	-	-	-	500	25	-	525
Uruguay	-	-	-	-	-	-	647	-	-	1,000	325	-	1,972
Venezuela	-	-	-	-	-	2,000	-	-	-	-	175	-	2,175
Nicaragua/Panama Admin Exp.	-	-	-	-	-	-	-	-	-	-	-	-	0
Caribbean Regional	20,800	3,000	-	-	-	-	2,651	-	-	4,245	700	-	31,396
Central American Reg	-	-	-	-	-	-	-	-	-	-	-	-	0
ROCAP	18,000	-	-	-	-	-	-	-	-	-	-	-	18,000
LAC Regional	66,825	9,900	-	-	-	27,000	-	-	-	-	-	-	103,725
PACAMS	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000
Andean Narcotics Initiative	-	250,000	-	-	-	-	-	-	-	-	-	-	250,000
Total	408,200	713,900	125,000	108,164	66,000	99,900	27,953	-	-	286,405	13,745	-	1,828,267

Table 5C

FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE - REQUEST

(DOLLARS THOUSANDS)

04:07 PM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	PL 480 TITLE III	NARCS	PEACE CORPS	OTHER ECON	FMF LOANS	FMF GRANTS	IMET	OTHER MILITARY	TOTAL
S&T													
Agriculture	32,233	-	-	-	-	-	-	-	-	-	-	-	32,233
Education	5,975	-	-	-	-	-	-	-	-	-	-	-	5,975
Energy	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000
Forestry & Env Nat Res	17,000	-	-	-	-	-	-	-	-	-	-	-	17,000
Health	97,810	-	-	-	-	-	-	-	-	-	-	-	97,810
Nutrition	7,300	-	-	-	-	-	-	-	-	-	-	-	7,300
Population	137,449	-	-	-	-	-	-	-	-	-	-	-	137,449
Rural & Institutional Dev	7,000	-	-	-	-	-	-	-	-	-	-	-	7,000
Research & Univ Relations	8,000	-	-	-	-	-	-	-	-	-	-	-	8,000
Science Advisor	8,862	-	-	-	-	-	-	-	-	-	-	-	8,862
Israel Cooperation	7,500	-	-	-	-	-	-	-	-	-	-	-	7,500
International Training	2,850	-	-	-	-	-	-	-	-	-	-	-	2,850
Program Office	500	-	-	-	-	-	-	-	-	-	-	-	500
CGIARS	40,000	-	-	-	-	-	-	-	-	-	-	-	40,000
Total S&T	367,379	-	-	-	-	-	-	-	-	-	-	-	367,379
FVA													
Food for Peace	300	-	-	-	-	-	-	-	-	-	-	-	300
PVC	49,238	-	-	-	-	-	-	-	-	-	-	-	49,238
Biden Pell	[2,500]	-	-	-	-	-	-	-	-	-	-	-	[2,500]
Program Mgt Support	8,462	-	-	-	-	-	-	-	-	-	-	-	8,462
Total FVA	58,000	-	-	-	-	-	-	-	-	-	-	-	58,000
PPC													
Economic Affairs	4,200	-	-	-	-	-	-	-	-	-	-	-	4,200
Evaluation/Development Info.	5,300	-	-	-	-	-	-	-	-	-	-	-	5,300
PDPR	2,950	-	-	-	-	-	-	-	-	-	-	-	2,950
Women in Development	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000
Donor Coordination	350	-	-	-	-	-	-	-	-	-	-	-	350
ITIP	-	-	-	-	-	-	-	-	-	-	-	-	0
Strategic Planning	700	-	-	-	-	-	-	-	-	-	-	-	700
Peace Corps	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000
Israel Cooperation	-	-	-	-	-	-	-	-	-	-	-	-	0
Total PPC	20,800	-	-	-	-	-	-	-	-	-	-	-	20,800
OFDA													
OFDA Disaster Preparedness	5,500	-	-	-	-	-	-	-	-	-	-	-	0
Other													
Hostages in Iraq	-	-	-	-	-	54,700	84,757	-	-	28,700	2,480	-	5,500
War Victims	-	-	-	-	-	-	-	-	-	-	-	-	170,657
P.L.480:													0
Reserve	-	-	35,420	88,857	-	-	-	-	-	-	-	-	0
World Food Program	-	-	-	72,500	-	-	-	-	-	-	-	-	124,317
Stock Adjustment	-	-	-	(40,221)	-	-	-	-	-	-	-	-	72,500
Freight Costs	-	-	48,380	181,190	67,382	-	-	-	-	-	-	-	(40,221)
Initial Payment	-	-	-	-	-	-	-	-	-	-	-	-	314,952
Farmer to Farmer	-	-	-	1,254	618	-	-	-	-	-	-	-	0
PVO Administration	-	-	-	10,000	-	-	-	-	-	-	-	-	1,872
Buydown	-	-	-	-	-	-	-	-	-	-	-	-	10,000
Forward Funding	-	-	-	-	-	-	-	-	-	-	-	-	0
DOT Reflows	-	-	-	-	-	-	-	-	-	-	-	-	0
													0

Table 6A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL APPROPRIATIONS

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
BILATERAL ASSISTANCE											
Africa	577,656	33,690	63,100	187,559	--	50,650	--	29,871	8,828	--	951,354
Asia and Private Enterprise	176,047	15,361	86,700	124,609	4,075	13,469	--	3,038	7,345	--	432,644
Europe and the Near East	228,565	2,630,847	411,800	64,961	5,725	11,470	159,312	4,528,037	19,570	--	8,260,287
Latin America & Caribbean	362,811	1,082,141	186,000	98,261	72,000	24,394	--	222,752	11,312	--	2,059,671
Central PL 480	--	--	39,789	255,709	--	--	--	--	--	--	295,498
S&T	367,987	240	--	--	--	--	--	--	--	--	368,227
FVA	60,408	--	--	--	--	--	--	--	--	--	60,408
PPC	21,981	--	--	--	--	--	--	--	--	--	21,981
OFDA	--	2,500	--	--	--	--	--	--	--	--	2,500
Other	18	1,189	--	--	47,740	65,866	--	29,870	141	--	144,824
Contingency Unallocated	--	--	--	--	--	--	--	--	--	--	0
Geographic & Central Programs	1,795,471	3,985,988	789,389	731,099	129,540	165,849	159,312	4,813,568	47,196	--	12,597,212
(Africa Fund)	[571,823]	--	--	--	--	--	--	--	--	--	[571,823]
(Andean Narcotics Init.)	--	--	--	--	--	--	--	--	--	--	0
Deob/Reob	74,185	40,691	--	--	--	--	--	--	--	--	114,876
Subtotal	1,869,656	4,026,679	789,389	731,099	129,540	165,849	159,312	4,813,568	47,196	--	12,712,088
ASHA	34,850	--	--	--	--	--	--	--	--	--	34,850
Disaster Assistance	29,893	--	--	--	--	--	--	--	--	--	29,893
Humanit. Relief (McCollum Amdt)	2,845	--	--	--	--	--	--	--	--	--	2,845
Private Sector Revolving Fund	--	--	--	--	--	--	--	--	--	--	0
Priv Sector Investment Guarantees	[91,833]	--	--	--	--	--	--	--	--	--	[91,833]
Priv Sector Investment Admin Exp	--	--	--	--	--	--	--	--	--	--	0
Housing Guaranty Subsidy & Admin	--	--	--	--	--	--	--	--	--	--	0
Housing Guarantees Limitation	[499,570]	--	--	--	--	--	--	--	--	--	[499,570]
Housing Borrowing Authority	24,000	--	--	--	--	--	--	--	--	--	24,000
Housing Guaranty Liquidating Acct.	--	--	--	--	--	--	--	--	--	--	0
Operating Expenses	430,044	--	--	--	--	--	--	--	--	--	430,044
Operating Expenses-IG	30,453	--	--	--	--	--	--	--	--	--	30,453
Foreign Service Retirement & Dis.	40,147	--	--	--	--	--	--	--	--	--	40,147
TCIP Central America	[200,000]	--	--	--	--	--	--	--	--	--	[200,000]
TCIP Poland	[200,000]	--	--	--	--	--	--	--	--	--	[200,000]
Miscellaneous Trust Funds	3,552	--	--	--	--	--	--	--	--	--	3,552
Central American Reconciliation	12,900	--	--	--	--	--	--	--	--	--	12,900
Advanced Acq. of Property	--	--	--	--	--	--	--	--	--	--	0
A.I.D. Loan Repayments	(451,927)	--	--	--	--	--	--	--	--	--	(451,927)
Misc. Trust Funds Receipts	(1,702)	--	--	--	--	--	--	--	--	--	(1,702)
Rescision of Prior Year Funds	--	(50,000)	--	--	--	--	--	--	--	--	(50,000)
Total A.I.D.	2,024,711	3,976,679	789,389	731,099	--	--	159,312	--	--	--	7,681,190

Table 6A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL APPROPRIATIONS

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
Enterprise for the Americas											
Debt Restructuring	--	--	--	--	--	--	--	--	--	--	0
Multilateral Investment Fund	--	--	--	--	--	--	--	--	--	--	0
Trade & Development Program	--	--	--	--	--	--	31,499	--	--	--	31,499
Inter-American Foundation	--	--	--	--	--	--	16,859	--	--	--	16,859
Inter-American Foundation Gifts	--	--	--	--	--	--	4	--	--	--	4
African Development Foundation	--	--	--	--	--	--	8,846	--	--	--	8,846
Peace Corps Trust Fund	--	--	--	--	--	378	--	--	--	--	378
Migration & Refugee Assistance	--	--	--	--	--	--	428,473	--	--	--	428,473
Emergency Refugee Fund	--	--	--	--	--	--	84,785	--	--	--	84,785
Misc. Trust Funds - DOT	--	--	--	--	--	--	2,392	--	--	--	2,392
Misc. Trust Funds - DOT Receipts	--	--	--	--	--	--	(3,548)	--	--	--	(3,548)
Overseas Priv. Invest Corp (OPIC)											
Loan Subsidy & Admin Expenses	--	--	--	--	--	--	--	--	--	--	0
(limit on direct loans)	--	--	--	--	--	--	[19,914]	--	--	--	[19,914]
(limit on guar. loans)	--	--	--	--	--	--	[211,537]	--	--	--	[211,537]
PL 480 Subsidy	--	--	--	--	--	--	--	--	--	--	0
PL 480 Administrative Expenses	--	--	--	--	--	--	--	--	--	--	0
Receipts	--	--	(542,267)	--	--	--	(25,667)	--	--	--	(567,934)
Adjustments	--	--	--	--	--	--	--	--	--	--	0
Total: Bilateral	2,034,711	3,958,679	247,122	731,099	129,540	166,027	702,934	4,811,142	47,196	--	12,818,876
MULTILATERAL ASSISTANCE											
MDB's	--	--	--	--	--	--	1,469,191	--	--	--	1,469,191
I O & P	--	--	--	--	--	--	274,137	--	--	--	274,137
Total: Multilateral	--	--	--	--	--	--	1,743,328	--	--	--	1,743,328
TOTAL ECONOMIC ASSISTANCE	2,034,711	3,958,679	247,122	731,099	129,540	166,027	2,446,262	--	--	--	9,701,440
Anti-Terrorism Assistance	--	--	--	--	--	--	--	--	--	9,974	9,974
Peacekeeping Operations	--	--	--	--	--	--	--	--	--	32,773	32,773
FMF Liquidating Acct (GRF pre-92)	--	--	--	--	--	--	--	--	--	(259,175)	(259,175)
FMF Subsidy & Admin Expenses	--	--	--	--	--	--	--	--	--	--	0
Relocation of Facilities, Israel	--	--	--	--	--	--	--	--	--	--	0
Special Defense Acquisition Fund	--	--	--	--	--	--	--	--	--	[278,706]	[278,706]
Repayment of Loans	--	--	--	--	--	--	--	--	--	(232,122)	(232,122)
MAP Receipts	--	--	--	--	--	--	--	(2,426)	--	--	(2,426)
TOTAL MILITARY ASSISTANCE	--	--	--	--	--	--	--	4,811,142	47,196	(448,550)	4,409,788
TOTAL ECONOMIC & MILITARY	2,034,711	3,958,679	247,122	731,099	129,540	166,027	2,446,262	4,811,142	47,196	(448,550)	14,111,228

1/ Includes P.L. 480 emergency programs in both Afghanistan and Pakistan.
2/ Presidential certification is required prior to obligation, pursuant to section 620E of the Foreign Assistance Act and Section 574 of P.L. 101-513. If certification is made, additional funding for 1991 and 1992 Title I or Title III will be considered assuming the program is consistent with the requirements of the new P.L. 480 leg[illegible].
3/ Dire Supplemental permitted additional $1 million for Cambodia and $4 million for Romania.

Table 6A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL APPROPRIATIONS

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
AFRICA											
Angola	–	–	–	2,075	–	–	–	–	–	–	2,075
Benin	915	–	–	2,081	–	1,452	–	–	75	–	4,523
Botswana	7,830	–	–	364	–	3,224	–	996	358	–	12,772
Burkina	2,194	–	–	5,710	–	–	–	–	100	–	8,004
Burundi	19,782	–	–	–	–	830	–	–	139	–	20,751
Cameroon	20,630	–	–	–	–	3,338	–	–	274	–	24,242
Cape Verde	2,350	–	–	4,275	–	–	–	–	70	–	6,695
Central African Republic	800	–	–	452	–	2,353	–	–	179	–	3,484
Chad	7,250	–	–	1,428	–	1,084	–	3,733	249	–	13,742
Comoros	700	–	–	33	–	407	–	–	40	–	1,180
Congo	800	–	2,000	187	–	48	–	–	50	–	2,786
Cote d'Ivoire	2,520	–	15,000	851	–	403	–	–	149	–	19,013
Djibouti	–	1,742	–	–	–	–	–	1,991	149	–	3,882
Equatorial Guinea	800	–	–	–	–	428	–	–	100	–	1,328
Ethiopia	–	–	–	33,534	–	–	–	–	–	–	33,534
Ethiopia (North)	–	–	–	38,364	–	–	–	–	–	–	38,364
Gabon	–	–	–	–	–	2,340	–	–	100	–	2,440
Gambia	4,685	–	–	1,199	–	1,012	–	–	70	–	6,966
Ghana	14,300	–	6,000	8,270	–	1,647	–	–	174	–	30,391
Guinea	13,250	–	–	225	–	973	–	–	149	–	14,597
Guinea-Bissau	2,483	–	–	1,033	–	1,136	–	–	70	–	4,702
Kenya	33,713	–	6,700	1,778	–	2,634	–	9,956	1,006	–	55,787
Lesotho	6,367	–	–	1,567	–	1,634	–	–	70	–	9,638
Liberia	–	–	–	14,509	–	1,897	–	–	398	–	16,804
Madagascar	15,730	–	2,500	2,132	–	–	–	299	75	–	20,736
Malawi	19,275	–	–	6,218	–	1,597	–	2,091	249	–	29,431
Mali	15,610	–	–	1,921	–	3,537	–	–	149	–	21,217
Mauritania	90	–	–	3,929	–	1,553	–	–	124	–	5,696
Mauritius	–	–	–	–	–	–	–	–	20	–	20
Mozambique	35,800	–	–	21,431	–	–	–	–	–	–	57,031
Namibia	30	10,000	–	–	–	260	–	–	–	–	10,290
Niger	16,755	–	–	1,798	–	3,034	–	1,693	274	–	23,554
Nigeria	8,000	–	–	–	–	–	–	–	100	–	8,100
Rwanda	11,500	–	–	123	–	640	–	–	100	–	12,363
Sao Tome	300	–	–	378	–	210	–	–	60	–	948
Senegal	36,000	–	4,800	1,824	–	2,326	–	1,146	473	–	46,369
Seychelles	–	1,991	–	–	–	311	–	–	100	–	2,402
Sierra Leone	500	–	4,000	1,959	–	2,068	–	–	70	–	8,597
Somalia	740	–	–	4,738	–	–	–	–	796	–	6,274
South Africa	21,800	19,957	–	–	–	–	–	–	–	–	41,557
Sudan	–	–	–	13,660	–	–	–	–	676	–	14,336
Swaziland	5,980	–	–	814	–	1,364	–	–	50	–	8,217
Tanzania	5,880	–	–	–	–	1,290	–	–	100	–	7,290
Togo	3,348	–	–	2,705	–	2,460	–	–	100	–	8,613
Uganda	43,750	–	8,000	5,584	–	25	–	–	149	–	55,508
Zaire	24,800	–	9,300	413	–	3,046	–	2,987	955	–	41,501
Zambia	7,360	–	7,000	–	–	–	–	–	–	–	14,360
Zimbabwe	5,000	–	–	–	–	–	–	–	239	–	5,239
S Africa Regional/SADCC	49,267	–	–	–	–	–	–	–	–	–	49,267
Africa Regional	109,803	–	–	–	–	–	–	4,979	–	–	114,782
AEPRP	–	–	–	–	–	–	–	–	–	–	0
Total	577,858	33,690	63,100	187,559	–	60,850	–	29,871	8,628	–	951,354
(FDAP/Sahel)	[11,421]	–	–	–	–	–	–	–	–	–	[11,421]

Table 6A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL APPROPRIATIONS

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
ASIA & PRIVATE ENTERPRISE											
Bangladesh	42,046	–	60,000	21,834	–	–	–	–	299	–	124,179
Bhutan	–	–	–	292	–	–	–	–	–	–	292
Fiji	–	–	–	–	–	1,217	–	–	25	–	1,242
India	20,017	–	–	94,030	–	–	–	–	299	–	114,346
Indonesia	40,898	1,991	–	5,349	–	–	–	–	1,791	–	49,027
Korea	–	–	–	–	–	–	–	–	1,195	–	1,195
Laos	–	–	–	–	575	–	–	–	–	–	575
Maldives	–	–	–	–	–	–	–	–	30	–	30
Malaysia	–	–	–	–	–	–	–	–	946	–	946
Micronesia	–	–	–	–	–	1,804	–	–	–	–	1,804
Mongolia	–	–	–	–	–	–	–	–	–	–	0
Nepal	12,847	–	–	2,180	–	1,895	–	–	100	–	16,772
Papua New Guinea	–	–	–	–	–	1,488	–	–	50	–	1,538
Singapore	–	–	–	–	–	–	–	–	50	–	50
Solomon Islands	–	–	–	–	–	837	–	–	30	–	867
Sri Lanka	18,576	–	28,700	944	–	412	–	–	159	–	48,791
Thailand	6,600	–	–	–	3,500	3,119	–	3,035	2,191	–	17,445
Affected Thai Villages	2,500	2,539	–	–	–	–	–	–	–	–	5,039
Tonga	–	–	–	–	–	609	–	–	50	–	659
Tuvalu	–	–	–	–	–	69	–	–	–	–	69
Vanuatu	–	–	–	–	–	78	–	–	30	–	108
Western Samoa	–	–	–	–	–	898	–	–	–	–	898
ASEAN	3,260	–	–	–	–	–	–	–	–	–	3,260
South Pacific	6,000	10,001	–	–	–	1,073	–	–	–	–	17,074
APRE Regional	5,843	800	–	–	–	–	–	–	–	–	6,643
Subtotal Asia	157,085	15,391	88,700	124,609	4,075	13,499	0	3,035	7,345	0	413,572
Investment	908	–	–	–	–	–	–	–	–	–	908
Emerging Markets	9,020	–	–	–	–	–	–	–	–	–	9,0..
Finance & Program Management	367	–	–	–	–	–	–	–	–	–	367
International Business Staff	1,325	–	–	–	–	–	–	–	–	–	1,325
Small, Micro & Informal Ent.	2,368	–	–	–	–	–	–	–	–	–	2,368
Housing & Urban Development	4,968	–	–	–	–	–	–	–	–	–	4,968
Subtotal PRE	18,892	0	–	–	–	–	–	–	–	–	18,892
Total	176,047	15,391	88,700	124,609	4,075	13,499	–	3,035	7,345	–	432,664

Table 6A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL APPROPRIATIONS

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
EUROPE & THE NEAR EAST											
Algeria	--	--	--	--	--	--	--	--	100	--	100
Austria	--	--	--	--	--	--	--	--	15	--	15
Afghanistan Humanitarian 1/	34,839	35,060	--	15,083	--	--	--	--	--	--	84,982
Bulgaria	--	--	--	--	--	--	--	--	--	--	0
Cambodia	1,000 3	5,078	--	2,642	--	--	--	--	--	--	8,720
Cyprus	--	14,936	--	--	--	--	--	--	--	--	14,936
Czechoslovakia	--	--	--	--	--	332	--	--	--	--	332
Egypt	--	811,496	203,000	--	--	--	--	1,294,410	1,493	--	2,310,399
Finland	--	--	--	--	--	--	--	--	35	--	35
Greece	--	--	--	--	--	--	--	348,495	597	--	349,092
Hungary	--	--	--	--	--	892	--	--	--	--	892
Iceland	--	--	--	--	--	--	--	--	10	--	10
Ireland	--	19,769	--	--	--	--	--	--	30	--	19,799
Israel	--	1,194,840	--	--	--	--	--	1,792,260	--	--	2,987,100
Jordan	--	34,850	--	5,760	--	--	--	67,794	1,991	--	110,395
Lebanon	3,711	3,734	--	10,706	--	--	--	--	398	--	18,549
Luxembourg	--	--	--	--	--	--	--	--	1	--	1
Malta	--	--	--	--	--	51	--	--	50	--	101
Morocco	10,340	19,914	33,000	15,899	--	2,485	--	42,815	996	--	125,449
Oman	--	12,546	--	--	--	--	--	--	100	--	12,646
Pakistan 2/	46,000	229,011	80,000	--	5,000	774	--	229,011	911	--	590,707
Philippines	43,000	124,020	21,000	12,632	--	3,536	159,312	140,395	2,586	--	506,483
Poland	--	--	14,800	--	--	926	--	--	--	--	15,726
Portugal	--	40,002	--	--	--	--	--	84,635	2,584	--	127,221
Romania	-- 3	--	20,000	--	--	--	--	--	--	--	20,000
Spain	--	--	--	--	--	--	--	--	1,892	--	1,892
Tunisia	40	12,446	15,000	--	--	1,333	--	29,871	1,394	--	60,084
Turkey	--	14,263	--	--	400	--	--	497,850	3,385	--	515,898
USSR (Armenian Earthquake)	--	4,979	--	--	--	--	--	--	--	--	4,979
West Bank/Gaza	--	11,948	--	2,239	--	--	--	--	--	--	14,167
Yemen	21,600	--	25,000	--	--	1,141	--	501	1,000	--	49,242
Yugoslavia	--	--	--	--	--	--	--	--	100	--	100
Eastern Europe Regional	53,263	230,007	--	--	--	--	--	--	--	--	283,270
Europe and Near East Regional	14,772	11,948	--	--	325	--	--	--	--	--	27,045
Total	228,565	2,630,847	411,800	64,961	5,725	11,470	159,312	4,528,037	19,670	0	8,260,387

Table 6A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL APPROPRIATIONS

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
LATIN AMERICA & CARIBBEAN											
Argentina	--	--	--	--	--	--	--	--	139	--	139
Bahamas	--	--	--	--	1,520	--	--	--	65	--	1,585
Belize	6,205	--	--	--	--	1,820	--	--	100	--	8,125
Bolivia	24,121	20,163	20,000	13,632	15,700	805	--	39,228	498	--	134,347
Brazil	--	--	--	1,146	1,900	--	--	--	124	--	3,170
Chile	10,000	--	--	--	--	--	--	--	50	--	10,050
Colombia	--	--	--	178	20,000	--	--	71,730	1,494	--	93,402
Costa Rica	10,628	63,544	--	207	--	2,241	--	--	229	--	76,849
Dominican Republic	14,458	--	14,600	5,026	--	2,245	--	1,276	777	--	38,362
Ecuador	12,176	--	--	335	1,400	2,390	--	485	722	--	17,508
El Salvador	57,478	130,616	40,200	6,808	--	--	--	79,635	1,394	--	316,131
Guatemala	29,483	56,463	18,000	8,490	--	2,832	--	2,887	398	--	118,373
Guyana	--	2,289	6,100	--	--	--	--	--	50	--	8,439
Haiti	35,009	3,000	--	16,016	--	737	--	498	100	--	55,360
Honduras	33,346	60,017	12,000	5,376	--	4,005	--	20,163	1,095	--	136,002
Jamaica	13,428	13,728	40,000	4,202	1,000	2,344	--	1,000	299	--	76,001
Mexico	--	--	--	2,829	15,000	--	--	--	249	--	18,078
Nicaragua	1,400	295,000	15,100	2,753	--	--	--	--	--	--	314,253
Panama	--	412,000	--	224	--	25	--	--	--	--	412,249
Paraguay	--	--	--	--	--	1,948	--	--	124	--	2,072
Peru	9,747	3,286	20,000	30,839	10,000	--	--	1,000	523	--	75,395
Suriname	--	--	--	--	--	--	--	--	25	--	25
Trinidad/Tobago	--	--	--	--	--	--	--	650	65	--	715
Uruguay	--	--	--	--	--	--	--	--	124	--	124
Venezuela	--	--	--	--	1,000	--	--	--	124	--	1,124
Nicaragua/Panama Admin Exp.	--	10,000	--	--	--	--	--	--	--	--	10,000
Caribbean Regional	22,180	1,957	--	--	--	3,202	--	4,200	453	--	31,992
Central American Reg	44	--	--	--	--	--	--	--	--	--	44
ROCAP	20,457	--	--	--	--	--	--	--	--	--	20,457
LAC Regional	62,851	10,058	--	--	4,480	--	--	--	--	--	77,189
PACAMS	--	--	--	--	--	--	--	--	2,091	--	2,091
Andean Narcotics Initiative	--	--	--	--	--	--	--	--	--	--	0
	362,811	1,082,141	186,000	98,281	72,000	24,394	--	222,752	11,312	--	2,059,571

Table 6A

FY 1990 U.S. ECONOMIC AND MILITARY ASSISTANCE - ACTUAL APPROPRIATIONS

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I	PL 480 TITLE II	NARCS	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
S&T											
Agriculture	35,453	-	-	-	-	-	-	-	-	-	35,453
Education	5,098	-	-	-	-	-	-	-	-	-	5,098
Energy	15,556	-	-	-	-	-	-	-	-	-	15,556
Forestry & Env Nat Res	10,619	-	-	-	-	-	-	-	-	-	10,619
Health	79,406	240	-	-	-	-	-	-	-	-	79,646
Nutrition	9,317	-	-	-	-	-	-	-	-	-	9,317
Population	139,972	-	-	-	-	-	-	-	-	-	139,972
Rural & Institutional Dev	9,701	-	-	-	-	-	-	-	-	-	9,701
Research & Univ Relations	8,637	-	-	-	-	-	-	-	-	-	8,637
Science Advisor	8,765	-	-	-	-	-	-	-	-	-	8,765
Israel Cooperation	2,319	-	-	-	-	-	-	-	-	-	2,319
International Training	2,180	-	-	-	-	-	-	-	-	-	2,180
Program Office	1,158	-	-	-	-	-	-	-	-	-	1,158
CGIARS	39,828	-	-	-	-	-	-	-	-	-	39,828
Total S&T	367,987	240	-	-	-	-	-	-	-	-	368,227
FVA											
Food for Peace	300	-	-	-	-	-	-	-	-	-	300
PVC	59,410	-	-	-	-	-	-	-	-	-	59,410
Biden Pell	[2,712]	-	-	-	-	-	-	-	-	-	[2,712]
Program Mgt Support	696	-	-	-	-	-	-	-	-	-	696
Total FVA	60,406	-	-	-	-	-	-	-	-	-	60,406
PPC											
Economic Affairs	4,576	-	-	-	-	-	-	-	-	-	4,576
Evaluation/Development Info.	4,060	-	-	-	-	-	-	-	-	-	4,060
PDPR	2,931	-	-	-	-	-	-	-	-	-	2,931
Women in Development	4,881	-	-	-	-	-	-	-	-	-	4,881
Donor Coordination	350	-	-	-	-	-	-	-	-	-	350
ITP	275	-	-	-	-	-	-	-	-	-	275
Strategic Planning	-	-	-	-	-	-	-	-	-	-	0
Peace Corps	-	-	-	-	-	-	-	-	-	-	0
Israel Cooperation	4,918	-	-	-	-	-	-	-	-	-	4,918
Total PPC	21,881	-	-	-	-	-	-	-	-	-	21,881
OFDA	-	2,500	-	-	-	-	-	-	-	-	2,500
OFDA Disaster Preparedness	-	-	-	-	-	-	-	-	-	-	0
Other	18	-	-	-	47,740	65,866	-	29,870	141	-	143,435
Hostages in Iraq	-	-	-	-	-	-	-	-	-	-	0
War Victims	-	1,189	-	-	-	-	-	-	-	-	1,189
P.L.480:											
Reserve	-	-	-	-	-	-	-	-	-	-	0
World Food Program	-	-	-	533	-	-	-	-	-	-	533
Stock Adjustment	-	-	-	(21,089)	-	-	-	-	-	-	(21,089)
Freight Costs	-	-	51,895	291,326	-	-	-	-	-	-	343,221
Initial Payment	-	-	(12,700)	-	-	-	-	-	-	-	(12,700)
Farmer to Farmer	-	-	794	731	-	-	-	-	-	-	1,525
PVO Administration	-	-	-	-	-	-	-	-	-	-	0
Buydown	-	-	-	38,835	-	-	-	-	-	-	38,835
Forward Funding	-	-	-	(47,847)	-	-	-	-	-	-	(47,847)
DOT Reflows	-	-	-	(7,000)	-	-	-	-	-	-	(7,000)

Table 6B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - APPROPRIATIONS 3/

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE Ia 4/	PL 480 TITLE Ib 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
BILATERAL ASSISTANCE													
Africa	793,475	10,300	21,000	7,000	108,375	68,580	--	54,057	--	19,500	6,941	--	1,089,228
Asia and Private Enterprise	185,148	17,800	7,300	5,000	99,205	81,200	4,500	18,372	--	--	6,660	--	423,185
Europe and the Near East	150,409	2,495,550	15,000	232,500	34,992	--	8,650	9,085	529,675	4,405,400	18,665	--	7,899,926
Latin America & Caribbean	348,677	597,150	87,000	61,100	79,748	74,000	86,600	25,651	--	210,800	12,770	--	1,581,296
Central PL 480	--	--	12,500	63,100	373,680	144,720	--	--	--	--	--	--	594,000
S&T	410,553	--	--	--	--	--	--	--	--	--	--	--	410,553
FVA	54,666	--	--	--	--	--	--	--	--	--	--	--	54,666
PPC	18,809	--	--	--	--	--	--	--	--	--	--	--	18,809
OFDA	--	--	--	--	--	--	--	--	--	--	--	--	0
Other	--	10,000	--	--	--	--	50,250	80,835	--	27,921	2,160	--	171,166
Contingency Unallocated	87,346	--	--	--	--	--	--	--	--	--	--	--	87,346
Geographic & Central Programs	2,047,083	3,130,800	142,800	368,700	696,000	368,500	150,000	186,000	529,675	4,663,421	47,196	--	12,330,175
(Africa Fund)	[768,000]	--	--	--	--	--	--	--	--	--	--	--	[768,939]
(Andean Narcotics Init.)	--	[175,000]	--	--	--	--	--	--	--	--	--	--	[175,000]
Deob/Reob	60,000	14,000	--	--	--	--	--	--	--	45,000	--	--	119,000
Subtotal	2,107,083	3,144,800	142,800	368,700	696,000	368,500	150,000	186,000	529,675	4,708,421	47,196	--	12,449,175
ASHA	29,500	--	--	--	--	--	--	--	--	--	--	--	29,500
Disaster Assistance	40,000	--	--	--	--	--	--	--	--	--	--	--	40,000
Humanit. Relief (McCollum Amdt)	--	--	--	--	--	--	--	--	--	--	--	--	0
Private Sector Revolving Fund	--	--	--	--	--	--	--	--	--	--	--	--	0
Priv Sector Investment Guarantees	[114,000]	--	--	--	--	--	--	--	--	--	--	--	[114,000]
Priv Sector Investment Admin Exp	--	--	--	--	--	--	--	--	--	--	--	--	0
Housing Guaranty Subsidy & Admin	--	--	--	--	--	--	--	--	--	--	--	--	0
Housing Guarantees Limitation	[150,000]	--	--	--	--	--	--	--	--	--	--	--	[150,000]
Housing Borrowing Authority	30,679	--	--	--	--	--	--	--	--	--	--	--	30,679
Housing Guaranty Liquidating Acct.	--	--	--	--	--	--	--	--	--	--	--	--	0
Operating Expenses	456,200	--	--	--	--	--	--	--	--	--	--	--	456,200
Operating Expenses-IG	33,884	--	--	--	--	--	--	--	--	--	--	--	33,884
Foreign Service Retirement & Dis.	40,341	--	--	--	--	--	--	--	--	--	--	--	40,341
TCIP Central America	[200,000]	--	--	--	--	--	--	--	--	--	--	--	[200,000]
TCIP Poland	[200,000]	--	--	--	--	--	--	--	--	--	--	--	[200,000]
Miscellaneous Trust Funds	5,000	--	--	--	--	--	--	--	--	--	--	--	5,000
Central American Reconciliation	--	--	--	--	--	--	--	--	--	--	--	--	0
Advanced Acq. of Property	--	--	--	--	--	--	--	--	--	--	--	--	0
A.I.D. Loan Repayments	(430,000)	--	--	--	--	--	--	--	--	--	--	--	(430,000)
Misc. Trust Funds Receipts	(5,000)	--	--	--	--	--	--	--	--	--	--	--	(5,000)
Reclaion of Prior Year Funds	--	--	--	--	--	--	--	--	--	--	--	--	0
Total A.I.D.	2,307,687	3,144,800	142,800	368,700	696,000	368,500	--	--	529,675	--	--	--	7,558,162

Table 6B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - APPROPRIATIONS 3/

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I & 4/	PL 480 TITLE I & 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
Enterprise for the Americas													
Debt Restructuring	--	--	--	--	--	--	--	--	[97,358]	--	--	--	0
Multilateral Investment Fund	--	--	--	--	--	--	--	--	--	--	--	--	0
Trade & Development Program	--	--	--	--	--	--	--	--	35,000	--	--	--	35,000
Inter-American Foundation	--	--	--	--	--	--	--	--	25,000	--	--	--	25,000
Inter-American Foundation Gifts	--	--	--	--	--	--	--	--	--	--	--	--	0
African Development Foundation	--	--	--	--	--	--	--	--	13,000	--	--	--	13,000
Peace Corps Trust Fund	--	--	--	--	--	--	--	1,583	--	--	--	--	1,583
Migration & Refugee Assistance	--	--	--	--	--	--	--	--	465,646	--	--	--	465,646
Emergency Refugee Fund	--	--	--	--	--	--	--	--	35,000	--	--	--	35,000
Misc. Trust Funds - DOT	--	--	--	--	--	--	--	--	3,643	--	--	--	3,643
Misc. Trust Funds - DOT Receipts	--	--	--	--	--	--	--	--	(5,025)	--	--	--	(5,025)
Overseas Priv. Invest Corp (OPIC)													
Loan Subsidy & Admin Expense	--	--	--	--	--	--	--	--	--	--	--	--	0
(limit on direct loans)	--	--	--	--	--	--	--	--	[40,000]	--	--	--	[40,000]
(limit on guar. loans)	--	--	--	--	--	--	--	--	[250,000]	--	--	--	[250,000]
PL 480 Subsidy	--	--	--	--	--	--	--	--	--	--	--	--	0
PL 480 Administrative Expenses	--	--	--	--	--	--	--	--	--	--	--	--	0
Receipts	--	--	--	(995,147)	--	--	--	--	(25,677)	--	--	--	(990,824)
Adjustments	--	--	--	--	--	--	--	--	--	--	--	--	0
Total: Bilateral	2,307,867	3,144,800	142,800	(196,447)	695,000	368,500	180,000	167,883	1,098,264	4,708,421	47,196	--	12,662,804
MULTILATERAL ASSISTANCE													
MDB's	--	--	--	--	--	--	--	--	1,618,835	--	--	--	1,618,835
IO & P	--	--	--	--	--	--	--	--	284,730	--	--	--	284,730
Total: Multilateral	--	--	--	--	--	--	--	--	1,903,565	--	--	--	1,903,565
TOTAL ECONOMIC ASSISTANCE	2,307,867	3,144,800	142,800	(196,447)	695,000	368,500	180,000	167,883	2,999,829	--	--	--	9,800,782
Anti-Terrorism Assistance	--	--	--	--	--	--	--	--	--	--	--	12,026	12,026
Peacekeeping Operations	--	--	--	--	--	--	--	--	--	--	--	32,800	32,800
FMF Liquidating Acct (OFF pre-82)	--	--	--	--	--	--	--	--	--	--	--	46,408	46,408
Fin'l Subsidy & Admin Expenses	--	--	--	--	--	--	--	--	--	--	--	--	0
Relocation of Facilities, Israel	--	--	--	--	--	--	--	--	--	--	--	(5,419)	(5,419)
Special Defense Acquisition Fund	--	--	--	--	--	--	--	--	--	--	--	[350,000]	[350,000]
Repayment of Loans	--	--	--	--	--	--	--	--	--	--	--	(230,638)	(230,638)
MAP Receipts	--	--	--	--	--	--	--	--	--	--	--	--	0
TOTAL MILITARY ASSISTANCE	--	--	--	--	--	--	--	--	--	4,708,421	47,196	(144,823)	4,610,794
TOTAL ECONOMIC & MILITARY	2,307,867	3,144,800	142,800	(196,447)	695,000	368,500	180,000	167,883	2,999,829	4,708,421	47,196	(144,823)	14,411,846

Table 6B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - APPROPRIATIONS 3/

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE Ia 4/	PL 480 TITLE Ib 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	OTHER MET MILITARY	TOTAL

1/ Includes P.L. 480 emergency programs in both Afghanistan and Pakistan.

2/ Presidential certification is required prior to obligation, pursuant to section 620E of the Foreign Assistance Act and Section 574 of P.L. 101-513. If certification is made, additional funding for 1991 and 1992 Title I or Title III will be considered assuming the program is consistent with the requirements of the new P.L. 480 legislation.

3/ Does not reflect 1.9% sequester in the International Affairs discretionary accounts. A restoration is being proposed.

4/ Agreements signed before January 1, 1991.

5/ Agreements signed after January 1, 1991 (UDSA-only programs).

6/ Reprogramming to increase FY 1991 funding in Laos is under consideration.

7/ Includes $500 thousand of U.S. Food Aid-generated Polish currencies for the Research Center

Table 6B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - APPROPRIATIONS 3/

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I 4/	PL 480 TITLE II 5/	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
AFRICA												
Angola	--	--	--	--	8,308	--	--	--	--	--	--	8,308
Benin	8,000	--	--	--	1,460	--	--	1,573	--	100	--	11,163
Botswana	7,000	--	--	--	--	--	--	3,461	--	411	--	10,872
Burkina	3,000	--	--	--	8,074	--	--	--	--	100	--	11,174
Burundi	15,000	--	--	--	--	--	--	883	--	175	--	16,058
Cameroon	20,000	--	--	--	--	--	--	3,892	--	275	--	23,967
Cape Verde	3,000	--	--	--	228	--	--	--	--	75	--	3,303
Central African Republic	4,000	--	--	--	--	--	--	2,305	--	200	--	6,505
Chad	15,000	--	--	--	1,016	2,390	--	1,267	--	300	--	20,073
Comoros	700	--	--	--	--	--	--	483	--	75	--	1,258
Congo	1,000	--	--	2,000	93	--	--	580	--	50	--	3,723
Cote d'Ivoire	7,000	3,000	--	5,000	--	--	--	882	--	150	--	16,032
Djibouti	--	3,000	--	--	--	--	--	--	1,000	175	--	4,175
Equatorial Guinea	1,000	--	--	--	--	--	--	601	--	100	--	1,701
Ethiopia	--	--	--	--	24,000	--	--	--	--	--	--	24,000
Ethiopia (North)	--	--	--	--	--	--	--	--	--	--	--	0
Gabon	--	--	--	--	--	--	--	2,480	--	100	--	2,580
Gambia	6,000	--	--	--	1,460	--	--	1,011	--	100	--	8,571
Ghana	25,000	--	--	--	4,519	6,000	--	1,594	--	175	--	37,288
Guinea	25,000	--	--	--	--	7,000	--	1,073	--	150	--	33,223
Guinea-Bissau	5,000	--	--	--	73	--	--	1,335	--	100	--	6,508
Kenya	28,000	--	--	--	1,404	7,000	--	2,508	--	1,175	--	38,087
Lesotho	7,000	--	--	--	--	--	--	1,780	--	75	--	8,855
Liberia	--	--	--	--	21,368	--	--	--	--	--	--	21,368
Madagascar	44,000	--	--	--	2,452	6,000	--	--	--	75	--	51,527
Malawi	39,950	--	--	--	4,828	--	--	1,802	--	250	--	46,830
Mali	33,000	--	--	--	1,004	690	--	3,732	--	175	--	38,601
Mauritania	--	--	--	--	585	--	--	1,540	--	125	--	2,230
Mauritius	1,500	--	--	--	33	--	--	--	--	--	--	1,568
Mozambique	42,000	--	--	--	6,697	7,300	--	--	--	100	--	56,097
Namibia	7,000	--	--	--	--	--	--	945	--	100	--	8,045
Niger	28,000	--	--	--	187	--	--	3,376	500	275	--	30,338
Nigeria	11,000	--	--	--	--	--	--	438	--	100	--	11,538
Rwanda	15,000	--	--	--	--	--	--	688	--	100	--	15,788
Sao Tome	420	--	--	--	312	--	--	342	--	125	--	1,199
Senegal	22,000	1,000	--	--	2,021	7,000	--	2,388	--	525	--	34,934
Seychelles	--	3,300	--	--	--	--	--	300	--	100	--	3,700
Sierra Leone	540	--	6,000	--	1,377	--	--	2,058	--	100	--	9,073
Somalia	--	--	--	--	3,075	--	--	--	--	--	--	3,075
South Africa	39,500	--	--	--	--	--	--	--	--	--	--	39,500
Sudan	--	--	--	--	7,828	13,600	--	--	--	--	--	21,228
Swaziland	6,000	--	--	--	--	--	--	1,341	--	75	--	7,416
Tanzania	30,000	--	--	--	--	--	--	835	--	100	--	30,935
Togo	9,000	--	--	--	2,900	--	--	2,537	--	100	--	14,537
Uganda	41,000	--	--	--	1,435	7,000	--	580	--	175	--	50,170
Zaire	23,000	--	16,000	--	--	--	--	3,084	--	6	--	42,089
Zambia	5,000	--	--	--	--	5,800	--	--	--	--	--	10,800
Zimbabwe	10,000	--	--	--	--	--	--	825	--	250	--	10,775
S Africa Regional/SADCC	50,000	--	--	--	--	--	--	--	--	--	--	50,000
Africa Regional	103,865	--	--	--	--	--	--	--	18,000	--	--	121,865
AEPRP	55,000	--	--	--	--	--	--	--	--	--	--	55,000
Total	793,475	10,300	21,000	7,000	108,375	68,590	--	84,057	19,500	6,941	--	1,089,238
(FDAP/Sahel)	[5,475]	--	--	--	--	--	--	--	--	--	--	[5,475]

Table 6B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - APPROPRIATIONS 3/

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I a 4/	PL 480 TITLE I b 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
ASIA & PRIVATE ENTERPRISE													
Bangladesh	50,883	--	--	--	16,687	60,000	--	--	--	--	300	--	127,870
Bhutan	--	--	--	--	--	--	--	--	--	--	--	--	0
Fiji	--	300	--	--	--	--	--	1,443	--	--	50	--	1,793
India	19,876	--	--	--	77,106	--	--	--	--	--	300	--	97,282
Indonesia	38,082	6,000	--	--	5,412	--	--	--	--	--	1,900	--	50,394
Korea	--	--	--	--	--	--	--	--	--	--	1,000	--	1,000
Laos	--	--	--	--	--	--	500	643	--	--	--	--	1,143
Maldives	--	--	--	--	--	--	--	--	--	--	50	--	50
Malaysia	--	--	--	--	--	--	--	--	--	--	--	--	0
Micronesia	--	--	--	--	--	--	--	1,867	--	--	--	--	1,867
Mongolia	2,000	--	--	--	--	--	--	639	--	--	--	--	2,639
Nepal	12,345	--	--	--	--	--	--	2,136	--	--	125	--	14,506
Papua New Guinea	--	--	--	--	--	--	--	1,718	--	--	75	--	1,793
Singapore	--	--	--	--	--	--	--	--	--	--	20	--	20
Solomon Islands	--	--	--	--	--	--	--	912	--	--	50	--	962
Sri Lanka	10,164	--	7,300	5,000	--	21,200	--	567	--	--	180	--	44,391
Thailand	9,134	--	--	--	--	--	4,000	3,526	--	--	2,400	--	19,060
Allocated Thai Villages	2,500	2,500	--	--	--	--	--	--	--	--	--	--	5,000
Tonga	--	--	--	--	--	--	--	668	--	--	50	--	718
Tuvalu	--	--	--	--	--	--	--	64	--	--	--	--	64
Vanuatu	--	--	--	--	--	--	--	110	--	--	30	--	140
Western Samoa	--	--	--	--	--	--	--	859	--	--	--	--	859
ASEAN	2,710	--	--	--	--	--	--	--	--	--	--	--	2,710
South Pacific	5,421	10,000	--	--	--	--	--	1,220	--	--	--	--	16,641
APRE Regional	16,079	--	--	--	--	--	--	--	--	--	--	--	16,079
Subtotal Asia	169,894	17,800	7,300	5,000	99,205	81,200	4,500	16,372	0	0	6,510	0	408,781
Investment	900	--	--	--	--	--	--	--	--	--	--	--	900
Emerging Markets	7,200	--	--	--	--	--	--	--	--	--	--	--	7,200
Finance & Program Management	--	--	--	--	--	--	--	--	--	--	--	--	0
International Business Staff	1,190	--	--	--	--	--	--	--	--	--	--	--	1,190
Small, Micro & Informal Ent.	2,889	--	--	--	--	--	--	--	--	--	--	--	2,889
Housing & Urban Development	4,085	--	--	--	--	--	--	--	--	--	--	--	4,085
Subtotal PRE	16,254	--	--	--	--	--	--	--	--	--	--	--	16,254
Total	186,148	17,800	7,300	5,000	99,205	81,200	4,500	16,372	--	--	6,510	--	423,185

Table 6B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - APPROPRIATIONS 3/

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I 4/	PL 480 TITLE II 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	OTHER MILITARY IMET	OTHER MILITARY	TOTAL
EUROPE & THE NEAR EAST													
Algeria	--	--	--	--	--	--	--	--	--	--	150	--	150
Austria	--	--	--	--	--	--	--	--	--	--	15	--	15
Afghanistan Humanitarian 1/	30,000	30,000	--	--	116	--	--	--	--	--	--	--	60,116
Bulgaria	--	--	--	--	--	--	--	647	--	--	--	--	647
Cambodia	16,000	7,000	--	--	1,861	--	--	--	--	--	--	--	26,861
Cyprus	--	15,000	--	--	--	--	--	--	--	--	--	--	15,000
Czechoslovakia	--	--	--	--	--	--	--	968	--	--	50	--	1,018
Egypt	--	815,000	--	150,000	--	--	--	--	--	1,300,000	1,500	--	2,266,500
Finland	--	--	--	--	--	--	--	--	--	--	15	--	15
Greece	--	--	--	--	--	--	--	--	--	350,000	550	--	350,550
Hungary	--	--	--	7,500	--	--	--	1,430	--	--	50	--	8,980
Iceland	--	--	--	--	--	--	--	--	--	--	--	--	0
Ireland	--	20,000	--	--	--	--	--	--	--	--	30	--	20,030
Israel	--	1,200,000	--	--	--	--	--	--	--	1,800,000	--	--	3,000,000
Jordan	--	35,000	--	--	3,400	--	--	--	--	30,000	2,180	--	60,580
Lebanon	3,750	3,750	--	--	10,362	--	--	--	--	--	400	--	18,262
Luxembourg	--	--	--	--	--	--	--	--	--	--	--	--	0
Malta	--	--	--	--	--	--	--	81	--	--	80	--	121
Morocco	12,500	20,000	--	35,000	3,415	--	--	1,464	--	43,000	1,050	--	116,429
Oman	--	15,000	--	--	--	--	--	--	--	500	100	--	15,600
Pakistan 2/	25,000	100,000	--	20,000	--	--	7,500	751	--	91,800	915	--	246,066
Philippines	40,000	130,000	--	20,000	13,980	--	--	456	180,000	200,000	2,800	--	556,746
Poland	--	--	--	--	--	--	--	1,598	--	--	50	--	1,648
Portugal	--	42,000	--	--	--	--	--	--	--	100,000	2,650	--	144,650
Romania	--	--	--	--	--	--	--	467	--	--	--	--	467
Spain	--	--	--	--	--	--	--	--	--	--	1,500	--	1,500
Tunisia	--	3,000	15,000	--	--	--	--	955	--	--	1,450	--	20,405
Turkey	--	50,000	--	--	--	--	350	--	--	500,000	3,400	--	553,750
USSR (Armenian Earthquake)	--	--	--	--	--	--	--	--	--	--	--	--	0
West Bank/Gaza	--	12,000	--	--	2,149	--	--	--	--	--	--	--	14,149
Yemen	2,900	--	--	--	--	--	--	288	--	--	--	--	3,188
Yugoslavia	--	--	--	--	--	--	--	--	--	--	100	--	100
Eastern Europe Regional	6,150	--	--	--	--	--	--	--	369,675	--	--	--	375,825
Europe and Near East Regional	12,109	7,600	--	--	--	--	800	--	--	--	--	--	20,709
Total	180,409	2,466,950	15,000	232,500	34,982	0	8,650	9,085	529,675	4,405,400	18,815	0	7,900,076

Table 6B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - APPROPRIATIONS 3/

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I 4/	PL 480 TITLE I 5/	PL 480 TITLE II	PL 480 TITLE III	NARCS 6/	PEACE CORPS	OTHER ECON	FMF	IMET	OTHER MILITARY	TOTAL
LATIN AMERICA & CARIBBEAN													
Argentina	--	--	--	--	--	--	--	--	--	1,000	150	--	1,150
Bahamas	--	--	--	--	--	--	1,200	--	--	--	125	--	1,325
Belize	6,359	--	--	--	--	--	--	1,532	--	500	115	--	8,506
Bolivia	22,906	12,000	--	--	12,512	20,000	15,700	1,158	--	35,000	900	--	120,174
Brazil	--	--	--	--	--	--	2,500	--	--	--	125	--	2,625
Chile	400	--	--	--	--	--	--	543	--	--	100	--	1,043
Colombia	--	--	--	--	--	--	20,000	--	--	27,055	2,500	--	49,555
Costa Rica	8,163	25,000	15,000	--	--	--	--	1,949	--	--	230	--	50,342
Dominican Republic	9,970	--	--	--	4,611	--	--	2,218	--	500	900	--	18,199
Ecuador	13,971	--	--	--	--	--	1,500	2,325	--	--	800	--	18,596
El Salvador	54,984	120,000	35,000	--	4,981	--	--	--	--	83,945	1,055	--	299,965
Guatemala	28,426	30,000	--	18,000	8,668	--	--	2,615	--	2,000	400	--	90,109
Guyana	--	2,000	7,000	--	--	--	--	252	--	--	50	--	9,302
Haiti	38,302	12,000	--	--	7,626	20,000	--	1,051	--	1,000	200	--	80,179
Honduras	33,625	50,000	--	--	6,240	12,000	--	3,458	--	21,850	1,100	--	128,273
Jamaica	13,721	10,000	30,000	--	3,600	--	1,400	2,380	--	500	400	--	61,981
Mexico	--	--	--	--	--	--	18,300	--	--	--	400	--	18,700
Nicaragua	11,000	150,000	--	29,700	2,525	--	--	394	--	--	--	--	193,619
Panama	--	--	--	13,400	--	--	--	586	--	--	--	--	13,986
Paraguay	--	--	--	--	--	--	--	2,202	--	--	175	--	2,377
Peru	9,738	--	--	--	28,985	22,000	19,000	--	--	34,000	900	--	114,623
Suriname	--	--	--	--	--	--	--	--	--	--	25	--	25
Trinidad/Tobago	--	--	--	--	--	--	--	--	--	250	95	--	345
Uruguay	--	--	--	--	--	--	--	460	--	--	200	--	660
Venezuela	--	--	--	--	--	--	1,000	--	--	--	125	--	1,125
Nicaragua/Panama Admin Exp.	--	--	--	--	--	--	--	--	--	--	--	--	0
Caribbean Regional	17,029	2,150	--	--	--	--	--	2,550	--	3,000	700	--	25,429
Central American Reg	--	--	--	--	--	--	--	--	--	--	--	--	0
ROCAP	17,307	--	--	--	--	--	--	--	--	--	--	--	17,307
LAC Regional	60,776	9,000	--	--	--	--	6,000	--	--	--	--	--	75,776
PACAMS	--	--	--	--	--	--	--	--	--	--	1,000	--	1,000
Andean Narcotics Initiative	--	175,000	--	--	--	--	--	--	--	--	--	--	175,000
Total	346,677	587,150	67,000	61,100	78,748	74,000	88,600	25,651	--	210,600	12,770	--	1,581,296

Table 6B

FY 1991 U.S. ECONOMIC AND MILITARY ASSISTANCE - APPROPRIATIONS 3/

(DOLLARS THOUSANDS)

11:22 AM
25-Feb-91

	DA	ESF	PL 480 TITLE I a 4/	PL 480 TITLE I b 5/	PL 480 TITLE II	PL 480 TITLE III	MARCS 6/	PEACE CORPS	OTHER ECON	FMF	OTHER MET MILITARY	TOTAL
S&T												
Agriculture	35,750	--	--	--	--	--	--	--	--	--	--	35,750
Education	6,100	--	--	--	--	--	--	--	--	--	--	6,100
Energy	20,000	--	--	--	--	--	--	--	--	--	--	20,000
Forestry & Env Nat Res	13,200	--	--	--	--	--	--	--	--	--	--	13,200
Health	89,225	--	--	--	--	--	--	--	--	--	--	89,225
Nutrition	7,650	--	--	--	--	--	--	--	--	--	--	7,650
Population	161,400	--	--	--	--	--	--	--	--	--	--	161,400
Rural & Institutional Dev	0,200	--	--	--	--	--	--	--	--	--	--	0,200
Research & Univ Relations	8,000	--	--	--	--	--	--	--	--	--	--	8,000
Science Advisor	8,634	--	--	--	--	--	--	--	--	--	--	8,634
Israel Cooperation	7,500	--	--	--	--	--	--	--	--	--	--	7,500
International Training	2,300	--	--	--	--	--	--	--	--	--	--	2,300
Program Office	604	--	--	--	--	--	--	--	--	--	--	604
CGIARS	42,000	--	--	--	--	--	--	--	--	--	--	42,000
Total S&T	410,563	--	--	--	--	--	--	--	--	--	--	410,563
FVA												
Food for Peace	315	--	--	--	--	--	--	--	--	--	--	315
PVC	46,268	--	--	--	--	--	--	--	--	--	--	46,268
Biden Pell	[2,500]	--	--	--	--	--	--	--	--	--	--	[2,500]
Program Mgt Support	8,063	--	--	--	--	--	--	--	--	--	--	8,063
Total FVA	54,896	--	--	--	--	--	--	--	--	--	--	54,896
PPC												
Economic Affairs	4,469	--	--	--	--	--	--	--	--	--	--	4,469
Evaluation/Development Info.	4,230	--	--	--	--	--	--	--	--	--	--	4,230
PDPR	2,280	--	--	--	--	--	--	--	--	--	--	2,280
Women in Development	8,000	--	--	--	--	--	--	--	--	--	--	8,000
Donor Coordination	350	--	--	--	--	--	--	--	--	--	--	350
ITIP	--	--	--	--	--	--	--	--	--	--	--	0
Strategic Planning	670	--	--	--	--	--	--	--	--	--	--	670
Peace Corps	1,800	--	--	--	--	--	--	--	--	--	--	1,800
Israel Cooperation	--	--	--	--	--	--	--	--	--	--	--	0
Total PPC	18,809	--	--	--	--	--	--	--	--	--	--	18,809
OFDA	--	--	--	--	--	--	--	--	--	--	--	0
OFDA Disaster Preparedness	--	--	--	--	--	--	--	--	--	--	--	0
Other	--	--	--	--	--	--	80,250	80,835	--	27,921	2,180	181,186
Hostages in Iraq	--	10,000	--	--	--	--	--	--	--	--	--	10,000
War Victims	--	--	--	--	--	--	--	--	--	--	--	0
P.L.480:												
Reserve	--	--	--	17,800	176,219	--	--	--	--	--	--	193,819
World Food Program	--	--	--	--	49,622	--	--	--	--	--	--	49,622
Stock Adjustment	--	--	--	--	(14,139)	--	--	--	--	--	--	(14,139)
Freight Costs	--	--	14,700	44,500	189,387	143,983	--	--	--	--	--	392,570
Initial Payment	--	--	(2,200)	--	--	--	--	--	--	--	--	(2,200)
Farmer to Farmer	--	--	--	1,000	1,426	737	--	--	--	--	--	3,163
PVO Administration	--	--	--	--	10,000	--	--	--	--	--	--	10,000
Buydown	--	--	--	--	--	--	--	--	--	--	--	0
Forward Funding	--	--	--	--	(38,835)	--	--	--	--	--	--	(38,835)
DOT Reflows	--	--	--	--	--	--	--	--	--	--	--	0

Table 7

MULTILATERAL DEVELOPMENT BANKS AND
INTERNATIONAL ORGANIZATIONS AND PROGRAMS

	FY 1989 ACTUAL	FY 1990 ACTUAL	FY 1991 1/ ESTIMATE	FY 1992 REQUEST
Multilateral Development Banks				
World Bank (IBRD)	50,001	49,786	110,592	70,126
International Development Association	995,000	960,851	1,064,150	1,060,000
International Finance Corporation	4,892	74,607	40,331	---
Inter-American Development Bank	---	31,482	57,449	57,313
Fund for Special Operations	---	63,451	20,850	20,576
Inter-American Investment Corp.	---	---	13,000	12,500
Asian Development Fund	152,392	174,973	126,854	200,481
African Development Bank	7,345	9,493	10,136	8,987
African Development Fund	105,000	104,548	105,452	---
European Development Bank	---	---	70,021	70,021
MDB Other	---	---	---	185,000
TOTAL	1,314,630	1,469,191	1,618,835	1,685,004
International Organizations & Programs				
UN Development Program	109,919	107,752	109,000	115,000
UN Children's Fund (UNICEF)	60,400	64,350	75,000	55,000
International Atomic Energy Agency	22,000	21,646	23,555	25,000
Organization of American States	10,000	9,839	10,000	10,000
UN Environment Program	9,500	11,807	15,800	13,000
World Meteorological Organization	1,960	1,968	2,000	2,000
UN Capital Development Fund	1,500	1,476	2,000	1,500
World Food Program	980	964	1,000	---
UN Development Fund for Women (UNIFEM)	800	787	800	500
UN Education & Training Program for Southern Africa	800	788	800	800
Convention on International Trade in Endangered Species (CITES)	650	738	750	600
UN Institute for Namibia	110	107	---	---
UN Trust Fund for South Africa	500	492	500	250
UN Fellowship Program	245	241	245	---
UNIDO Investment Promotion Service	250	492	500	500
International Fund for Ag Development	2,500	34,438	30,000	18,362
UN Fund for Victims of Torture	100	98	100	100
International Convention & Scientific Organization Contributions (ICSOC)	2,000	1,967	2,000	2,000
UN Center on Human Settlement (HABITAT)	400	393	400	---
World Heritage Trust Fund	220	216	450	---
UN Afghanistan Emergency Trust Fund	---	13,283	6,500	2,000
Intergovernmental Panel on Climate Change (IPCC)	---	98	200	300
UN Trust Fund for Int'l Research & Trng Inst. for Adv. of Women (INSTRAW)	200	197	200	---
UN Fund for Drug Abuse Control (UNFDAC)	941	---	---	---
International Civil Aviation Org. (ICAO)	100	---	---	---

Table 7

MULTILATERAL DEVELOPMENT BANKS AND
INTERNATIONAL ORGANIZATIONS AND PROGRAMS

	FY 1989 ACTUAL	FY 1990 ACTUAL	FY 1991 1/ ESTIMATE	FY 1992 REQUEST
UN Conference on Trade & Development (UNCTAD)	20	---	---	---
UN Economic & Social Commission for Asia & the Pacific (ESCAP)	20	---	---	---
UNO Special Fund for Climate & Atmospheric Environmental Studies	---	---	500	800
Int'l Tropical Timber Organization	---	---	1,000	1,000
FAO Tropical Forestry Action Plan	---	---	500	500
Int'l Union for Conservation of Nature	---	---	680	---
Ramsar Convention on Wetlands	---	---	250	---
OECD Center/European Economies in Transition (OECD/CCEET)	---	---	---	1,000
TOTAL	226,115	274,137	284,730	250,212
TOTAL MULTILATERAL ASSISTANCE	1,540,745	1,743,328	1,903,565	1,935,216

1/ Does not reflect 1.9% sequester in the International Affairs discretionary accounts. A restoration is being proposed.

United States of America

Congressional Presentation for Security Assistance Programs

Fiscal Year 1992

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Congressional Presentation

for

Security Assistance

Fiscal Year 1992

Jointly prepared by the Department of State
and the Defense Security Assistance Agency

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SECTION I

OVERVIEW: FY 1992 SECURITY ASSISTANCE BUDGET REQUEST

The Congressional Presentation Document (CPD), a joint product of the Departments of State and Defense, offers a general perspective on the Administration's budget request for security assistance, together with specific justifications for each regional or country program.

What Is Security Assistance?

The term "security assistance" refers to the range of U.S. Government programs through which the United States aids other nations to defend and preserve their own national security, in support of U.S. political and foreign policy objectives. Key appropriated components of this program are:

Foreign Military Financing (FMF), a largely grant aid military assistance program which enables U.S. friends and allies to acquire American military equipment, related services and training;

Economic Support Fund (ESF), an all-grant program which, among other objectives, encourages economic reform and development in recipient nations;

International Military Education and Training (IMET), a program which provides professional military education as well as technical skills to members of the military forces of friendly and allied nations; and

Peacekeeping Operations (PKO), a fund which finances U.S. contributions to international peacekeeping operations such as the United Nations Force in Cyprus (UNFICYP) and the Multinational Force and Observers (MFO) in the Sinai.

In addition, security assistance includes all U.S. arms transfers to friendly or allied nations.

Reexamining Security Assistance in a Changing World

The period from mid-1989 through the first months of 1991 has witnessed extraordinary changes in world affairs. Events in Eastern Europe, Central America and the Gulf region have led us to examine how our security assistance programs should be restructured to provide continued support to United States objectives around the world. This reexamination is a process that necessarily will continue over the coming years, as the great changes underway in the world evolve further. The United States will continue to seek new and creative means to provide security assistance to friendly and allied nations which require it, in furtherance of our long-term national security objectives in the world.

Themes for the 1990s

The dramatic events of the Gulf War are indicative of the extraordinarily rapid pace of global change which may occur in the 1990s, and the need for the United States to retain maximum flexibility to deal with the new challenges we will face. Continued unpredictability in world affairs will require that the United States follow a clear set of policy guidelines as we approach the twenty-first century. Several of these themes for the 1990s have been outlined over the past year in policy statements by senior U.S. officials:

- **Promotion of democratic values**, including support for the consolidation of democracy through the rule of law, free and fair elections and respect for human rights;

- **Advancing the cause of peace**, through arms control and non-proliferation initiatives, regional conflict resolution and strengthened UN peacekeeping capabilities;

- **Economic progress**, by fostering market forces through deregulation, privatization, development assistance and expansion of trade and investment;

- **Countering transnational dangers**, such as environmental degradation, narcotics trafficking and terrorism; and

- **Fostering global responsibility sharing**, strengthening the sense of community amongst the industrial democracies while promoting democratic, humanitarian and open market values throughout the world.

In today's rapidly-evolving world, U.S. programs of security assistance—while only one among many instruments of U.S. foreign and national security policy—remain vital to American interests. Many programs which underwrite U.S. commitments to a variety of key countries and geographic regions remain highly relevant to the uncertain environment of the 1990s. Whatever the changes that this decade will bring in world affairs, it will still be in the U.S. national interest to support the national security of other nations, as we seek to shape the new order of international relations.

In both its military and economic components, security assistance provides a vital element of continuity in American foreign policy and helps to build a network of secure and stable relationships. The United States offers Foreign Military Financing to underpin the national security of friendly nations, while supporting existing or prospective democratic institutions and market-oriented economies. In general terms, the military assistance program serves the following objectives:

- Ensuring base rights and facilities access agreements for U.S. power projection;

- Preserving Middle East peace, and stability in other regions; and

- Helping countries in this hemisphere wage the war on drugs.

Economic Support Funding assists many deserving partners with economic and political reform, as well as broader development and market economy initiatives; the program also supports U.S. exports. These and other American assistance programs will help to build new structures of peace and development in the 1990s and beyond.

Increasing Global Challenges

Security assistance programs in the 1990s will turn increasingly to new transnational challenges already threatening international stability as much as do traditional military threats. In the 1980s, a growing percentage of funded security assistance turned to these new challenges, such as the struggle against the international traffic in narcotics. American security assistance programs currently provide critical support for Andean governments to take the initiative against narcotics trafficking. At the same time, such programs reduce the amount of direct effort required of U.S. law enforcement agencies to achieve our common objectives. It is likely that funding devoted to international peacekeeping and the war on terrorism also will need to be increased in coming years.

In the new world of the 1990s, challenges from the proliferation of missile systems and the growing threat of chemical weapons will sharpen our concern for issues of regional and global stability. The rapidity of technological change increases the potential cost of conflict, for U.S. friends and allies and for the United States itself.

In an era that may yet be characterized by declining defense budgets and reductions in the U.S. military presence overseas, the United States will rely more on friends and allies to share the common defense burden. Here, U.S. leadership in putting together such cooperative associations of free nations will be crucial. Security assistance is a valuable tool to encourage friendly nations to contribute more than in the past to the task of deterrence.

We may see increased regional instability in the near-term, post-Cold War world. As the international system evolves away from the bipolar Cold War framework, regional instability in the form of ethnic unrest, insurgency and outright conflict may erupt as states seek to assert themselves in a multipolar system. Security assistance remains one of the most important tools available for us to manage this process of change.

By bolstering alliance relationships and supporting friends and allies, we can promote regional stability and head off disputes before they erupt into armed conflict. Building relationships with these friends and allies also helps support our power projection capabilities, which range from the logistical support provided by base rights countries to the interoperability that is built through security assistance relationships.

The Gulf War and U.S. Security Assistance Programs

Operation Desert Storm demonstrates the continuing relevance of the central objectives of the security assistance program: deterring aggression, maintaining alliance structures and supporting friendly economies.

One often overlooked facet of the security assistance program is the cash sales component. Purchases of defense equipment on a government-to-government basis through the Foreign Military Sales system as well as commercial sales licensed by the U.S. Department of State are both invaluable foreign policy tools.

Through FMS and commercial sales, the United States has built strong security relationships with friendly countries in the Persian Gulf as well as other countries in the United Nations coalition participating in Operation Desert Storm. Moreover, many allied military personnel have experienced U.S. training under FMS or the IMET program, thereby enhancing compatibility in language, military doctrine and technical proficiency. The fact that these countries have built inventories of U.S. equipment with the accompanying training has greatly eased the difficulties faced by our forces in fighting as part of the multinational coalition. Due in part to the security assistance program, the oft-cited goal of interoperability has been made a reality in Operation Desert Storm.

The many positive developments over the past two years hold great promise for the development of a new world order that, as President Bush has said, is "freer from the threat of terror, stronger in the pursuit of justice and more secure in the quest for peace." But even as we face the prospect of a world characterized by reduced superpower tensions and greater international cooperation, Iraq's invasion of Kuwait has reminded us that threats to our vital interests will arise even in a post-Cold War world.

Thus, the key role for U.S. programs of both military and economic assistance to Israel and Egypt will be to continue promoting stability in the Middle East, by helping Israel and moderate Arab states move further in the direction of a lasting settlement in the region. Egypt and Israel will continue to require our economic and military aid in order to maintain their ability to strengthen security, democratic institutions and market economies. Other key U.S. friends and allies, such as Turkey, also require continued or expanded U.S. assistance. Turkey is a strategically-placed partner which plays an essential role both in NATO and as a bridge to the Middle East. A strong, stable, prosperous Turkey is essential to Western interests.

Domestic Economic Impact

Security assistance is not a philanthropic effort, but one which produces direct domestic benefits. These assistance and sales programs have a positive net impact upon our domestic economy. For example, that part of the production of U.S. defense industry which is composed of arms sales abroad provides jobs for American workers and increases exports to help the U.S. balance of trade. In addition, these sales provide economies of scale (e.g., longer production runs) which reduce the costs of weapons systems of continued interest to the U.S. Armed Forces.

It should be noted that foreign exporters of defense articles generally operate under fewer political and technology transfer constraints than do U.S. suppliers. Our principal advantages as a supplier are the quality of our technology, comprehensive and reliable system support and, for selected countries, grant-aid financing. The United States has, at best, limited influence over sales promotion efforts by other military equipment suppliers. Furthermore, the United States cannot control the decisions of sovereign nations on the types of defense systems purchased or the choice of supplier. The increasingly broad spectrum of alternative sources of defense equipment ensures that some other country will sell major systems if the U.S. refuses, depriving the U.S. of any influence over the use of these systems.

As foreign purchases decline along with our own domestic procurement, research and development costs will increase and U.S. defense production will become less cost-effective; some key lines could close. Unless we adjust to the challenge of an increasingly diverse international defense supply environment, the U.S. will be unable to address satisfactorily the legitimate defense needs of our friends and allies, and thereby our own, at an acceptable cost in the coming years. Indeed, the long term survival of a number of important domestic arms programs are tied to foreign sales: M1A2 Abrams Battle Tank, Blackhawk helicopter, HAWK surface to air missile, Boeing 707 aircraft, to name a few. These programs represent skilled labor and jobs in the defense industry. Our military and political influence abroad and our own national security will be diminished if we fail to maintain support for these and other critical production programs into the 1990s.

It should also be noted that security assistance programs are never undertaken solely out of concern for their domestic economic impact in the United States. Every foreign purchase is studied carefully for its regional security and arms control impact, as well as to ensure that the recipient's financial resources will not be excessively burdened by the acquisition.

Recent Developments

To improve the effectiveness of declining security assistance resources, the Executive Branch in recent years has presented smaller and more carefully honed security assistance budgets, worked with foreign nations to plan our programs more carefully, and sought Congressional authority to increase the policy payoff of available funding.

In an effort to avoid increasing the debt burden of our friends and allies, we also have moved toward greater concessionality, with ESF and FMF provided on a largely all-grant basis in recent years. FMS Credits are now offered at concessional (rather than Treasury) rates of interest.

This year, the Administration will seek legislation to introduce a trial program of EXIMBANK financing for U.S. commercial defense exports to selected credit-worthy countries. This limited program, to begin in FY 92, would be an initial effort to provide American exporters of defense articles and services with a small measure of the same financing support which many foreign governments provide to their defense industries.

While it is difficult to plan for future military and economic contingencies, one clear direction we are going in is the training of military and civilian leaders in emerging democracies. New to the International Military Education and Training Program (IMET) this year is a Congressionally mandated initiative to train civilian and military officials in managing and administering military establishments. As countries evolve toward democratic forms of government, we need to support civilian control over the military, responsible resource management and respect for human rights. We already are designing courses to meet this challenge and intend that this initiative will become a permanent part of the IMET program.

Conclusion

The ongoing Gulf conflict demonstrates clearly that security assistance programs do work to support the most vital U.S. national interests. U.S. forces in the Gulf enjoy the benefit of operating with allied air, naval and land forces many of which are armed and trained with U.S. weaponry and communications equipment. Finally, in the larger strategic view, U.S. programs of security assistance to many of our Gulf war partners helped lay the foundation of relationships which now have resulted in the decision by many nations to take the courageous step of joining with us in an extraordinary multinational alliance against aggression.

Security assistance is an investment in the national security and well-being of the United States. The United States needs strong and self-reliant friends around the world to share in the burden of defending freedom and free nations. By enabling friendly countries to stand by themselves, independently defending their national sovereignty, limited U.S. forces can be reserved for the most essential U.S. national defense missions. Thus, security assistance contributes directly to the defense of the United States, even as it aids allies and friends to share the larger burden of defending freedom against its enemies.

FY 1992 SECURITY ASSISTANCE PROGRAMS
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

	ECONOMIC SUPPORT	FMF CONCESS.	FMF GRANT	IMET	PKO	TOTAL
AFRICA:						
AFRICA REGIONAL	10,000	0	10,000	0	0	20,000
BENIN	0	0	0	125	0	125
BOTSWANA	0	0	1,000	400	0	1,400
BURKINA FASO	0	0	0	100	0	100
BURUNDI	0	0	0	200	0	200
CAMEROON	0	0	0	325	0	325
CAPE VERDE	0	0	0	100	0	100
CENTRAL AFRICAN REPUBLIC	0	0	0	255	0	255
CHAD	0	0	2,000	380	0	2,380
COMOROS	0	0	0	75	0	75
CONGO	0	0	0	105	0	105
COTE D'IVOIRE	4,000	0	0	200	0	4,200
DJIBOUTI	3,000	0	2,000	175	0	5,175
EQUATORIAL GUINEA	0	0	0	100	0	100
GABON	0	0	0	150	0	150
GAMBIA	0	0	0	125	0	125
GHANA	0	0	0	175	0	175
GUINEA	0	0	0	175	0	175
GUINEA-BISSAU	0	0	0	150	0	150
KENYA	0	0	4,000	1,100	0	5,100
LESOTHO	0	0	0	75	0	75
LIBERIA	0	0	0	100	0	100
MADAGASCAR	0	0	0	100	0	100
MALAWI	0	0	1,000	250	0	1,250
MALI	0	0	0	175	0	175
MAURITIUS	0	0	0	100	0	100
MOZAMBIQUE	0	0	0	100	0	100
NAMIBIA	5,000	0	0	180	0	5,180
NIGER	0	0	500	300	0	800
NIGERIA	0	0	0	500	0	500
RWANDA	0	0	0	100	0	100
SAO TOME & PRINCIPE	0	0	0	125	0	125
SENEGAL	3,000	0	1,000	825	0	4,825
SEYCHELLES	3,300	0	0	100	0	3,400
SIERRA LEONE	0	0	0	200	0	200
SOMALIA	0	0	0	300	0	300
SUDAN	0	0	0	300	0	300
SWAZILAND	0	0	0	100	0	100
TANZANIA	0	0	0	150	0	150
TOGO	0	0	0	150	0	150
UGANDA	0	0	0	200	0	200
ZAIRE	0	0	3,000	300	0	3,300
ZIMBABWE	0	0	0	300	0	300
REGIONAL TOTAL	28,300	0	24,500	9,145	0	61,945
AMERICAN REPUBLICS:						
ANDEAN NARCOTICS INITVE	250,000 a/	0	0	0	0	250,000
ANTIGUA-BARBUDA*	0	0	900	100	0	1,000
ARGENTINA	0	0	1,000	200	0	1,200
BAHAMAS	0	0	0	125	0	125
BARBADOS*	0	0	1,000	100	0	1,100
BELIZE	0	0	500	125	0	625
BOLIVIA	25,000	0	40,000	900	0	65,900
BRAZIL	0	0	0	150	0	150
CHILE	0	0	1,000	150	0	1,150
COLOMBIA	0	0	58,000	2,300	0	60,300
COSTA RICA	20,000	0	2,360	230	0	22,590
DOMINICA*	0	0	400	100	0	500
DOMINICAN REPUBLIC	5,000	0	2,000	900	0	7,900
EASTERN CARIBBEAN	3,000	0	0	0	0	3,000
ECUADOR	0	0	5,000	800	0	5,800
EL SALVADOR	120,000	0	85,000	1,400	0	206,400
GRENADA*	0	0	545	100	0	645

FY 1992 SECURITY ASSISTANCE PROGRAMS (CONTINUED)
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

	ECONOMIC SUPPORT	FMF CONCESS.	FMF GRANT	IMET	PKO	TOTAL
AMERICAN REPUBLICS (CONT):						
GUATEMALA	30,000	0	2,000	400	0	32,400
GUYANA	2,000	0	0	50	0	2,050
HAITI	24,000	0	2,200	665	0	26,865
HONDURAS	50,000	0	19,100	1,100	0	70,200
JAMAICA	15,000	0	3,000	450	0	18,450
LATIN AMERICA REGIONAL	9,000	0	0	0	0	9,000
MEXICO	0	0	0	430	0	430
NICARAGUA	150,000	0	0	0	0	150,000
PACAMS	0	0	0	1,000	0	1,000
PANAMA	10,000	0	0	0	0	10,000
PARAGUAY	0	0	500	175	0	675
PERU	0	0	39,000	900	0	39,900
ST. KITTS AND NEVIS*	0	0	500	100	0	600
ST. LUCIA*	0	0	500	100	0	600
ST. VINCENT & GRENADINES*	0	0	400	100	0	500
TRINIDAD & TOBAGO	0	0	500	95	0	595
URUGUAY	0	0	1,000	325	0	1,325
VENEZUELA	0	0	0	175	0	175
REGIONAL TOTAL	713,000	0	266,405	13,745	0	994,050
EAST ASIA & PACIFIC:						
CAMBODIAN RESISTANCE	5,000	0	0	0	0	5,000
FIJI	300	0	300	50	0	650
INDONESIA	5,000	0	0	2,300	0	7,300
KOREA	0	0	0	800	0	800
MALAYSIA	0	0	0	1,100	0	1,100
PAPUA NEW GUINEA	0	0	0	80	0	80
PHILIPPINES	129,800	0	200,000	2,800	0	322,800
S. PACIFIC TUNA TREATY	10,000	0	0	0	0	10,000
SINGAPORE	0	0	0	15	0	15
SOLOMON ISLANDS	0	0	0	50	0	50
THAILAND	2,500	0	0	2,500	0	5,000
TONGA	0	0	0	50	0	50
VANUATU	0	0	0	50	0	50
REGIONAL TOTAL	142,800	0	200,300	9,795	0	352,895
EUROPE & CANADA:						
CYPRUS	3,000	0	0	0	0	3,000
CZECHOSLOVAKIA	0	0	0	75	0	75
GREECE	0	205,000	65,000	500	0	350,500
HUNGARY	0	0	0	75	0	75
MALTA	0	0	0	65	0	65
POLAND	0	0	0	75	0	75
PORTUGAL	40,900	22,000	103,000	2,850	0	167,850
SPAIN	0	0	0	1,200	0	1,200
TURKEY	75,000	0	625,000	3,500	0	703,500
YUGOSLAVIA	0	0	0	100	0	100
REGIONAL TOTAL	118,000	307,000	793,000	8,440	0	1,226,440
NEAR EAST & SOUTH ASIA:						
AFGHAN HUMANITARIAN	30,000	0	0	0	0	30,000
ALGERIA	0	0	0	150	0	150
BANGLADESH	0	0	0	350	0	350
EGYPT	815,000	0	1,300,000	1,800	0	2,116,800
INDIA	0	0	0	345	0	345
ISRAEL	1,200,000	0	1,800,000	0	0	3,000,000
JORDAN	30,000	0	25,000	2,000	0	57,000
LEBANON	2,000	0	0	400	0	2,400
MALDIVES	0	0	0	70	0	70

FY 1992 SECURITY ASSISTANCE PROGRAMS (CONTINUED)
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

	ECONOMIC SUPPORT	FMF CONCESS.	FMF GRANT	IMET	PKO	TOTAL
NEAR EAST & SOUTH ASIA (CONT):						
MIDDLE EAST REGIONAL	6,000	0	0	0		6,000
MOROCCO	12,000	0	40,000	1,150	0	53,150
NEPAL	0	0	500	185	0	685
OMAN	15,000	0	5,000	100	0	20,100
PAKISTAN	100,000	6,961	106,595	915	0	214,471
SRI LANKA	0	0	0	200	0	200
TUNISIA	3,000	0	10,000	1,250	0	14,250
WEST BANK/GAZA	12,000	0	0	0	0	12,000
REGIONAL TOTAL	2,225,000	6,961	3,287,095	8,915	0	5,527,971
TOTAL COUNTRY PROGRAMS	3,228,000	313,961	4,571,300	50,040	0	8,163,301
NON-REGIONAL:						
ADMINISTRATIVE COSTS	0	200	28,700	0	0	28,900
GENERAL COSTS	0	0	0	2,460	0	2,460
MULTINATL FORCE & OBSERV (MFO)	0	0	0	0	19,500	19,500
REAPPROPRIATION	12,000	0	10,000	0	0	22,000
UN FORCE IN CYPRUS	0	0	0	0	8,500	8,500
NON-REGIONAL TOTAL	12,000	200	38,700	2,460	28,000	81,360
TOTAL PROGRAM	3,240,000	314,161	4,610,000	52,500	28,000	8,244,661
ADJUSTMENT FOR NON-SUBSIDY ELEMENT OF CONCESSIONAL LOANS	0	-274,161	0	0	0	-274,161
TOTAL BUDGET AUTHORITY	3,240,000	40,000	4,610,000	52,500	28,000	7,970,500

*These countries comprise the Eastern Caribbean. See Eastern Caribbean narrative in Section III for a discussion of specific country programs.
a/ Provisional allocation as follows: Bolivia $100 million, Colombia $50 million, Peru $100 million. Final allocations will depend on each country's performance in meeting drug program objectives.

SECTION II

FOREIGN MILITARY FINANCING

Foreign Military Financing (FMF) is the component of Security Assistance that enables U.S. friends and allies to improve their defense capabilities by financing their acquisition of U.S. military articles, services, and training. This acquisition of U.S. military equipment enhances their national defense, promotes interoperability with U.S. forces, creates jobs in the United States and increases production efficiency.

As a grant and low-interest loan program, FMF is distinguished from Foreign Military Sales (FMS), the program under which all government-to-government sales occur. In general, FMF provides financing for FMS sales. Select countries, however, are permitted to use their FMF credits for procurement outside of FMS channels, through direct commercial contracts. These countries are: Greece, Turkey, Portugal, Jordan, Morocco, Pakistan, Tunisia and Yemen, Egypt and Israel.

To the extent that FMF increases demand for U.S. equipment, it benefits our economy in several ways. By increasing the length of production runs, FMF lowers unit costs for DOD purchases and contributes to job growth. This contributes to a strong U.S. defense industrial base, a critical component of our national defense.

Between 1974 and 1984, almost all FMF took the form of guaranteed loans provided through the Federal Financing Bank at interest rates slightly higher than the cost of money to the United States, or outright forgiven loans by DSAA. In the global recession of the early 1980s, repayment of FMF loans with high interest rates exacerbated many developing countries' debt service problems.

By mid-decade, Congress and the Executive Branch, spurred by the Bipartisan Commission on Economic and Security Assistance, expressed concern that high interest rate FMS financing was contributing to recipient country debt problems. This concern prompted the FY 1985 legislative mandate for on-budget DSAA loans, either "forgiven" (i.e., non-repayable) FMF for Egypt and Israel or concessional (lower interest rate) loans for certain other countries.

In FY 1991, 91 percent ($4.26 billion out of $4.66 billion) of FMF was in grant form. The Administration believes that FMF countries receiving security assistance on a grant basis can devote scarce financial resources to economic development. For FY 1992, the Administration has requested an FMF program which closely matches the FY 1991 appropriation–$4.61 billion in FMF grants and 314 million in FMF concessional interest rate loans.

Beginning in FY 1992 the Federal Credit Reform Act of 1990 (P.L. 101-508) will change the method of accounting and budgeting for all government loans including FMF loans issued under the Arms Export Control Act. The purpose of the legislation is to more accurately portray the true cost of loan programs by providing new budget authority only for the subsidy element of the loan program. This legislation is the basis for the establishment of two new accounts and substantial changes to existing accounts within the FMF Program framework.

Foreign Military Financing Grants (11-1082)

In the past the budget authority for both the grant and loan programs were comingled in the FMF Account 11-1082. Beginning in FY 1992, the 11-1082 account will contain only the FMF grant portion of the program and administrative costs. Outlays will consist solely of grant financing and the administrative costs.

The proposed text for appropriation legislation is as follows:

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $4,600,000,000: Provided, That funds made available under this heading shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a), and shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: Provided further, That none of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed a grant agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds. Provided further, That not more the $300,000,000 of the funds made available under this heading shall be available for use in financing the procurement of defense articles, defense services, or design and construction services that are not sold by the United State Government under the Arms Export Control Act to countries other than Israel and Egypt: Provided further, That only those countries for which assistance was justified for the "Foreign Military Sales Financing Program" in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That the Department of Defense shall conduct during the current fiscal year nonreimbursable audits of private firms whose contracts are made directly with foreign governments and are financed with funds made available under this heading (as well as subcontractors thereunder) as requested by the Defense Security Assistance Agency: Provided further, That not more than $28,700,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales.

Foreign Military Financing Program Account (11-1085)

The new Foreign Military Financing Program Account will provide the budget authority needed to fund the subsidy element of the proposed FY 1992 FMF concessional loan program. Budget authority provided to the 11-1085 account represents the subsidy element of the loan program and a small amount for administrative expenses. Expenditures finance the subsidy element of direct loan disbursements and will be transferred to the Foreign Military Financing Direct Loan Financing Account 11-4122 to make the required expenditures for approved sales.

The proposed text for appropriation legislation is as follows:

For the cost, as defined in section 13201 of the Budget Enforcement Act of 1990, including the cost of modifying loans, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, $39,800,000: Provided, That these funds are available to subsidize gross

obligations for the principal amount of direct loans of not to exceed $313,961,000: Provided further, That the rate of interest charged on such loans shall be 5 percent per year: In addition, for administrative expenses necessary to carry out the direct loan program, $200,000, which may be transferred to and merged with funds deposited by foreign purchasers for administrative expenses pursuant to sections 43(b) and 43(c) of the Arms Export Control Act.

Foreign Military Loan Liquidating Account (11-4121) (Formerly the Guaranty Reserve Fund)

Beginning in FY 1992 the Federal Credit Reform Act of 1990 (P.L. 101-508) will substantially change the accounting and budgeting for all government guaranteed or government financed loans including FMF loans issued under the Arms Export Control Act. The Foreign Military Loan Liquidating Account 11-4121, formerly titled the Guaranty Reserve Fund, will be used as the liquidating account for all FMF loans, direct or guaranteed, which were issued prior to FY 1992. This includes the disbursement of pre-FY 1992 direct or guaranteed loan funds and the payment and subsequent recoupment of guaranty claims on Federal Financing Bank or guaranteed commercial FMF loans. Account 11-4121 will be augmented if necessary by permanent borrowing authority with the Treasury. Recoupments from borrowers, of guarantee claims paid from the liquidating account, will be used to repay the permanent borrowing authority to the Treasury and to restore the liquidity of the account.

The proposed text for appropriation legislation is as follows:

For purposes of Title 5 of the Congressional Budget Act of 1974, enacted by section 13201 of the Budget Enforcement Act of 1990 relating to Federal credit reform, the Arms Export Control Act is amended—(a) in section 24(c), by striking out "Guaranty Reserve Fund" and inserting in lieu thereof "Foreign Military Loan Liquidating Account" and by striking out the third sentence thereof; and (b) in section 25(a), by striking out paragraph (7). (Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991.)

Foreign Military Financing Direct Loan Financing Account (11-4122)

The Foreign Military Financing Direct Loan Financing Account 11-4122 is related to the FMF Program Account 11-1085 and will be used, beginning in FY 1992, as the vehicle for making disbursements of FMF loan funds for approved procurements and for the collection of debt service due under those loans. The subsidy element of concessional loan disbursements will be transferred from the appropriated amount in the 11-1085 account to the Loan Financing account 11-4122. These funds will be augmented by permanent borrowing authority from the Treasury to make the required expenditures for FMS and commercial procurements. Receipts of debt service payments from FMF borrowers will be used for repayment of the borrowing from the Treasury.

FOREIGN MILITARY FINANCING
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

	CTUAL FY 1990			ESTIMATED FY 1991			PROPOSED FY 1992		
	CONCESS. RATE	GRANT	TOTAL	CONCESS. RATE	GRANT	TOTAL	CONCESS. RATE	GRANT	TOTAL
AFRICA:									
AFRICA BIODIVERSITY/RCEL	0	0	0	0	15,000	15,000	0	0	0
AFRICA CIVIC ACTION	0	0	0	0	3,000	3,000	0	0	0
AFRICA REGIONAL	0	0	0	0	0	0	0	10,000	10,000
BENIN	0	80	80	0	0	0	0	0	0
BOTSWANA	0	996	996	0	0	0	0	1,000	1,000
BURUNDI	0	65	65	0	0	0	0	0	0
CAMEROON	0	206	206	0	0	0	0	0	0
CENTRAL AFRICAN REPUBLIC	0	120	120	0	0	0	0	0	0
CHAD	0	3,792	3,792	0	0	0	0	2,000	2,000
COMOROS	0	85	85	0	0	0	0	0	0
COTE D'IVOIRE	0	400	400	0	0	0	0	0	0
DJIBOUTI	0	2,076	2,076	0	1,000	1,000	0	2,000	2,000
EQUATORIAL GUINEA	0	405	405	0	0	0	0	0	0
GABON	0	115	115	0	0	0	0	0	0
GAMBIA	0	50	50	0	0	0	0	0	0
GUINEA	0	440	440	0	0	0	0	0	0
GUINEA-BISSAU	0	405	405	0	0	0	0	0	0
KENYA	0	9,956	9,956	0	0	0	0	4,000	4,000
MADAGASCAR	0	449	449	0	0	0	0	0	0
MALAWI	0	2,091	2,091	0	0	0	0	1,000	1,000
MAURITANIA	0	300	300	0	0	0	0	0	0
NIGER	0	1,883	1,883	0	800	800	0	800	800
RWANDA	0	135	135	0	0	0	0	0	0
SAO TOME & PRINCIPE	0	225	225	0	0	0	0	0	0
SENEGAL	0	1,863	1,863	0	0	0	0	1,000	1,000
SEYCHELLES	0	66	66	0	0	0	0	0	0
SIERRA LEONE	0	313	313	0	0	0	0	0	0
TANZANIA	0	80	80	0	0	0	0	0	0
TOGO	0	190	190	0	0	0	0	0	0
UGANDA	0	40	40	0	0	0	0	0	0
ZAIRE	0	2,007	2,007	0	0	0	0	3,000	3,000
REGIONAL TOTAL	0	29,871	29,871	0	19,800	19,800	0	24,800	24,800
AMERICAN REPUBLICS:									
ANTIGUA-BARBUDA*	0	700	700	0	800	800	0	800	800
ARGENTINA	0	0	0	0	1,000	1,000	0	1,000	1,000
BARBADOS*	0	625	625	0	800	800	0	1,000	1,000
BELIZE	0	0	0	0	800	800	0	800	800
BOLIVIA	0	30,225	30,225	0	36,000	36,000	0	40,000	40,000
CHILE	0	0	0	0	0	0	0	1,000	1,000
COLOMBIA	0	71,730	71,730	0	27,000	27,000	0	50,000	50,000
COSTA RICA	0	0	0	0	0	0	0	2,300	2,300
DOMINICA*	0	700	700	0	400	400	0	400	400
DOMINICAN REPUBLIC	0	1,270	1,270	0	800	800	0	2,000	2,000
ECUADOR	0	405	405	0	0	0	0	5,000	5,000
EL SALVADOR	0	79,636	79,636	0	83,945	83,945	0	85,000	85,000
GRENADA*	0	800	800	0	400	400	0	545	545
GUATEMALA	0	2,887	2,887	0	2,000	2,000	0	2,000	2,000
HAITI	0	400	400	0	1,000	1,000	C	2,200	2,200
HONDURAS	0	20,163	20,163	0	21,800	21,800	0	19,100	19,100
JAMAICA	0	1,000	1,000	0	800	800	0	3,000	3,000
PARAGUAY	0	0	0	0	0	0	0	800	800
PERU	0	1,000	1,000	0	34,000	34,000	0	30,000	30,000
ST. KITTS AND NEVIS*	0	800	800	0	400	400	0	500	500
ST. LUCIA*	0	800	800	0	400	400	0	500	500
ST. VINCENT & GRENADINES*	0	800	800	0	400	400	0	400	400
TRINIDAD & TOBAGO	0	800	800	0	200	200	0	500	500
URUGUAY	0	0	0	0	0	0	0	1,000	1,000

FOREIGN MILITARY FINANCING (CONTINUED)
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

	ACTUAL FY 1990			ESTIMATED FY 1991			PROPOSED FY 1992		
	CONCESS. RATE	GRANT	TOTAL	CONCESS. RATE	GRANT	TOTAL	CONCESS. RATE	GRANT	TOTAL
REGIONAL TOTAL	0	222,752	222,752	0	210,600	210,600	0	256,405	256,405
EAST ASIA & PACIFIC:									
FIJI	0	0	0	0	0	0	0	300	300
PHILIPPINES	0	140,395	140,395	0	200,000	200,000	0	200,000	200,000
THAILAND	0	3,038	3,038	0	0	0	0	0	0
REGIONAL TOTAL	0	143,433	143,433	0	200,000	200,000	0	200,300	200,300
EUROPE & CANADA:									
GREECE	318,624	29,871	348,495	320,000	30,000	350,000	285,000	65,000	350,000
PORTUGAL	0	84,635	84,635	0	100,000	100,000	21,000	103,000	125,000
TURKEY	85,630	412,220	497,850	0	500,000	500,000	0	625,000	625,000
REGIONAL TOTAL	404,254	526,726	930,980	320,000	630,000	950,000	307,000	793,000	1,100,000
NEAR EAST & SOUTH ASIA:									
EGYPT	0	1,294,410	1,294,410	0	1,300,000	1,300,000	0	1,300,000	1,300,000
ISRAEL	0	1,782,280	1,782,280	0	1,800,000	1,800,000	0	1,800,000	1,800,000
JORDAN	0	67,794	67,794	0	20,000	20,000	0	25,000	25,000
MOROCCO	0	42,815	42,815	0	43,000	43,000	0	40,000	40,000
NEPAL	0	0	0	0	0	0	0	500	500
OMAN	0	0	0	0	500	500	0	5,000	5,000
PAKISTAN	0	229,011	229,011	83,500	8,400	91,900	6,961	106,595	113,556
TUNISIA	0	29,871	29,871	0	0	0	0	10,000	10,000
YEMEN	0	501	501	0	0	0	0	0	0
REGIONAL TOTAL	0	3,456,682	3,456,682	83,500	3,171,900	3,255,400	6,961	3,287,095	3,294,056
TOTAL COUNTRY PROGRAMS	404,254	4,379,444	4,783,698	403,500	4,232,000	4,636,500	313,961	4,571,300	4,886,261
NON-REGIONAL:									
ADMINISTRATIVE COSTS a/	0	29,651	29,651	0	27,921	27,921	200	29,700	29,900
REAPPROPRIATION	0	0	0	50,000	b/ 3,023	c/ 53,023	0	10,000	10,000
NON-REGIONAL TOTAL	0	29,651	29,651	50,000	30,944	80,944	200	39,700	39,900
TOTAL PROGRAM	404,254	4,409,095	4,813,349	453,500	4,262,944	4,716,444	314,161	4,610,000	4,924,161
ADJUSTMENT FOR NON-SUBSIDY ELEMENT OF CONCESS. LOANS	0	0	0	0	0	0	-274,161	0	-274,161
TOTAL BUDGET AUTHORITY	404,254	4,409,095	4,813,349	453,500	4,262,944	4,716,444	40,000	4,610,000	4,650,000

a/ See page 18 for details of Administrative Costs.
b/ Unused FY 1985 and FY 1986 previously obligated funds allocated to the Philippines, Tunisia and Malaysia reappropriated for Turkey.
c/ $3.023 million in FY 1982 Foreign Military Credits (forgiven) allocated to Sudan and reappropriated for Senegal ($2 million) and Niger ($1.023 million).

FOREIGN MILITARY FINANCING ADMINISTRATIVE COSTS
(Dollars in Thousands)

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
Departmental & Headquarters Administrative Expenses a/	6,651	6,921	7,300
SAO Administrative Expenses a/	23,000	21,000	21,400
Total Budget Authority	29,651	27,921	28,700

a/ Excludes those Defense Security Assistance Agency (DSAA) and overseas security assistance organizations (SAO) costs related to FMS which are financed from sales under sections 21, 22, and 29 of the Arms Export Control Act. See Overseas Military Program Management table for further details on SAO costs.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

International Military Education and Training (IMET) is a low-cost foreign policy program that is recognized to be one of the most effective components of U.S. security assistance. IMET provides military education and training on a grant basis to students from allied and friendly nations. Since 1950, IMET and its predecessor program have trained more than 500,000 foreign officers and enlisted personnel.

IMET provides training in areas ranging from professional military education to basic technical skills. This training gives U.S. friends and allies knowledge and skills to improve their military forces and to promote self-sufficiency. IMET is an important supplement to other countries' indigenous training capabilities. In addition, English language training, essential to attending courses in the United States, increases rapport between foreign students and their U.S. counterparts.

By bringing students to the United States, the IMET program exposes them to the U.S. professional military establishment and to the American way of life, including U.S. regard for democratic values, respect for individual and human rights, and belief in the rule of law. Students are also exposed to U.S. military procedures and the manner in which the U.S. military functions under civilian rule. A less formal, but nonetheless significant, part of the program exposes foreign students to the civilian community and institutions important to our way of life.

In accordance with provisions of the FY 1991 Foreign Operations Appropriations Act (P.L. 101-513), the scope and purposes of the IMET program have been expanded in order to promote military professionalism in IMET recipients. In FY 1991, not less than $1 million of IMET funds will be used for training international civilian and military officials in managing and administering military establishments and budgets, and in creating and maintaining effective military judicial systems and military codes of conduct. We intend to continue the effort in FY 1992.

A key part of this expanded IMET training will consist of training of foreign military and civilian government officials (including civilian personnel from ministries other than defense) in order to: contribute to responsible defense management; foster greater respect for and understanding of the principle of civilian control of the military; and improve military justice systems and procedures in accordance with internationally recognized human rights.

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
AFRICA:			
BENIN	70	100	125
BOTSWANA	385	411	400
BURKINA FASO	86	100	100
BURUNDI	162	175	200
CAMEROON	313	275	325
CAPE VERDE	63	75	100
CENTRAL AFRICAN REPUBLIC	157	200	255
CHAD	384	300	380
COMOROS	48	75	75
CONGO	42	50	105
COTE D'IVOIRE	162	150	200
DJIBOUTI	169	175	175
EQUATORIAL GUINEA	105	100	100
GABON	57	100	150
GAMBIA	112	100	125
GHANA	171	175	175
GUINEA	170	150	175
GUINEA-BISSAU	95	100	150
KENYA	1,068	1,175	1,100
LESOTHO	68	75	75
LIBERIA	0	0	100
MADAGASCAR	100	75	100
MALAWI	172	250	250
MALI	173	175	175
MAURITANIA	125	125	0
MAURITIUS	0	25	100
MOZAMBIQUE	0	100	100
NAMIBIA	0	100	180
NIGER	309	275	300
NIGERIA	102	100	500
RWANDA	101	100	100
SAO TOME & PRINCIPE	110	125	125
SENEGAL	529	525	525
SEYCHELLES	23	100	100
SIERRA LEONE	94	100	200
SOMALIA	0	0	300
SUDAN	0	0	300
SWAZILAND	75	75	100
TANZANIA	89	100	150
TOGO	107	100	150
UGANDA	109	175	200
ZAIRE	644	5	300
ZIMBABWE	237	250	300
REGIONAL TOTAL	6,966	6,941	9,145
AMERICAN REPUBLICS:			
ANTIGUA-BARBUDA*	22	100	100
ARGENTINA	149	150	200
BAHAMAS	81	125	125
BARBADOS*	83	100	100
BELIZE	106	115	125
BOLIVIA	552	900	900
BRAZIL	97	125	150
CHILE	0	100	150
COLOMBIA	1,500	2,500	2,300
COSTA RICA	232	230	230
DOMINICA*	22	100	100
DOMINICAN REPUBLIC	776	900	900
ECUADOR	701	800	800
EL SALVADOR	1,592	1,055	1,400
GRENADA*	66	100	100
GUATEMALA	12	400	400
GUYANA	0	50	50

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM
BUDGET AUTHORITY (CONTINUED)
(DOLLARS IN THOUSANDS)

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
AMERICAN REPUBLICS (CONT):			
HAITI	0	200	865
HONDURAS	1,053	1,100	1,100
JAMAICA	301	400	450
MEXICO	304	400	430
PACAMS	2,398	1,000	1,000
PARAGUAY	217	175	175
PERU	458	900	900
ST. KITTS AND NEVIS*	65	100	100
ST. LUCIA*	48	100	100
ST. VINCENT & GRENADINES*	44	100	100
SURINAME	0	25	0
TRINIDAD & TOBAGO	43	95	95
URUGUAY	198	200	325
VENEZUELA	102	125	175
REGIONAL TOTAL	11,642	12,770	13,745
EAST ASIA & PACIFIC:			
BURMA	0	0	0
FIJI	0	50	50
INDONESIA	1,985	1,900	2,300
KOREA	1,217	1,000	800
MALAYSIA	994	0	1,100
PAPUA NEW GUINEA	58	75	80
PHILIPPINES	2,589	2,600	2,800
SINGAPORE	49	20	15
SOLOMON ISLANDS	37	50	50
THAILAND	2,629	2,400	2,500
TONGA	31	50	50
VANUATU	0	30	50
REGIONAL TOTAL	9,591	8,175	9,795
EUROPE & CANADA:			
AUSTRIA	13	15	0
CZECHOSLOVAKIA	0	50	75
FINLAND	38	15	0
GREECE	429	550	500
HUNGARY	0	50	75
ICELAND	8	0	0
IRELAND	0	30	0
MALTA	29	60	65
POLAND	0	50	75
PORTUGAL	2,390	2,650	2,850
SPAIN	2,087	1,500	1,200
TURKEY	3,449	3,400	3,500
YUGOSLAVIA	26	100	100
REGIONAL TOTAL	8,669	8,470	8,440
NEAR EAST & SOUTH ASIA:			
ALGERIA	150	150	150
BANGLADESH	305	300	350
EGYPT	1,636	1,500	1,800
INDIA	282	300	345
JORDAN	2,200	2,100	2,000
LEBANON	130	400	400
MALDIVES	46	50	70
MOROCCO	1,394	1,050	1,150
NEPAL	123	125	185
OMAN	178	100	100
PAKISTAN	960	915	915
SRI LANKA	191	160	200
TUNISIA	1,492	1,450	1,250

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM BUDGET AUTHORITY (CONTINUED)

(DOLLARS IN THOUSANDS)

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
NEAR EAST & SOUTH ASIA (CONT):			
YEMEN	1,086	0	0
REGIONAL TOTAL	10,173	8,680	8,915
NON-REGIONAL:			
GENERAL COSTS	135	2,160 a/	2,460
NON-REGIONAL TOTAL	135	2,160	2,460
TOTAL BUDGET AUTHORITY	47,196	47,196	52,600

NOTE: Totals may not add due to rounding.

*These countries comprise the Eastern Caribbean. See Eastern Caribbean narrative in Section III for a discussion of specific country programs.

a/ This figure includes at least $1 million in funds to continue a program initiated by an earmark of FY 1991 IMET funds made in P.L. 101-513, the FY 1991 Foreign Operations Appropriation Act. This program trains civilian personnel, including those not in the ministry of defense, and military personnel in defense resource management, civilian control of the military, military justice systems, and recognition of human rights.

SUMMARY OF STUDENTS TRAINED UNDER IMET

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
AFRICA:			
BENIN	3	4	5
BOTSWANA	31	45	43
BURKINA FASO	7	11	7
BURUNDI	11	8	13
CAMEROON	13	20	16
CAPE VERDE	6	1	10
CENTRAL AFRICAN REPUBLIC	7	12	12
CHAD	20	26	22
COMOROS	4	3	4
CONGO	6	3	16
COTE D'IVOIRE	8	13	10
DJIBOUTI	9	12	9
EQUATORIAL GUINEA	4	4	4
GABON	5	8	14
GAMBIA	10	10	11
GHANA	16	20	16
GUINEA	6	10	7
GUINEA-BISSAU	5	6	8
KENYA	96	96	100
LESOTHO	8	11	6
LIBERIA	0	0	5
MADAGASCAR	6	6	6
MALAWI	9	20	16
MALI	8	9	9
MAURITANIA	7	5	0
MAURITIUS	0	1	4
MOZAMBIQUE	0	4	4
NAMIBIA	0	7	12
NIGER	18	15	17
NIGERIA	20	31	100
RWANDA	5	4	5
SAO TOME & PRINCIPE	4	3	5
SENEGAL	31	21	31
SEYCHELLES	3	9	14
SIERRA LEONE	10	7	22
SOMALIA	0	0	16
SUDAN	0	0	25
SWAZILAND	6	6	8
TANZANIA	7	4	12
TOGO	5	7	7
UGANDA	8	23	16
ZAIRE	26	1	12
ZIMBABWE	22	23	28
REGIONAL TOTAL	467	540	709
AMERICAN REPUBLICS:			
ANTIGUA-BARBUDA*	0	16	22
ARGENTINA	41	46	96
BAHAMAS	19	43	46
BARBADOS*	11	17	21
BELIZE	16	20	20
BOLIVIA	71	110	20
BRAZIL	16	35	33
CHILE	0	10	16
COLOMBI/.	669	972	1,376
COSTA RICA	36	54	44
DOMINICA*	3	13	14
DOMINICAN REPUBLIC	79	85	96
ECUADOR	203	292	347
EL SALVADOR	145	126	145
GRENADA*	12	17	20
GUATEMALA	100	109	101
GUYANA	0	4	4

SUMMARY OF STUDENTS TRAINED UNDER IMET

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
AMERICAN REPUBLICS (CONT):			
HAITI	0	12	54
HONDURAS	215	217	235
JAMAICA	54	80	82
MEXICO	77	170	114
PARAGUAY	17	22	18
PERU	31	123	68
ST. KITTS AND NEVIS*	13	12	22
ST. LUCIA*	8	10	22
ST. VINCENT & GRENADINES*	9	11	23
SURINAME	0	11	24
TRINIDAD & TOBAGO	4	12	9
URUGUAY	10	29	24
VENEZUELA	40	95	56
REGIONAL TOTAL	1,	2,772	3,164
EAST ASIA & PACIFIC:			
FIJI	0	10	5
INDONESIA	100	114	180
KOREA	212	205	143
MALAYSIA	110	0	125
PAPUA NEW GUINEA	3	7	6
PHILIPPINES	325	365	364
SINGAPORE	12	4	4
SOLOMON ISLANDS	4	3	6
THAILAND	253	308	340
TONGA	1	6	2
VANUATU	0	3	4
REGIONAL TOTAL	1,020	1,025	1,179
EUROPE & CANADA:			
AUSTRIA	6	9	0
CZECHOSLOVAKIA	0	4	6
FINLAND	6	4	0
GREECE	148	177	121
HUNGARY	0	4	6
ICELAND	8	0	0
IRELAND	0	6	0
MALTA	6	6	14
POLAND	0	4	6
PORTUGAL	48	57	62
SPAIN	114	102	76
TURKEY	179	285	195
YUGOSLAVIA	1	7	4
REGIONAL TOTAL	516	666	490
NEAR EAST & SOUTH ASIA:			
ALGERIA	23	27	24
BANGLADESH	32	35	36
EGYPT	157	210	174
INDIA	16	15	21
JORDAN	206	230	214
LEBANON	9	40	40
MALDIVES	5	5	6
MOROCCO	82	96	103
NEPAL	12	16	24
OMAN	22	18	17
PAKISTAN	116	160	123
SRI LANKA	18	16	19
TUNISIA	122	155	132
YEMEN	48	0	0

SUMMARY OF STUDENTS TRAINED UNDER IMET

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
REGIONAL TOTAL	868	1,023	933
WORLDWIDE TOTAL	4,768	6,025	6,475

*These countries comprise the Eastern Caribbean. See Eastern Carribbean narrative in Section III for a discussion of specific country programs

ECONOMIC SUPPORT FUND

The Economic Support Fund (ESF) advances U.S. economic, political and security interests by offering economic and counter-narcotics assistance to allies and developing countries of strategic importance to the United States. By fostering economic development and reform, ESF helps to avert or alleviate the economic and political disruptions that can threaten the security and independence of key allies and friends. The Agency for International Development (AID) implements the ESF program under the direction of the Administrator of AID and in accordance with the overall foreign policy guidance of the Secretary of State.

ESF primarily provides balance of payments support either directly, through cash transfers, or through the financing of commodity imports which permits the acquisition of critical raw materials and capital goods when foreign exchange is not readily available. Depending on the recipient country's economic situation, the fast-disbursing balance of payments or budgetary support provided through ESF creates leverage for the policy reforms required to facilitate sustainable economic growth by encouraging the adoption of more rational economic and fiscal policies. Where longer-term political and economic stability is the primary concern, ESF finances projects of direct benefit to the poor.

As has been the case throughout the past decade, economic dislocation and political strife continue to place great strains on many countries. Many of these same countries have recognized that economic reform is essential for economic and political stability and have begun to implement urgently needed reforms. In the short term however, efforts to develop more rational and efficient economic policies can often exacerbate social and political tensions, unless buffered with external assistance. The FY 1991 appropriation of $3.141 billion in grant ESF and the Administration's FY 1992 request of $3.228 reflects a firm U.S. commitment to economic development and growth. Funding will help safeguard important mutual security interests of the United States and its friends and allies.

ECONOMIC SUPPORT FUND
BUDGET AUTHORITY/OBLIGATIONS
(DOLLARS IN THOUSANDS)

	ACTUAL FY 1990			
	BUDGET AUTHORITY			
	CARRY FORWARD	NEW BUDGET AUTHORITY	TOTAL	OBLIGATIONS (GRANT)
AFRICA:				
AFRICA REGIONAL	0	0	0	2,000
BOTSWANA	0	0	0	768
CHAD	0	0	0	2,944
COTE D'IVOIRE	0	0	0	7,000
DJIBOUTI	187	1,742	1,929	3,229
NAMIBIA	0	10,000	10,000	0
SEYCHELLES	0	1,991	1,991	2,991
SOUTH AFRICA REPUBLIC	0	19,957	19,957	9,957
REGIONAL TOTAL	187	33,690	33,877	28,890
AMERICAN REPUBLICS:				
BOLIVIA	13,250	20,163	33,413	33,413
CENTRAL AMERICA REGIONAL	70	0	70	70
COLOMBIA	2,133	0	2,133	2,107
COSTA RICA	0	63,544	63,544	63,544
EASTERN CARIBBEAN	0	1,957	1,957	2,032
EL SALVADOR	13,740	130,616	144,356	136,355
GUATEMALA	0	56,483	56,483	56,483
GUYANA	0	2,289	2,289	1,687
HAITI	0	3,000	3,000	2,500
HONDURAS	70,000	60,017	130,017	130,017
JAMAICA	0	13,728	13,728	13,728
LATIN AMERICA REGIONAL	821	10,058	10,879	10,381
NICARAGUA	803	295,000	295,803	242,910
NICARAGUA/PANAMA ADMIN EXP	0	10,000	10,000	920
PANAMA	0	412,000	412,000	394,487
PERU	0	3,286	3,286	3,286
REGIONAL TOTAL	100,817	1,082,141	1,182,958	1,093,920
EAST ASIA & PACIFIC:				
APRC REGIONAL	0	850	850	850
CAMBODIAN RESISTANCE	0	5,078	5,078	5,078
INDONESIA	0	1,991	1,991	0
PHILIPPINES	0	124,020	124,020	130,403
S. PACIFIC TUNA TREATY	0	10,001	10,001	10,000
THAILAND	0	2,539	2,539	2,539
REGIONAL TOTAL	0	144,479	144,479	148,870
EUROPE & CANADA:				
CYPRUS	0	14,936	14,936	4,979
EASTERN EUROPE REGIONAL	0	230,007	230,007	228,391
IRELAND	10,000	19,769	29,769	10,000
PORTUGAL	0	40,002	40,002	39,402
TURKEY	0	14,263	14,263	14,263
UNION OF SOVIET SOCIALIST REPUBLICS	0	4,979	4,979	4,929
REGIONAL TOTAL	10,000	323,956	333,956	301,964
NEAR EAST & SOUTH ASIA:				
AFGHAN HUMANITARIAN	0	35,060	35,060	35,135
EGYPT	115,000	811,496	926,496	898,389
ISRAEL	0	1,194,840	1,194,840	1,194,840
JORDAN	0	34,850	34,850	3,700
LEBANON	0	3,734	3,734	3,734
MIDDLE EAST REGIONAL	0	11,948	11,948	6,846
MOROCCO	0	19,914	19,914	19,914
OMAN	0	12,546	12,546	12,546
PAKISTAN	0	229,011	229,011	229,011
TUNISIA	0	12,446	12,446	12,746
WEST BANK/GAZA	1,114	11,948	13,062	12,818

ECONOMIC SUPPORT FUND (CONTINUED)
BUDGET AUTHORITY/OBLIGATIONS
(DOLLARS IN THOUSANDS)

	ACTUAL FY 1990			
		BUDGET AUTHORITY		
	CARRY FORWARD	NEW BUDGET AUTHORITY	TOTAL	OBLIGATIONS (GRANT)
NEAR EAST & SOUTH ASIA (CONT):				
REGIONAL TOTAL	116,114	2,377,793	2,493,907	2,429,479
NON-REGIONAL:				
OFF FOREIGN DISASTER ASST	0	2,500	2,500	7,493
OTHER	785	0	785	0
RETURNED TO TREASURY	2	0	2	0
SCIENCE & TECHNOLOGY	0	240	240	240
WAR VICTIMS	0	1,189	1,189	0
NON-REGIONAL TOTAL	787	3,929	4,716	7,733
TOTAL BUDGET AUTHORITY/OBLIGATION	227,905	3,965,988	4,193,893	4,010,856

ECONOMIC SUPPORT FUND
BUDGET AUTHORITY/OBLIGATIONS
(DOLLARS IN THOUSANDS)

ESTIMATED FY 1991

	BUDGET AUTHORITY			
	CARRY FORWARD	NEW BUDGET AUTHORITY	TOTAL	OBLIGATIONS (GRANT)
AFRICA:				
COTE D'IVOIRE	3,000	3,000	6,000	6,000
DJIBOUTI	0	3,000	3,000	3,000
NAMIBIA	10,000	0	10,000	10,000
SENEGAL	0	1,000	1,000	1,000
SEYCHELLES	0	3,300	3,300	3,300
SOUTH AFRICA REPUBLIC	10,000	0	10,000	10,000
REGIONAL TOTAL	23,000	10,300	33,300	33,300
AMERICAN REPUBLICS:				
ANDEAN NARCOTICS INITIVE	0	175,000 a/	175,000 a/	175,000 a/
BOLIVIA	0	12,000	12,000	12,000
COLOMBIA	26	0	26	26
COSTA RICA	0	25,000	25,000	25,000
EASTERN CARIBBEAN	0	2,150	2,150	2,150
EL SALVADOR	8,001	120,000	128,001	128,001
GUATEMALA	0	30,000	30,000	30,000
GUYANA	602	2,000	2,602	2,602
HAITI	500	12,000	12,500	12,500
HONDURAS	0	50,000	50,000	50,000
JAMAICA	0	10,000	10,000	10,000
LATIN AMERICA REGIONAL	498	9,000	9,498	9,498
NICARAGUA	54,273	150,000	204,273	204,273
NICARAGUA/PANAMA ADMIN EXP	9,080	0	9,080	9,080
PANAMA	42,638	0	42,638	42,638
REGIONAL TOTAL	115,618	597,150	712,768	712,768
EAST ASIA & PACIFIC:				
CAMBODIAN RESISTANCE	0	7,000	7,000	7,000
FIJI	0	300	300	300
INDONESIA	1,991	6,000	6,991	6,991
PHILIPPINES	0	120,000	120,000	120,000
S. PACIFIC TUNA TREATY	1	10,000	10,001	10,001
THAILAND	0	2,500	2,500	2,500
REGIONAL TOTAL	1,992	144,800	146,792	146,792
EUROPE & CANADA:				
CYPRUS	9,957	15,000	24,957	24,957
EASTERN EUROPE REGIONAL	1,616	0	1,616	1,616
IRELAND	19,769	20,000	39,769	39,769
PORTUGAL	600	42,000	42,600	42,600
TURKEY	0	50,000	50,000	50,000
UNION OF SOVIET SOCIALIST REPUBLICS	50	0	50	50
REGIONAL TOTAL	31,992	127,000	158,992	158,992
NEAR EAST & SOUTH ASIA:				
AFGHAN HUMANITARIAN	0	30,000	30,000	30,000
EGYPT	33,997	815,000	848,997	848,997
HOSTAGES IN IRAQ	0	10,000	10,000	10,000
ISRAEL	0	1,200,000	1,200,000	1,200,000
JORDAN	31,150	35,000	66,150	66,150
LEBANON	0	3,750	3,750	3,750
MIDDLE EAST REGIONAL	5,476	7,800	13,276	13,276
MOROCCO	0	20,000	20,000	20,000
OMAN	0	15,000	15,000	15,000
PAKISTAN	0	100,000	100,000	100,000
TUNISIA	0	3,000	3,000	3,000
WEST BANK/GAZA	444	12,000	12,444	12,444
REGIONAL TOTAL	71,067	2,251,550	2,322,617	2,322,617
NON-REGIONAL:				
OFF FOREIGN DISASTER ASST	7	0	7	7

ECONOMIC SUPPORT FUND (CONTINUED)
BUDGET AUTHORITY/OBLIGATIONS
(DOLLARS IN THOUSANDS)

	ESTIMATED FY 1991			
	BUDGET AUTHORITY			
	CARRY FORWARD	NEW BUDGET AUTHORITY	TOTAL	OBLIGATIONS (GRANT)
NON-REGIONAL (CONT):				
REAPPROPRIATION	0	14,000 b/	14,000 b/	14,000 b/
SECTION 617	803	0	803	803
WAR VICTIMS	1,196	0	1,189	1,189
NON-REGIONAL TOTAL	1,999	14,000	15,999	15,999
TOTAL BUDGET AUTHORITY/OBLIGATIONS	245,668	3,144,800	3,390,468	3,390,468

ECONOMIC SUPPORT FUND
BUDGET AUTHORITY/OBLIGATIONS
(DOLLARS IN THOUSANDS)

	PROPOSED FY 1992			
		BUDGET AUTHORITY		
	CARRY FORWARD	NEW BUDGET AUTHORITY	TOTAL	OBLIGATIONS (GRANT)
AFRICA:				
AFRICA REGIONAL	0	10,000	10,000	10,000
COTE D'IVOIRE	0	4,000	4,000	4,000
DJIBOUTI	0	3,000	3,000	3,000
NAMIBIA	0	6,000	6,000	6,000
SENEGAL	0	3,000	3,000	3,000
SEYCHELLES	0	3,300	3,300	3,300
REGIONAL TOTAL	0	29,300	29,300	29,300
AMERICAN REPUBLICS:				
ANDEAN NARCOTICS INITVE	0	250,000 c/	250,000 c/	250,000 c/
BOLIVIA	0	25,000	25,000	25,000
COSTA RICA	0	20,000	20,000	20,000
DOMINICAN REPUBLIC	0	5,000	5,000	5,000
EASTERN CARIBBEAN	0	3,000	3,000	3,000
EL SALVADOR	0	120,000	120,000	120,000
GUATEMALA	0	30,000	30,000	30,000
GUYANA	0	2,000	2,000	2,000
HAITI	0	24,000	24,000	24,000
HONDURAS	0	50,000	50,000	50,000
JAMAICA	0	15,000	15,000	15,000
LATIN AMERICA REGIONAL	0	9,900	9,900	9,900
NICARAGUA	0	150,000	150,000	150,000
PANAMA	0	10,000	10,000	10,000
REGIONAL TOTAL	0	713,900	713,900	713,900
EAST ASIA & PACIFIC:				
CAMBODIAN RESISTANCE	0	5,000	5,000	5,000
FIJI	0	300	300	300
INDONESIA	0	5,000	5,000	5,000
PHILIPPINES	0	120,000	120,000	120,000
S. PACIFIC TUNA TREATY	0	10,000	10,000	10,000
THAILAND	0	2,500	2,500	2,500
REGIONAL TOTAL	0	142,800	142,800	142,800
EUROPE & CANADA:				
CYPRUS	0	3,000	3,000	3,000
PORTUGAL	0	40,000	40,000	40,000
TURKEY	0	75,000	75,000	75,000
REGIONAL TOTAL	0	118,000	118,000	118,000
NEAR EAST & SOUTH ASIA:				
AFGHAN HUMANITARIAN	0	30,000	30,000	30,000
EGYPT	0	815,000	815,000	815,000
ISRAEL	0	1,200,000	1,200,000	1,200,000
JORDAN	0	30,000	30,000	30,000
LEBANON	0	2,000	2,000	2,000
MIDDLE EAST REGIONAL	0	6,000	6,000	6,000
MOROCCO	0	12,000	12,000	12,000
OMAN	0	15,000	15,000	15,000
PAKISTAN	0	100,000	100,000	100,000
TUNISIA	0	3,000	3,000	3,000
WEST BANK/GAZA	0	12,000	12,000	12,000
REGIONAL TOTAL	0	2,225,000	2,225,000	2,225,000
NON-REGIONAL:				
REAPPROPRIATION	0	12,000	12,000	12,000

ECONOMIC SUPPORT FUND (CONTINUED)
BUDGET AUTHORITY/OBLIGATIONS
(DOLLARS IN THOUSANDS)

	PROPOSED FY 1992			
	BUDGET AUTHORITY			
	CARRY FORWARD	NEW BUDGET AUTHORITY	TOTAL	OBLIGATIONS (GRANT)
NON-REGIONAL TOTAL	0	12,000	12,000	12,000
TOTAL BUDGET AUTHORITY/OBLIGATIONS	0	3,240,000	3,240,000	3,240,000

a/ Provisional allocation of $175 million as follows: Bolivia $65 million, Colombia $50 million, Peru $60 million. Final allocations will depend on each country's performance in meeting drug program objectives.
b/ Represents use of reappropriations as prescribed in Section 515 of P.L. 101-513, the FY 1991 Foreign Operations Act.
c/ Provisional allocation of $250 million as follows: Bolivia $100 million, Colombia $50 million, Peru $100 million. Final allocations will depend on each country's performance in meeting drug program objectives.

PEACEKEEPING OPERATIONS

The Foreign Assistance Act of 1961, Part II, Chapter 6, as amended, authorizes assistance to friendly countries and international organizations for peacekeeping operations which further U.S. national security interests. The United Nations Force in Cyprus (UNFICYP) and the Multinational Force and Observers (MFO) in the Sinai are two such international organizations. The Adminstration is requesting $28 million in FY 1992 in support of both UNFICYP and the MFO.

United Nations Force in Cyprus

The FY 1992 request for UNFICYP is $8.5 million. The United States has a clear and vital interest in preserving UNFICYP. Its erosion would exacerbate regional tensions, and increase the risk of violence in Cyprus, as well as the risk of a confrontation between Greece and Turkey.

UNICYP has 2,132 military and civilian personnel stationed in Cyprus. Six Western European countries and Canada provide troops; Australia and Sweden provide civilian police. The cost to the United Nations of maintaining UNFICYP for the latter half of 1990 has been $13.8 million, which does not reflect the bulk of the costs absorbed by troop-contributing countries. The Force's cumulative deficit from previous years, a cost borne by countries contributing troops, reached about $171.6 million by the end of December 1990. In the face of this funding shortfall, UNFICYP's contributors (led by Canada, the United Kingdom and Finland) have strongly pressed for a change in the means of funding the force. The Administration will actively work with all those involved, and in close consultation with Congress, to place the force on a more secure financial footing. Failure of the United States to maintain its full contribution to UNFICYP would increase the deficit and would make more difficult efforts to retain the continued support of troop-contributing countries and to increase contributions from others.

Multinational Force and Observers

The FY 1992 request for the MFO is $19.50 million. The mission of the MFO, an independent international body, is to implement the security arrangements envisioned for the United Nations in the 1979 Egyptian-Israeli Peace Treaty. Congress authorized U.S. participation in Public Law 97-132. The United States has a firm political commitment to the governments of Israel and Egypt to finance one-third of annual MFO costs. In FY 1991, the MFO proposed a budget of $71.5 million with a U.S. share of $23.8 million; however, cost reduction programs reduced the MFO FY 1991 budget to $60 million with a U.S. share of $19.5 million. The reduction was possible due to a continued $1.5 million annual contribution from the government of Japan and further significant reductions in MFO forces in the Sinai. There is a consensus among the three major fund contributors that savings are to be desired, but cost cutting exercises must not change the MFO's basic mission or broad governing concepts.

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PEACEKEEPING OPERATIONS
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
MULTINATL FORCE & OBSERV (MFO)	23,936	18,000	19,500
UN FORCE IN CYPRUS	8,837	9,000	8,500
UNALLOCATED	0	5,800	0
TOTAL BUDGET AUTHORITY	32,773	32,800	28,000

a/ Total based on appropriation of $33.377 million less .434 reduction for anti-narcotics and sequestration of $450,000 pursuant to P.L. 99-177 (Gramm-Rudman-Hollings)

SPECIAL DEFENSE ACQUISITION FUND

SDAF and the Emerging Global Defense Environment

The Special Defense Acquisition Fund (SDAF) is a unique instrument of our security assistance program that provides the Department of Defense (DOD) with needed flexibility in planning for the post-containment era. The principal purpose of the SDAF is to finance the acquisition of defense items for later Foreign Military Sale (FMS) to allied and friendly nations. No other funding source exists for this purpose.

SDAF is a versatile element of our overall foreign policy—permitting us to act in anticipation of the emerging defense environment, rather than merely reacting to changes. Through its unique ability to initiate procurement actions to meet foreseen requirements, the SDAF provides a mechanism which helps to promote cooperative defense planning. The SDAF can serve as a key tool of transition during a period of declining defense resources.

Authority

The SDAF is a revolving fund, authorized in 1982 under Chapter 5 of the Arms Export Control Act (AECA), and presently capitalized at $1.07 billion. Congressional authority to obligate SDAF funds is required in the annual security assistance appropriations legislation. Beginning in FY 1989, Congress made these annual authorizations available for three years.

The Expanding Purposes of the SDAF

The SDAF's primary purpose is to procure high-demand, long-leadtime defense equipment in anticipation of sales through FMS. Such acquisitions result in accelerated deliveries once FMS agreements are signed. The availability of SDAF assets reduces pressures on the DoD to meet emergency foreign requirements from U.S. Service inventories or diversions from production. Accordingly, the SDAF contributes directly to U.S. readiness.

Given the changing security assistance environment, as well as the push to reduce U.S. forces domestically, criteria for procurements have evolved to meet the new demands. SDAF has continued to emphasize procurements geared to fulfilling its traditional mission, while at the same time adapting to new economic and production-base realities. Below are some examples:

- The SDAF has bridged gaps in production lines which have arisen due to cuts in procurements by the Department of Defense. Attention has been paid to procuring items with known foreign sales bases whose production is being terminated either temporarily, by a gap in domestic contracts, or permanently, due to reduced acquisition objectives of the DoD. The weapon systems affected have been Hawk surface-to-air missiles, AIM-9M Sidewinder air-to-air missiles and TOW 2A anti-tank missiles.

- SDAF has addressed situations where equipment with a firm FMS customer base is no longer being procured into Service inventories. The SDAF has purchased and refurbished UH-1 helicopters. It has purchased needed logistics support for out-of-production aircraft such as the C-130 transport and the F-4. The SDAF has also procured engine upgrade kits for P-3 aircraft. Further programs such

as the above, as well as others involving tank and vehicle chassis components, are presently under consideration.

FY 1990 Accomplishments

The benefits of the SDAF are manifest in the two principal activities of the SDAF: procurement and sale of assets. SDAF procurements enhance U.S. defense production by extending production lines, achieving higher levels of production which reduce costs, and establishing favorable add-on contracts for these items from current and projected procurement. SDAF sales demonstrate how SDAF supports worldwide US foreign policy objectives to build coalition defenses and enhance regional stability.

During FY 1990, SDAF benefits were especially evident in the procurement of air-to-surface missiles, surface-to-air missiles, anti-tank missiles, counterbattery radars, aircraft engine upgrade kits, light arms and ammunition, communications security equipment and helicopters. Higher production volumes for these items resulted in lower unit prices for DoD end-users, NATO, and allied and friendly nations.

SDAF sales in FY 1990 reached a record high. The impact of SDAF sales spanned regions and technologies. The Pacific, European and Near East/South Asia regions each involved over 30% of the total sales. These regions shared equally in the procurement of many high-tech and less sophisticated items. The American region (Latin America) absorbed the remainder of the sales, principally in lower technology, lower cost items.

In addition to the mainstream accomplishments of the SDAF, FY 1990 offered two clear examples of its continued importance:

Desert Storm: SDAF sales of small arms and ammunition, tank and howitzer ammunition, grenades and launchers, mortars, trucks, jeeps, TOW missiles and launchers, Sidewinder air-to-air missiles, Stinger missiles, laser designators, night sights, night vision goggles and tactical radios have all served the need of the many governments participating in Operation Desert Storm. The SDAF has been able to meet many of the immediate requirements and is also positioned to replenish U.S. stocks which have been diverted. The countries included are United Kingdom, Saudi Arabia, Egypt, Bahrain, Oman, United Arab Emirates and Turkey.

Narcotics Control: Pursuant to Section 51(a)(4) of the AECA, the SDAF has made a concerted effort to procure items in support of counternarcotics efforts. SDAF procurements of various types of ammunition, night vision equipment, radios and light arms (rifles, machine guns and mortars) have contributed to facilitating sales to our allies in the "War on Drugs" and reduced pressures on the Army to withdraw on-hand Service stocks for sustainment of the missions of friendly governments. Examples of these efforts are programs with Bolivia, Barbados, Belize, Ecuador and Grenada.

FY 1991 Overview

Based upon planning within DoD and surveys of country needs, the following items are possible SDAF procurement candidates in FY 1991:

Aircraft Common Support Equipment
Howitzer, Towed
Air-to-Air Missiles
Patrol Boats

Grenade Launchers
Machine Guns, Rifles, Pistols and Support Equipment
Communications Security Equipment
Ship-Launched, Surface-to-Air Missile
Ammunition and Ordnance of All Types
Radios and Support Equipment
Shipboard Missile Defense Systems
Aircraft Spares Storage Support
Ship-Launched, Surface-to-Surface Missile Components
Tactical Decoy Flares
Helicopter-Launched, Air-to-Ground Missiles
Trucks
Surface-to-Surface, Anti-Tank Missiles
Mortar Locating Radars
Long Range, Air-Defense Missiles
Utility Helicopters

FY 1992 Request

The obligation authority requested for FY 1992 is $275 million; this is the program level that can be supported with the capital and receipts from expected SDAF sales.

ARMS CONTROL CONSIDERATIONS

Security assistance has long been an indispensable element in U.S. policy to build a more secure and peaceful world. Arms transfers, judiciously used, can help to deter aggression; strengthen mutual security relationships; and foster internal and regional stability.

The U.S. Security Assistance Program is consistent with U.S. arms control policy to promote international security through the negotiation of equitable and verifiable agreements, and assuring compliance with existing agreements. Security assistance enhances the deterrent and defense capabilities of our friends and allies, thereby promoting regional stability. It also contributes to our ability to limit the proliferation of destabilizing weapons in regions of tension and conflict. Therefore, a carefully structured security assistance program can assist in curbing the proliferation of nuclear weapons, ballistic missiles, chemical and biological weapons, and advanced weapon technologies.

In accordance with Presidential policy, each request for arms is carefully evaluated on a case-by-case basis. This evaluation is designed to assess the net contribution of a particular sale to enhanced deterrence and defense. Arms control implications are an essential element of this evaluation, and each sale is specifically reviewed for its impact upon U.S. arms control objectives. Such a review will consider whether the proposed transfer can be absorbed without overburdening the recipient's military support system or financial resources; and whether any adverse effects of the transfer are offset by positive contributions to U.S. and regional interests and objectives.

The Arms Control and Disarmament Agency (ACDA) exercises statutory authority for evaluating the arms control implications of arms transfer proposals. As required by the Arms Export Control Act and the Foreign Assistance Act of 1961, ACDA assesses whether proposed military sales and assistance, and commercial arms exports might contribute to an arms race, increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control agreements. ACDA is, therefore, an essential and active participant in the arms transfer and security assistance decision-making process.

ACDA participates in the Security Assistance Program Review Working Group (SAPRWG) in order to ensure that arms control implications are considered in the development of all programs contained in the annual security assistance budget request. ACDA also continues to take an active role in the development and support of major Administration weapons nonproliferation initiatives.

Despite the obstacles and the new challenges to the attainment of effective arms control, the Administration has achieved positive results in encouraging greater international cooperation and arms transfer restraint. These efforts will continue in the post Cold War world as the focus of arms control expands beyond U.S.-Soviet/NATO-Warsaw Pact arrangements to include controlling the proliferation of nuclear, chemical, biological, ballistic missile, and advanced weapon technologies as well as promoting regional arms control arrangements. As we look forward, the United States will remain committed to helping its friends and allies maintain their security through prudent arms transfers which promote peace and stability.

ESTIMATING FOREIGN MILITARY SALES

Foreign Military Sales (FMS) policies are derived from U.S. statutes, State Department and Defense Department policies, and Presidential directives. Offers to sell defense articles and services (including training) under FMS procedures are made only in response to specific requests from foreign governments' authorized representatives or eligible international organizations.

The following table is in two parts. The first part shows the total dollar value by country of government-to-government Foreign Military Sales agreements concluded in FY 1990. It represents the total dollar value of Letters of Offer and Acceptance (LOAs) signed in FY 1990, regardless of when the articles and services were or will be delivered.

The second part of the table shows the estimated dollar value totals projected for FY 1991 and FY 1992. These estimates are derived through an analysis of each country's ongoing projects and known potential new programs and are made under conditions of extreme uncertainty. Projections are based on: analyses of interests expressed by potential purchasers which may not result in official requests; judgments as to which requests may be approved and which may result in actual sales offers after completion of a thorough, and often lengthy, U.S. government review process; and a judgment as to which final U.S. offers to sell the country may actually accept. The latter requires not only an estimate of how essential the military equipment is to the country's defense needs, but also an estimate of whether the purchase will be approved internally during the purchasing country's budget process. Projections include an estimate of potential requests for major increases in scope (amendments) to prior-year cases. In some instances, training, publications, maps, medical supplies, technical assistance, and some spare parts are not included in these figures. These amendments are reflected as a sale in the current fiscal year.

Each phase of the request/offer/acceptance process has many variables which make it difficult to determine exactly when a particular sale may occur. A variance of one day in a purchasing country's acceptance of a single significant sales agreement could shift the recording of the transaction from one fiscal year to the next. In addition, U.S. agreements cannot always be segregated on a cash or financing basis when Letters of Offer and Acceptance are accepted by purchasing countries. Also, for countries eligible for U.S. financing, it is not always possible to determine until full payment has been made how much of that payment was U.S. financed.

FOREIGN MILITARY SALES & CONSTRUCTION SALES AGREEMENTS
(DOLLARS IN THOUSANDS)

	ACTUAL FY 1990			ESTIMATED FY 1991	ESTIMATED FY 1992
	TOTAL SALES	DEFENSE ART/SERV	CONSTR/ DESIGN	TOTAL SALES	TOTAL SALES
AFRICA:					
AFRICA CIVIC ACTION	0	0	0	6,000	4,000
BOTSWANA	451	451	0	1,000	1,000
CAMEROON	463	463	0	0	0
CAPE VERDE	25	25	0	0	0
CENTRAL AFRICAN REPUBLIC	9	9	0	200	300
CHAD	6,485	6,485	0	3,000	3,000
COTE D'IVOIRE	100	3	97	0	0
DJIBOUTI	1,718	1,640	78	2,500	1,500
EQUATORIAL GUINEA	140	53	87	0	0
GAMBIA	365	365	0	0	0
GUINEA	443	130	313	0	0
GUINEA-BISSAU	216	216	0	0	0
KENYA	11,118	11,118	0	15,000	15,000
MADAGASCAR	436	436	0	1,000	1,000
MALAWI	1,903	1,903	0	2,000	1,000
MAURITANIA	89	89	0	0	0
NIGER	1,834	1,834	0	2,000	1,500
NIGERIA	556	556	0	1,200	1,000
SENEGAL	202	103	99	1,000	800
SEYCHELLES	225	225	0	0	0
SIERRA LEONE	86	86	0	0	0
TANZANIA	50	50	0	0	0
TOGO	150	150	0	0	0
UGANDA	25	25	0	0	0
ZAIRE	2,561	2,561	0	2,000	1,000
REGIONAL TOTAL	29,648	28,974	674	36,600	31,100
AMERICAN REPUBLICS:					
ANTIGUA-BARBUDA*	344	1	0	0	0
ARGENTINA	3,576	3,576	0	60,000	20,000
BARBADOS*	76	76	0	0	0
BELIZE	320	320	0	500	500
BOLIVIA	563	563	0	15,000	15,000
BOLIVIA - INTL NARC	11,474	9,674	1,800	0	0
BRAZIL	32,246	32,246	0	55,000	55,000
CHILE	65	65	0	1,000	1,500
COLOMBIA	2,460	2,460	0	90,000	90,000
COLOMBIA - INTL NARC	16,189	15,861	328	0	0
COSTA RICA	431	431	0	2,200	1,200
DOMINICA*	63	63	0	0	0
DOMINICAN REPUBLIC	1,621	1,621	0	500	0
EASTERN CARIBBEAN	0	0	0	2,500	2,500
ECUADOR	5,564	5,564	0	10,000	10,000
EL SALVADOR	76,041	71,913	4,128	90,000	100,000
GRENADA*	543	543	0	0	0
GUATEMALA	4,038	4,038	0	3,000	3,000
HAITI	0	0	0	500	500
HONDURAS	25,702	23,686	2,016	20,000	15,000
JAMAICA	1,266	1,266	0	2,000	2,000
MEXICO	12,737	12,737	0	10,000	15,000
PANAMA	6,426	6,426	0	2,000	0
PARAGUAY	10	10	0	1,500	1,500
PERU	208	208	0	10,000	10,000
ST. KITTS AND NEVIS*	53	53	0	0	0
ST. LUCIA*	242	242	0	0	0
ST. VINCENT & GRENADINES*	126	126	0	0	0
TRINIDAD & TOBAGO	100	100	0	0	0
URUGUAY	1,524	1,524	0	2,000	2,000
VENEZUELA	19,080	19,080	0	55,000	40,000
REGIONAL TOTAL	223,060	214,796	8,272	422,700	385,600
EAST ASIA & PACIFIC:					
AUSTRALIA	243,823	243,823	0	130,000	85,000

FOREIGN MILITARY SALES & CONSTRUCTION SALES AGREEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS)

	ACTUAL FY 1990			ESTIMATED FY 1991	ESTIMATED FY 1992
	TOTAL SALES	DEFENSE ART/SERV	CONSTR/ DESIGN	TOTAL SALES	TOTAL SALES
EAST ASIA & PACIFIC (CONT):					
BRUNEI	3	3	0	0	0
FIJI	0	0	0	0	500
INDONESIA	19,853	19,853	0	50,000	10,000
JAPAN	1,415,117	1,415,117	0	400,000	500,000
KOREA	585,233	585,233	0	3,000,000	480,000
MALAYSIA	8,608	8,608	0	6,000	3,000
NEW ZEALAND	31,963	31,963	0	10,000	10,000
PHILIPPINES	118,535	118,535	0	130,000	150,000
SINGAPORE	30,796	30,796	0	35,000	45,000
TAIWAN	509,998	509,998	0	480,000	485,000
THAILAND	170,463	170,463	0	50,000	60,000
REGIONAL TOTAL	3,134,392	3,134,392	0	4,291,000	1,828,500
EUROPE & CANADA:					
AUSTRIA	37,137	37,137	0	30,000	20,000
BELGIUM	100,701	100,701	0	65,000	20,000
CANADA	172,505	172,505	0	150,000	120,000
DENMARK	68,376	68,376	0	100,000	100,000
FINLAND	15	15	0	2,000	2,000
FRANCE	74,224	74,224	0	40,000	40,000
GERMANY	351,892	351,892	0	230,000	200,000
GREECE	200,906	200,906	0	150,000	120,000
ITALY	100,641	100,641	0	85,000	100,000
LUXEMBOURG	103	103	0	100	100
NETHERLANDS	161,348	161,348	0	200,000	100,000
NORWAY	59,745	59,745	0	60,000	40,000
PORTUGAL	36,299	36,299	0	400,000	20,000
SPAIN	318,231	318,231	0	50,000	30,000
SWEDEN	1,827	1,827	0	1,200	1,200
SWITZERLAND	66,244	66,244	0	25,000	50,000
TURKEY	465,916	465,916	0	350,000	200,000
UNITED KINGDOM	460,300	448,300	12,000	260,000	130,000
REGIONAL TOTAL	2,676,410	2,664,410	12,000	2,198,300	1,293,300
NEAR EAST & SOUTH ASIA:					
ALGERIA	80	80	0	1,000	1,000
BAHRAIN	88,667	87,222	1,445	50,000	20,000
EGYPT	1,144,514	1,088,114	56,400	1,800,000	350,000
INDIA	12	12	0	0	0
ISRAEL	355,258	355,258	0	80,000	260,000
JORDAN	28,096	28,096	0	40,000	50,000
KUWAIT	53,859	53,859	0	0	0
MOROCCO	45,251	45,251	0	100,000	70,000
NEPAL	284	284	0	0	0
OMAN	71,241	71,241	0	60,000	10,000
PAKISTAN	264,119	264,119	0	100,000	200,000
SAUDI ARABIA	5,926,409	5,770,709	155,700	9,000,000	6,000,000
TUNISIA	35,554	35,554	0	10,000	40,000
UNITED ARAB EMIRATES	9,681	9,681	0	450,000	100,000
YEMEN	2,242	2,242	0	500	500
REGIONAL TOTAL	8,025,267	7,811,722	213,545	11,691,500	7,101,500
NON-REGIONAL:					
CLASSIFIED TOTALS a/	0	0	0	300,000	300,000
INTERNATIONAL ORGANIZATIONS	93,410	93,410	0	60,000	60,000
NON-REGIONAL TOTAL	93,410	93,410	0	360,000	360,000
WORLDWIDE TOTAL	14,182,195	13,947,704	234,491	19,000,000	11,000,000

FOREIGN MILITARY SALES & CONSTRUCTION SALES AGREEMENTS (CONTINUED

*These countries comprise the Eastern Caribbean. See Eastern Carribbean narrative in Section III for a discussion of specific country programs.
a/ For further information, please see the classified Annex to this document.

COMMERCIAL EXPORTS LICENSED AND APPROVED UNDER THE ARMS EXPORT CONTROL ACT

The Center for Defense Trade, Bureau of Politico-Military Affairs, Department of State, administers the United States Government program to control commercial exports of defense articles and services. The Office of Defense Trade Controls (DTC), formerly the Office of Munitions Control, implements the International Traffic in Arms Regulations, which include the U.S. Munitions List (USML). The Office of Defense Trade Policy (DTP) is the second arm of the Center for Defense Trade, setting policy guidelines for commercial defense trade, providing guidance to U.S. embassies overseas and representing the United States in COCOM discussions on the International Munitions List.

The Center was established in January 1990 to provide improved munitions export licensing service and policy guidance to U.S. industry and the federal government. Additional staff and an updated computer system have enabled DTC to reduce substantially the time necessary to license USML exports.

The data in this chart on commercial arms sales are compiled by DTC based on information as of September 1990.

The chart illustrating commercial exports is in two parts. The first column, entitled "Actual Exports (Preliminary)," shows the preliminary dollar value totals by destination of *exports* made during fiscal year 1990. Generally, these export totals are compiled from expired and completed licenses returned to the Office of Defense Trade Controls by the U.S. Customs Service, unless a more comprehensive method is available. The totals are preliminary because the licenses by which exports were made in FY 90 may extend beyond FY 90, and therefore are not returned by the U.S. Customs Service until the license is completed or expires. In some instances, training, publications, maps, medical supplies, technical assistance, and some spare parts are not included in these figures. For further information, see also Annex I (classified).

The second and third columns show the *estimated* dollar value totals by destination of exports in fiscal years 1991 and 1992. These estimates are arrived at by determining the *actual* dollar value of licenses approved for each destination during the prior two fiscal years and extrapolating likely exports under these approved licenses. Factors considered by DTC which cannot be quantitatively assessed include the availability of the licensed export for shipping, and how quickly the license is returned to DTC. Furthermore, all DTC licenses are approved for three calendar years, thereby allowing shipments to span potentially four fiscal years. In some instances, training, publications, maps, medical supplies, technical assistance, and some spare parts are not included in these figures. (see also Annex I, (classified). In short, DTC estimates future exports to be between 40 and 60 percent of the actual dollar value of licenses approved in the two previous fiscal years. When DTC receives the export documentation, the data are replaced with actual data.

COMMERCIAL EXPORTS LICENSED OR APPROVED UNDER THE AECA
(DOLLARS IN THOUSANDS)

	ACTUAL DELIVERIES (PRELIMINARY) FY 1990	ESTIMATED DELIVERIES FY 1991	ESTIMATED DELIVERIES FY 1992
AFRICA:			
BOTSWANA	454	9,585	5,761
BURKINA FASO	5	36	21
BURUNDI	184	76	46
CAMEROON	17	908	545
CAPE VERDE	1	1	**
CHAD	0	21,897	13,138
CONGO	63	26	15
COTE D'IVOIRE	30	45	27
DJIBOUTI	42	18	11
GABON	190	416	250
GAMBIA	1	2	1
GHANA	19	18	11
GUINEA	47	282	169
KENYA	361	4,142	2,485
MADAGASCAR	233	119	71
MALAWI	0	**	**
MALI	0	**	**
MAURITANIA	0	182	109
MAURITIUS	81	103	62
MOZAMBIQUE	0	182	109
NAMIBIA	65	714	428
NIGER	123	136	82
NIGERIA	3,872	170,653	102,392
REUNION	0	120	72
SENEGAL	4	63	38
SIERRA LEONE	0	1	1
SOUTH AFRICA REPUBLIC	0	18	11
SUDAN	33	1,012	607
SWAZILAND	0	2	1
TANZANIA	0	226	136
TOGO	0	98	59
UGANDA	0	13,963	8,378
ZAIRE	44	62	37
ZAMBIA	235	668	401
ZIMBABWE	25	432	259
REGIONAL TOTAL	5,929	226,206	135,723
AMERICAN REPUBLICS:			
ANTIGUA-BARBUDA*	1	1	1
ARGENTINA	2,891	72,851	43,711
BAHAMAS	107	4,891	2,934
BARBADOS*	37	90	54
BELIZE	0	13	8
BERMUDA	42	820	492
BOLIVIA	128	2,327	1,396
BRAZIL	5,038	71,949	43,170
BRITISH VIRGIN ISLANDS	0	2	1
CAYMAN ISLANDS	0	140	84
CHILE	4	7,540	4,524
COLOMBIA	540	19,923	11,954
COSTA RICA	43	1,453	872
DOMINICA*	**	1	**
DOMINICAN REPUBLIC	277	9,474	5,684
ECUADOR	250	8,544	5,126
EL SALVADOR	113	2,141	1,285
FRENCH GUIANA	98,055	494,042	296,425
GRENADA*	10	6	3
GUADELOUPE	0	2	1
GUATEMALA	214	1,802	1,081
GUYANA	56	35	21
HAITI	1	87	52

COMMERCIAL EXPORTS LICENSED OR APPROVED UNDER THE AECA (CONTINUED)
(DOLLARS IN THOUSANDS)

	ACTUAL DELIVERIES (PRELIMINARY) FY 1990	ESTIMATED DELIVERIES FY 1991	FY 1992
AMERICAN REPUBLICS (CONT):			
HONDURAS	606	6,586	3,961
JAMAICA	118	572	343
MARTINIQUE	0	7	4
MEXICO	2,437	245,947	147,568
NETHERLANDS ANTILLES	8	4,149	2,489
NICARAGUA	0	6	3
PANAMA	48	6,741	4,045
PARAGUAY	0	543	326
PERU	231	6,905	4,143
ST. KITTS AND NEVIS*	**	**	**
ST. LUCIA*	2	14	9
ST. VINCENT & GRENADINES*	0	**	**
SURINAME	271	122	73
TRINIDAD & TOBAGO	23	494	296
TURKS & CAICOS ISLANDS	0	2	1
URUGUAY	517	1,539	923
VENEZUELA	2,765	129,526	77,715
REGIONAL TOTAL	114,833	1,101,285	660,768
EAST ASIA & PACIFIC:			
AUSTRALIA	26,846	716,154	429,693
BRUNEI	2,238	5,133	3,080
BURMA	0	109	66
CHINA	3,615	32,180	19,308
FIJI	60	136	81
FRENCH POLYNESIA	1	30	18
HONG KONG	3,042	112,408	67,445
INDONESIA	15,219	71,628	42,977
JAPAN	314,834	2,202,155	1,321,293
KOREA	52,293	1,035,464	621,278
MACAU	55	33	20
MALAYSIA	1,586	89,290	53,574
MARSHALL ISLANDS	0	**	**
NEW CALEDONIA	8	12	7
NEW ZEALAND	1,924	60,705	36,423
PAPUA NEW GUINEA	**	80	48
PHILIPPINES	737	51,145	30,687
SINGAPORE	16,948	299,744	179,846
TAIWAN	149,963	160,000	135,000
THAILAND	13,864	223,759	134,255
TOKELAU	5	2	1
TONGA	25	17	10
TRUST TERRITORY PACIFIC ISLANDS	**	161,400	96,840
REGIONAL TOTAL	603,263	5,221,584	3,171,950
EUROPE & CANADA:			
ALBANIA	279	0	0
ANDORRA	0	28	17
AUSTRIA	3,177	19,258	11,555
BELGIUM	7,275	268,029	160,818
CANADA	45,716	134,544	80,726
CYPRUS	763	3,428	2,057
DENMARK	3,322	268,088	160,853
FINLAND	6,099	31,048	18,629
FRANCE	31,906	512,145	307,287
GERMANY	61,500	3,445,648	2,067,389
GIBRALTAR	0	**	**
GREECE	2,328	268,447	161,068
HUNGARY	0	300	180
ICELAND	7	870	522

COMMERCIAL EXPORTS LICENSED OR APPROVED UNDER THE AECA (CONTINUED)
(DOLLARS IN THOUSANDS)

	ACTUAL DELIVERIES (PRELIMINARY) FY 1990	ESTIMATED DELIVERIES FY 1991	FY 1992
EUROPE & CANADA (CONT):			
IRELAND	401	1,170	702
ITALY	67,180	533,491	320,094
LIECHTENSTEIN	0	437	262
LUXEMBOURG	1,241	58,027	34,816
MALTA	2	2	1
MONACO	54	26	16
NETHERLANDS	11,556	601,913	361,148
NORWAY	11,123	157,615	94,569
POLAND	212	144	86
PORTUGAL	4,475	55,524	33,314
SPAIN	21,228	163,728	98,237
SVALBARD & JAN MAYEN	51	20	12
SWEDEN	20,008	192,916	115,749
SWITZERLAND	94,397	291,799	175,080
TURKEY	65,581	374,884	224,931
UNION OF SOVIET SOCIALIST REPUBLICS	0	167	100
UNITED KINGDOM	397,186	2,438,792	1,463,275
YUGOSLAVIA	1,100	11,997	7,198
REGIONAL TOTAL	858,167	9,834,485	5,900,691
NEAR EAST & SOUTH ASIA:			
ALGERIA	211	15,473	9,284
BAHRAIN	2,231	18,970	11,382
BANGLADESH	150	12,253	7,352
BHUTAN	204	163	98
EGYPT	67,006	1,322,897	793,738
INDIA	6,833	98,152	58,891
IRAQ	1,652	0	0
ISRAEL	69,202	2,066,287	1,239,772
JORDAN	6,487	52,470	31,482
KUWAIT	1,740	58,391	35,034
LEBANON	120	122	73
MALDIVES	183	73	44
MOROCCO	2,671	14,558	8,735
NEPAL	0	1,674	1,004
OMAN	324	4,431	2,658
PAKISTAN	3,535	843,854	506,312
QATAR	5	142	85
SAUDI ARABIA	11,992	404,286	242,572
SRI LANKA	126	528	317
TUNISIA	397	1,056	634
UNITED ARAB EMIRATES	8,689	226,999	136,199
YEMEN	**	491	295
REGIONAL TOTAL	183,757	5,143,270	3,085,961
NON-REGIONAL:			
CLASSIFIED TOTALS a/	1,136,992	813,388	449,033
INTERNATIONAL ORGANIZATIONS	4,387	357,905	214,743
NON-REGIONAL TOTAL	1,141,379	1,171,293	663,776
WORLDWIDE TOTAL	2,907,328	22,698,123	13,618,869

*These countries comprise the Eastern Caribbean. See Eastern Carribbean narrative in Section III for a discussion of specific country programs.
**Less than $500.
a/ For further information, please see the classified Annex to this document.

OVERSEAS MILITARY PROGRAM MANAGEMENT

U.S. military personnel are assigned to Security Assistance Organizations (SAOs) overseas to ensure effective planning and management of host country security assistance programs. These individuals serve under the direction and supervision of the Chief of the United States Diplomatic Mission. The SAO provides liaison among the Mission, the Department of Defense, and the host country defense establishment in security assistance matters.

SAO personnel work closely with members of the host country defense establishment to develop and execute training programs and to accomplish realistic and effective procurement actions. These efforts are key to the development of a defense infrastructure capable of integrating weapons and support systems into the existing force structure. Professional exchanges and cooperative planning contribute to effective and efficient country security assistance programs.

The Department of Defense reviews staffing authorizations in coordination with the Department of State, the Chiefs of U.S. Diplomatic Missions and the regional area military Commanders-in-Chief to ensure that SAOs are properly staffed to conduct their missions efficiently. These reviews have resulted in a reduction of U.S. military personnel authorizations from the 519 justified in last year's Congressional presentation materials to 507 for FY 1991. A further reduction to 506 U.S. military personnel is expected for FY 1992.

The following table shows the authorized staffing levels at the conclusion of FY 1990 and the estimated levels for FY 1991 and FY 1992. Actual assigned strengths for FY 1991 and FY 1992 may be less than the authorized levels shown. Staffing requirements for FY 1992 may change as individual country programs develop.

In FY 1991, separate SAOs will be assigned in fifty-two countries. In twenty additional countries, security assistance programs will be administered by augmentation personnel assigned to carry out security assistance management functions under the supervision of the Defense Attache. In other countries with which the U.S. maintains a security assistance relationship, Defense Attaches and other Mission personnel manage the programs.

The following is a glossary of Security Assistance Organizations assigned to U.S. Diplomatic Missions overseas to manage host country security assistance programs.

DAO - Defense Attache Office
DSA - Defense Supply Advisor
JUSMAG - Joint US Military Assistance Group
JUSMMAT - Joint US Military Mission for Aid to Turkey
KUSLO - Kenya-US Liaison Office
LIBMISH - US Military Mission, Liberia
MAAG - Military Assistance Advisory Group
MAP - Military Assistance Program
MDAO - Mutual Defense Assistance Office
MILGP - Military Group
MLO - Military Liaison Office
MUSLO - Morocco-US Liaison Office
ODC - Office of Defense Cooperation
ODRP - Office of the Defense Representative, Pakistan

OMADP - Office of the Military Attache for Defense Programs
OMC - Office of Military Cooperation
SAO - Security Assistance Organization
USDLO - US Defense Liaison Office
USLO - US Liaison Office
USLODJ - US Liaison Office, Djibouti
USLOK - US Liaison Office, Kuwait
USLOT - US Liaison Office, Tunisia
USMTM - US Military Training Mission

OVERSEAS MILITARY PROGRAM MANAGEMENT
(DOLLARS IN THOUSANDS)

	ORGANI-ZATION	ACTUAL FY 1990 FMF COSTS	FMS COSTS	TOTAL	ESTIMATED FY 1991 FMF COSTS	FMS COSTS	TOTAL	PROPOSED FY 1992 FMF COSTS	FMS COSTS	TOTAL
AFRICA:										
BENIN	EMBASSY	3	0	3	4	0	4	4	0	4
BOTSWANA	ONC	125	53	178	143	60	203	134	58	192
BURUNDI	EMB/ZAMISH	3	0	3	4	0	4	4	0	4
CAMEROON	DAO a/	54	67	121	56	69	125	54	66	120
CENTRAL AFRICAN REPUBLIC	EMBASSY	3	0	3	4	0	4	3	0	3
CHAD	ONC	25	229	254	25	223	248	25	228	253
COTE D'IVOIRE	DAO a/	3	0	3	4	0	4	4	0	4
DJIBOUTI	USLODJ	219	132	351	160	96	256	170	102	272
GABON	EMB/ZAMISH	3	0	3	4	0	4	4	0	4
GHANA	DAO a/	14	0	14	15	0	15	15	0	15
GUINEA	DAO a/	3	0	3	4	0	4	4	0	4
KENYA	KUSLO	279	266	545	210	201	411	204	195	399
LIBERIA	LIBMISH	343	290	633	443	190	633	458	197	655
MADAGASCAR	DAO a/	41	29	70	4	65	69	40	28	68
MALAWI	DAO a/	14	0	14	11	0	11	15	0	15
MALI	EMBASSY	3	0	3	4	0	4	4	0	4
MAURITANIA	EMBASSY	3	0	3	4	0	4	4	0	4
MOZAMBIQUE	DAO a/	3	0	3	4	0	4	3	0	3
NIGER	ONC	251	16	267	307	20	327	326	21	347
NIGERIA	DAO a/	27	80	107	33	95	128	36	108	144
RWANDA	DAO a/	2	0	2	0	2	2	0	2	2
SENEGAL	DAO a/	108	72	180	110	75	185	115	78	193
SOMALIA	ONC	669	428	1,097	217	372	589	156	144	300
SUDAN	ONC	335	380	715	189	214	403	140	160	300
ZAIRE	ZAMISH	430	76	506	479	85	564	463	82	545
ZIMBABWE	DAO a/	3	0	3	4	0	4	4	0	4
REGIONAL TOTAL		2,866	2,218	5,084	2,442	1,767	4,209	2,389	1,469	3,858
AMERICAN REPUBLICS:										
ARGENTINA	USMILGP	313	104	417	291	97	388	317	105	422
BAHAMAS	EMBASSY	9	0	9	9	0	9	9	0	9
BARBADOS	USMLO b/	197	66	295	162	80	241	160	82	242
BELIZE	USMLO	187	80	267	139	60	199	144	59	203
BOLIVIA	USMILGP	486	258	744	466	122	608	451	196	647
BRAZIL	USMLO	237	211	448	199	177	376	211	180	391
CHILE	USMLO	0	0	0	0	0	0	75	25	100
COLOMBIA	USMILGP	328	535	863	301	492	793	287	532	819
COSTA RICA	ODC	228	128	356	224	126	350	220	140	360
DOMINICAN REPUBLIC	MAAG	189	21	210	141	16	157	148	17	165
ECUADOR	USMILGP	190	85	275	187	84	271	217	93	310
EL SALVADOR	USMILGP	442	1,326	1,768	410	1,231	1,641	408	1,264	1,672
GUATEMALA	USMILGP	192	119	311	184	104	288	199	102	301
HAITI	MLO	105	50	155	108	58	166	112	60	172
HONDURAS	USMILGP	659	911	1,570	538	742	1,280	525	724	1,249
JAMAICA	USMLO	207	52	259	155	39	194	162	40	202
MEXICO	DAO a/	26	73	99	26	74	100	27	77	104
PANAMA	USMILGP	277	100	377	214	38	252	256	20	276
PARAGUAY	ODC	296	44	340	309	46	355	352	48	400
PERU	MAAG	442	189	631	422	181	603	437	178	615
URUGUAY	ODC	215	94	309	196	84	280	176	72	248
VENEZUELA	USMILGP	190	421	611	81	336	417	100	316	416
REGIONAL TOTAL		5,325	4,899	10,224	4,772	4,196	8,968	4,999	4,340	9,339
EAST ASIA & PACIFIC:										
AUSTRALIA	DAO a/	34	71	105	17	35	52	15	31	46
BURMA	DAO a/	8	12	20	22	3	25	25	3	28
CHINA	DAO a/	1	16	17	2	41	43	2	42	44
FIJI	CINCPAC	3	0	3	10	0	10	10	0	10
INDONESIA	MADP	241	591	832	201	493	694	210	513	723
JAPAN	USMDAO	167	667	834	163	652	815	165	660	825
KOREA	JUSMAG	1,483	2,007	3,490	1,299	1,766	3,065	1,249	1,866	3,115
MALAYSIA	DAO a/	130	91	221	2	209	211	115	80	195

OVERSEAS MILITARY PROGRAM MANAGEMENT (CONTINUED)
(DOLLARS IN THOUSANDS)

	ORGANI-ZATION	ACTUAL FY 1990 FMF COSTS	FMS COSTS	TOTAL	ESTIMATED FY 1991 FMF COSTS	FMS COSTS	TOTAL	PROPOSED FY 1992 FMF COSTS	FMS COSTS	TOTAL
EAST ASIA & PACIFIC (CONT):										
NEW ZEALAND	DAO a/	0	0	0	0	4	4	0	4	4
PHILIPPINES	JUSMAG	868	1,932	2,800	769	1,712	2,481	801	1,782	2,583
SINGAPORE	DAO A/	10	106	116	11	107	118	11	111	122
THAILAND	JUSMAG	1,001	942	1,943	981	850	1,831	985	947	1,932
REGIONAL TOTAL		3,946	6,435	10,381	3,477	5,872	9,349	3,588	6,039	9,627
EUROPE & CANADA:										
AUSTRIA	DAO a/	21	31	52	23	35	58	24	35	59
BELGIUM	OOC	363	163	526	391	175	566	396	178	574
CANADA	DAO a/	4	62	66	3	52	55	3	55	58
DENMARK	OOC	191	45	236	214	50	264	217	51	268
FINLAND	DAO a/	5	0	5	5	0	5	5	0	5
FRANCE	OOC	486	162	648	439	201	640	488	163	651
GERMANY	OOC	233	736	969	241	763	1,004	271	859	1,130
GREECE	OOC	510	1,191	1,701	474	1,107	1,581	487	1,177	1,664
IRELAND	DAO a/	1	0	1	1	0	1	1	0	1
ITALY	OOC	431	143	574	407	136	543	432	144	576
NETHERLANDS	OOC	255	114	369	191	86	277	197	89	286
NORWAY	OOC	96	100	196	100	104	204	103	107	210
PORTUGAL	MAAG	200	468	668	208	442	650	216	455	671
SPAIN	JUSMAAG	336	286	622	305	259	564	339	248	587
SWEDEN	DAO a/	4	0	4	5	0	5	5	0	5
SWITZERLAND	DAO a/	4	0	4	5	0	5	5	0	5
TURKEY	JUSMMAT	3,167	952	4,119	2,936	609	3,545	2,896	739	3,635
UNITED KINGDOM	DAO a/	59	20	79	75	25	100	75	25	100
YUGOSLAVIA	DAO a/	30	8	38	26	5	31	26	7	33
REGIONAL TOTAL		6,398	4,481	10,877	6,049	4,049	10,098	6,186	4,332	10,518
NEAR EAST & SOUTH ASIA:										
ALGERIA	DAO a/	122	108	230	92	70	162	94	83	177
BAHRAIN	OMC	88	245	333	89	249	338	94	260	354
BANGLADESH	DAO a/	15	3	18	16	4	20	16	4	20
EGYPT	OMC	1,180	1,533	2,713	1,226	1,669	2,895	1,176	1,827	3,003
INDIA	OOC	157	109	266	145	101	246	151	105	256
ISRAEL	DAO a/	5	0	5	5	0	5	6	0	6
JORDAN	MAP	696	269	965	636	246	882	642	248	890
KUWAIT	USLOK	95	84	179	75	66	141	64	56	120
LEBANON	OMC	73	20	93	46	12	58	48	13	61
MOROCCO	MUSLO	307	684	991	309	687	996	334	744	1,078
NEPAL	DAO a/	5	0	5	9	1	10	10	1	11
OMAN	OMC	221	147	368	232	155	387	231	154	385
PAKISTAN	DORP	512	626	1,138	456	557	1,013	459	562	1,021
SAUDI ARABIA	USMTM	121	1,082	1,203	215	1,930	2,145	225	2,017	2,242
SRI LANKA	DAO a/	12	1	13	19	1	20	17	1	18
TUNISIA	USLOT	204	363	567	212	377	589	220	392	612
UNITED ARAB EMIRATES	USLO	283	356	639	266	334	600	269	340	609
YEMEN	OMC	371	230	601	212	157	369	182	113	295
REGIONAL TOTAL		4,467	5,860	10,327	4,260	6,616	10,876	4,238	6,920	11,158
WORLDWIDE TOTAL		23,000	23,893	46,893	21,000	22,500	43,500	21,400	23,100	44,500

a/ Personnel authorized to assist the DAO with security assistance management functions.
b/ Manages programs for Eastern Caribbean countries.

OVERSEAS MILITARY PROGRAM MANAGEMENT - PERSONNEL STRENGTHS

	ORGANIZATION	ACTUAL FY 1990				ESTIMATED FY 1991				PROPOSED FY 1992			
		MIL	CIV	LOCAL	TOTAL	MIL	CIV	LOCAL	TOTAL	MIL	CIV	LOCAL	TOTAL
AFRICA:													
BOTSWANA	ONC	1	1	0	2	2	1	0	3	2	1	0	3
CAMEROON	DAO a/	1	0	0	1	1	0	0	1	1	0	0	1
CHAD	ONC	3	0	1	4	2	0	1	3	2	0	1	3
DJIBOUTI	USLODJ	2	0	1	3	2	0	1	3	2	0	1	3
KENYA	KUSLO	6	2	2	10	6	2	2	10	6	2	2	10
LIBERIA	LIBNISH	4	2	2	8	3	2	2	7	3	2	2	7
MADAGASCAR	DAO a/	1	0	0	1	1	0	0	1	1	0	0	1
NIGER	ONC	2	0	1	3	2	0	1	3	2	0	1	3
NIGERIA	DAO a/	1	2	1	4	1	1	1	3	1	1	1	3
SENEGAL	DAO a/	1	1	0	2	1	1	1	3	1	1	1	3
SOMALIA	ONC	6	2	4	12	6	2	4	12	6	2	4	12
SUDAN	ONC	5	1	1	7	5	1	1	7	5	1	1	7
ZAIRE	ZAMISH	5	1	3	9	4	1	3	8	2	0	3	4
REGIONAL TOTAL		38	12	16	66	38	11	17	64	34	10	16	60
AMERICAN REPUBLICS:													
ARGENTINA	USMILGP	3	2	4	9	3	2	4	9	3	2	4	9
BARBADOS	USMLO b/	5	0	0	5	5	0	0	5	5	0	0	5
BELIZE	USMLO	2	0	1	3	2	1	1	4	2	1	1	4
BOLIVIA	USMILGP	3	1	2	6	8	2	4	14	8	2	4	14
BRAZIL	USMLO	4	3	3	10	4	3	3	10	4	3	3	10
CHILE	USMLO	0	0	0	0	0	0	0	0	1	0	1	2
COLOMBIA	USMILGP	6	2	8	16	9	3	10	22	9	3	10	22
COSTA RICA	ODC	5	1	3	9	3	1	2	6	3	1	2	6
DOMINICAN REPUBLIC	MAAG	5	0	3	8	5	0	3	8	5	0	3	8
ECUADOR	USMILGP	5	1	4	10	6	1	4	11	6	1	4	11
EL SALVADOR	USMILGP	13	2	13	28	13	2	13	28	13	2	13	28
GUATEMALA	USMILGP	3	0	3	6	3	1	3	7	3	1	3	7
HAITI	MLO	2	1	1	4	2	1	1	4	2	1	1	4
HONDURAS	USMILGP	10	3	10	23	11	3	10	24	11	3	10	24
JAMAICA	USMLO	3	1	0	4	3	1	0	4	3	1	0	4
MEXICO	DAO a/	3	0	1	4	4	0	2	6	4	0	2	6
PANAMA	USMILGP	6	1	3	9	2	0	1	3	2	0	1	3
PARAGUAY	ODC	2	0	3	5	2	0	3	5	2	0	3	5
PERU	MAAG	4	1	5	10	6	1	5	12	6	1	5	12
URUGUAY	ODC	2	0	4	6	1	0	4	5	1	0	4	5
VENEZUELA	USMILGP	7	2	6	15	7	2	6	15	7	2	6	15
REGIONAL TOTAL		92	21	77	190	99	24	79	202	100	24	80	204
EAST ASIA & PACIFIC:													
AUSTRALIA	DAO a/	3	0	0	3	3	0	0	3	3	0	0	3
BURMA	DAO a/	0	0	1	1	0	0	1	1	0	0	1	1
INDONESIA	MADP	11	1	18	30	11	1	18	30	11	1	18	30
JAPAN	USMDAO	5	3	5	13	5	3	5	13	5	3	5	13
KOREA	JUSMAG	50	15	32	97	46	15	29	90	46	15	29	90
MALAYSIA	DAO a/	3	1	2	6	3	1	2	6	3	1	2	6
PHILIPPINES	JUSMAG	27	5	15	46	26	5	16	47	26	5	16	47
SINGAPORE	DAO A/	2	1	0	3	2	1	0	3	2	1	0	3
THAILAND	JUSMAG	28	3	16	47	27	3	16	46	27	3	16	46
REGIONAL TOTAL		129	29	87	245	123	29	87	239	123	29	87	239
EUROPE & CANADA:													
AUSTRIA	DAO a/	2	0	0	2	2	0	0	2	2	0	0	2
BELGIUM	ODC	4	1	4	9	3	1	3	7	3	1	3	7
CANADA	DAO a/	1	0	1	2	1	0	1	2	0	1	1	2
DENMARK	ODC	1	1	2	4	1	1	2	4	1	1	2	4
FRANCE	ODC	1	1	5	7	1	1	5	7	1	1	5	7
GERMANY	ODC	5	3	5	13	5	3	5	13	5	3	5	13
GREECE	ODC	11	4	10	25	12	4	11	27	12	4	11	27
ITALY	ODC	3	0	4	7	3	0	4	7	3	0	4	7
NETHERLANDS	ODC	3	1	2	6	3	1	2	6	3	1	2	6

OVERSEAS MILITARY PROGRAM MANAGEMENT - PERSONNEL STRENGTHS (CONTINUED)

	ORGANI-ZATION	ACTUAL FY 1990				ESTIMATED FY 1991				PROPOSED FY 1992			
		MIL	CIV	LOCAL	TOTAL	MIL	CIV	LOCAL	TOTAL	MIL	CIV	LOCAL	TOTAL
EUROPE & CANADA (CONT):													
NORWAY	ODC	2	0	2	4	2	0	2	4	2	0	2	4
PORTUGAL	MAAG	11	4	7	22	9	4	6	19	9	4	6	19
SPAIN	JUSMAAG	8	2	2	12	4	2	0	6	4	2	0	6
TURKEY	JUSMMAT	33	6	16	55	29	6	15	50	29	6	15	50
UNITED KINGDOM	DAO a/	2	1	0	3	2	1	0	3	3	1	0	4
YUGOSLAVIA	DAO a/	2	0	0	2	0	0	0	0	0	0	0	0
REGIONAL TOTAL		89	24	60	173	77	24	56	157	77	25	56	158
NEAR EAST & SOUTH ASIA:													
ALGERIA	DAO a/	1	0	2	3	1	0	1	2	1	0	1	2
BAHRAIN	OMC	5	1	0	6	5	1	0	6	5	1	0	6
BANGLADESH	DAO a/	0	0	1	1	0	0	1	1	0	0	1	1
EGYPT	OMC	28	9	18	55	28	8	18	54	28	8	18	54
INDIA	ODC	2	1	3	6	2	1	3	6	2	1	3	6
JORDAN	MAP	11	2	5	18	11	2	5	18	11	2	5	18
KUWAIT	USLOK	4	1	1	6	4	1	1	6	4	1	1	6
LEBANON	OMC	1	0	5	6	1	0	2	3	1	0	2	3
MOROCCO	MUSLO	9	3	4	16	6	3	4	13	6	3	4	13
OMAN	OMC	4	0	1	5	4	0	1	5	4	0	1	5
PAKISTAN	ODRP	11	2	12	25	11	2	12	25	11	2	12	25
SAUDI ARABIA	USMTM	69	4	9	82	69	4	9	82	69	4	9	82
SRI LANKA	DAO a/	0	0	1	1	0	0	1	1	0	0	1	1
TUNISIA	USLOT	7	2	3	12	5	2	3	10	5	2	3	10
UNITED ARAB EMIRATES	USLO	5	1	2	8	5	1	2	8	5	1	2	8
YEMEN	OMC	7	0	4	11	7	0	4	11	7	0	4	11
REGIONAL TOTAL		164	28	71	261	159	26	67	251	159	25	67	251
WORLDWIDE TOTAL		512	112	311	935	494	113	306	913	493	113	306	912

a/ Personnel authorized to assist the DAO with security assistance management functions.
b/ Manages programs for Eastern Caribbean countries.

EXCESS DEFENSE ARTICLES

Defense articles no longer needed by the U.S. armed forces are referred to collectively as Excess Defense Articles (EDA), and are either sold under the Foreign Military Sales (FMS) program or transferred under the provisions of Sections 516, 517, 518 or 519 of the Foreign Assistance Act of 1961 (FAA), as amended. EDA does not apply to articles provided previously under MAP grants or those articles sold from stock to foreign governments through normal FMS procedures.

In determining which defense articles are excess, the following definition, from section 644(g) of the FAA is applied:

> "Excess defense articles means the quantity of defense articles owned by the United States Government, and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which is in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations...."

As items actually become excess, they are screened for transfer to eligible countries under Sections 516, 517, 518 or 519 of the FAA, or they are sold to eligible countries through FMS procedures.

Items transferred under Sections 516, 517, 518 or 519 of the FAA as grants, are not priced *per se*. Except for the specific exceptions authorized by Sections 518 and 519, charges are levied for the costs of packing, crating, handling and transportation. However, current value of the material and the original acquisition value are provided to Congress as part of the Congressional notification procedure. EDA articles sold through FMS procedures are priced on the basis of their condition as described in DoD 7290.3M. Prices range from a high of 50 percent of the original acquisition value for new equipment, to a low of 5 percent for equipment in need of repairs. Because the U.S. Government does not intend to replace these articles, they are exempt from Section 21(a)(2) of the Arms Export Control Act (AECA), which requires that the purchaser pay the replacement cost of defense articles purchased.

Section 31(d) of the AECA limits the annual value of EDA that may be acquired by foreign governments through sales (except those reported as AECA Section 36(b) sales), and grants under Sections 517 and 518 of the FAA. The limit applicable to FY 1991 is $250 million of acquisition value. The transfer, in accordance with law, of ships and their onboard stores and supplies are also excluded from the ceiling.

EXCESS DEFENSE ARTICLES SOLD UNDER FOREIGN MILITARY SALES
(DOLLARS IN THOUSANDS)

	ACQUISITION VALUE	FY 1990 SALES VALUE
AFRICA:		
CHAD	811	103
REGIONAL TOTAL	811	103
AMERICAN REPUBLICS:		
COSTA RICA	86	30
ECUADOR	3,951	970
MEXICO	11,040	1,462
PANAMA	694	120
REGIONAL TOTAL	15,771	2,582
EAST ASIA & PACIFIC:		
AUSTRALIA	26	11
KOREA	82,350	61,732
PHILIPPINES	43	3
REGIONAL TOTAL	82,419	61,746
EUROPE & CANADA:		
AUSTRIA	24	1
NORWAY	92	17
PORTUGAL	110	4
SPAIN	1,700	619
UNITED KINGDOM	8,500	3,100
REGIONAL TOTAL	10,426	3,741
NEAR EAST & SOUTH ASI...		
MOROCCO	59,648	12,905
PAKISTAN	25,120	1,888
TUNISIA	26,182	6,259
REGIONAL TOTAL	110,950	21,052
WORLDWIDE TOTAL	220,377	89,224

Note: Does not include articles transferred under the Southern Region Amendment (SRA). Congress is notified of items transferred in a classified report under the provisions of section 516 of the Foreign Assistance Act of 1961, as amended.

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

Section 514(b) of the Foreign Assistance Act of 1961 (FAA), as amended, sets an annual ceiling on the value of additions of defense articles located abroad that may be set aside, reserved, or otherwise earmarked from U.S. military stocks for use as war reserve stocks for allies (WRSA) or for other countries (other than for NATO). For FY 1992, the Administration proposes a ceiling of $129 million. Most defense articles added to stockpiles under this ceiling will come from existing stocks.

As the term "war reserves" implies, these stocks are intended for use only in emergencies. For FY 1992, $119 million of the proposed ceiling on the value of additions to worldwide stockpiles would be set aside for the Republic of Korea and $10 million would be set aside for Thailand. In all cases, title to and control of the additions remains with the U.S. government. Pursuant to section 514(a) of the FAA, any transfer to an allied or friendly country must be in accordance with the provisions of the security assistance legislation prevailing at the time of the proposed transfer.

Some additions in FY 1992 may consist of overseas U.S. defense stocks currently identified as war reserves for U.S. armed forces. These reserves would be identified in FY 1992 as war reserves to be held for emergency use under the terms of section 514 of the FAA. While some of these additions may not be wholly relocated within the territory of the intended recipient in FY 1992, their value will not be counted a second time, when eventually relocated, against a limitation in section 514(b) of the FAA.

VALUE OF ANNUAL CEILINGS FOR STOCKPILING
($ in thousands)

FISCAL YEAR	AMOUNT
1976 and 1977T	96,750
1977	125,000
1978	270,000
1979	90,000
1980	95,000
1981	85,000
1982	130,000
1983	125,000
1984	125,000
1985	248,000
1986	360,000
1987	125,000
1988	116,000
1989	77,000
1990	165,000
1991	378,000
1992 (proposed)	129,000

SECURITY ASSISTANCE FUNDING
(Dollars in Thousands)

FOREIGN MILITARY FINANCING GRANTS (11-1082)

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
Grant for Egypt	1,294,410	1,300,000	1,300,000
Grant for Israel	1,792,260	1,800,000	1,800,000
Grant - All Others	1,292,774	1,132,000	1,471,300
Reappropriation	-	3,023 a/	10,000
Administrative Costs	29,651	27,921	28,700
Budget Authority	4,409,095	4,262,944	4,610,000
Net Outlays	4,059,309	4,156,823	4,220,118

a/ Includes $3.023 thousand in FY 1982 Foreign Military Sales Credits (Forgiven) allocated to Sudan and reappropriated for Senegal and Niger.

FOREIGN MILITARY FINANCING PROGRAM ACCOUNT (11-1085)

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
Direct Loan Subsidy	-	-	39,800
Reobligation of Country Programs	-	-	200
Budget Authority	-	-	40,000
Net Outlays	-	-	2,978

FOREIGN MILITARY LOAN LIQUIDATING ACCOUNT (11-4121)

	Actual FY 1990 a/	Estimated FY 1991 a/	Proposed FY 1992
Obligations:			
Guarantee Claims	590,363	1,312,532	72,439
Concessional Loans	404,254	453,500 b/	-
Total Obligations	994,617	1,766,032	72,439
Financing:			
Collections of Guarantee Claims	731,510	76,084	90,300
Change in Fund Balance:			
Fund Balance - Start of Year	-	141,147	-
Fund Balance - End of Year	141,147	-	17,861
Offsetting Collections:			
Repayment of Guarantee Claims	731,510	76,084	90,300
Repayment of Direct Loans	259,175	1,048,893	206,373
Total Offsetting Collections	990,685	1,124,977	296,673
Budget Authority	145,079	449,908	(206,373)
Net Outlays	592,950	934,531	394,237

a/ Figures include the budget authority/appropriations and outlays for the Foreign Military Financing Account (11-1082) direct concessional loan programs for FY 1991 and prior years in accordance with the Federal Credit Reform Act of 1990.
b/ Includes $50,000 thousand in prior-year Foreign Military Sales Credits allocated to Malaysia, the Philippinkes, and Tunisia that were reappropriated for Turkey.

SECURITY ASSISTANCE FUNDING
(Dollars in Thousands)

FOREIGN MILITARY FINANCING DIRECT LOAN FINANCING ACCOUNT (11-4122)

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
Direct Loans	-	-	313,961
Interest on Treasury Borrowing.	-	-	853
Total Obligations/Financing Authority	-	-	314,814
Financing Disbursements	-	-	24,763
Less Offsetting Collections:			
Payments from FMF Program Account	-	-	2,786
Net Outlays	-	-	21,977

ECONOMIC SUPPORT FUND

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
Country and Regional Programs	3,970,688	3,376,468	3,228,000
Reobligation of Country Programs	40,169	39,000	40,000
Total Program (Obligations)	4,010,857	3,415,468	3,268,000
Recovery of Prior Year Obligations	(22,466)	(25,000)	(28,000)
Unobligated Balance Available, Start of Year	(277,905)	(245,668)	-
Unobligated Balance Available, End of Year	245,668	-	-
Unobligated Balance Lapsing	525	-	-
Budget Authority	3,956,679	3,144,800	3,240,000
Appropriation:	3,965,988	3,161,000	3,228,000
Rescission	(50,000)	-	-
Transfers	-	(30,200)	-
Appropriation (Adjusted)	3,915,988	3,130,800	3,228,000
Reappropriation	40,691	14,000	12,000
Net Outlays	3,718,938	3,262,507	3,393,725

SECURITY ASSISTANCE FUNDING (Continued)
(Dollars in Thousands)

MILITARY ASSISTANCE PROGRAM

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
General Costs	299	-	-
Total Obligations	299		-
Unobligated Balance Avail., Start of Year	281	-	-
Unobligated Balance Avail., End of Year	-	-	-
Budget Authority	-	-	-
Net Outlays a/	377,695	218,069	38,393

a/ Outlays in FY 1990, FY 1991, and FY 1992 represent spend-out of FY 1989 and prior years funding. Administrative costs funding is included in the Foreign Military Financing account beginning in FY 1990.

STATUS OF SECTION 506(a) DRAWDOWN AUTHORITY

	Used		Reimbursed	
	Fiscal Year	Amount	Fiscal Year	Amount
Thailand	1980	1,100 a/	1982	1,100
Liberia	1981	1,000 a/	1982	1,000
El Salvador	1981	25,000 a/	1982	5,000
El Salvador	1982	55,000 a/	1988	b/
Chad	1983	25,000 a/		
Chad	1986	10,000 a/		
Honduras	1986	20,000 a/		
Philippines	1986	10,000 a/		
Chad	1987	21,000 a/		
Jamaica	1989	10,000 a/		
Colombia	1989	65,000 a/		
Latin Amer Anti-Narc Asst c/	1990	53,300 d/		
Philippines Disaster Relief	1990	10,000 d/		
Israel	1990	74,000 e/		
Israel	1991	43,000 e/		
Turkey	1991	32,000 e/		

a/ Equals drawdowns authorized based on Presidential Determinations, except for Chad (1987) where $25,000 thousand was authorized.
b/ The FY 1988 final continuing resolution (P.L. 100-202) appropriated $10.0 million to be used either for reimbursement for defense articles, services and training provided to the Philippines pursuant to the President's Section 506(a) Determination of September 16, 1986, or for MAP general costs. On February 29, 1988, the Secretary of Defense directed that the appropriation be used for MAP general costs.
c/ Includes Belize, Bolivia, Colombia, Ecuador, Jamaica, and Mexico.
d/ Section 506(a)(2) of the Foreign Assistance Act (FAA) authorized for non-military assistance purposes; not yet fully delivered.
e/ Section 506(a)(1), FAA authorized for military assistance purposes; not yet fully delivered.

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
IMET Program	47,196	47,196	52,500
Unobligated Programs	(1,217)	-	-
Total Obligations	45,979	47,196	52,500
Unobligated Balance Lapsing	1,217	-	-
Budget Authority	47,196	47,196	52,500
Net Outlays	45,110	50,422	50,769

SECURITY ASSISTANCE FUNDING (Continued)
(Dollars in Thousands)

PEACEKEEPING OPERATIONS

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
Peacekeeping Operations Program (Obligations)	32,565	32,800	28,000
Unobligated Balance	208	-	-
Budget Authority	32,773	32,800	28,000
Appropriation	32,773	32,800	28,000
Net Outlays	19,038	43,478	30,016

SPECIAL DEFENSE ACQUISITION FUND

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
Purchases of Equipment (Obligations)	148,423	365,775	327,278
Financing:			
Recovery of Prior Year Obligations	-	(15,137)	(16,342)
Change in Unobligated Balances	151,306	(65,677)	(89,076)
Spending Authority	299,729	284,960	221,860
Disbursements	167,336	187,222	244,482
Offsetting Collections	(299,729)	(284,960)	(221,860)
Outlays	(132,393)	(97,738)	22,622

AIR BASE CONSTRUCTION IN ISRAEL

	Actual FY 1990	Estimated FY 1991	Proposed FY 1992
Beginning Balance:			
Appropriation	449	442	
Contract Authority	5,419	5,419	
Ending Balance:			
Appropriation	442	-	
Contract Authority	5,419	-	
Withdrawal of Contract Authority	-	(5,419)	
Net Outlays	7	442	

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS
(Dollars in Thousands)

FOREIGN MILITARY FINANCING PROGRAM

Fiscal Year	Executive Branch Request		Authorized		Appropriated	
	Budget Authority	Program	Budget Authority	Program	Budget Authority	Program
1970	275,000	350,000	250,000	340,000	70,000	-
1971	772,500	885,000	750,000 a/	840,000 a/	700,000 a/	-
1972	510,000	582,000	400,000	550,000	400,000	-
1973	527,000	629,000	400,000 b/	550,000	400,000 b/	-
1974	2,725,000	2,960,000	2,525,000 c/	2,930,000 c/	2,525,000 c/	-
1975	555,000	872,000	405,000	872,500	300,000	-
1976 d/	2,430,200	2,430,200	1,298,750	2,968,375	1,205,000	-
1977	2,179,600	2,179,600	740,000	2,022,100	740,000	-
1978	707,750	2,217,500	682,000	2,152,350	675,850	-
1979 e/	1,042,500	5,767,500	1,044,300	6,155,500	1,024,500	-
1980	658,880 f/	2,188,000 f/	673,500	2,235,000	645,000 b/	-
1981	734,000	2,840,000 g/	500,000	3,116,000	500,000 b/	3,046,187 b/
1982	1,481,800	4,054,400	800,000	4,069,525	800,000	3,883,500
1983	950,000 h/	5,273,300 h/	800,000	4,169,525	1,175,000 b/	5,106,500 b/
1984	1,000,000	5,656,000	1,315,000	5,761,500	1,315,000 b/	5,716,250 b/
1985	5,100,000	5,100,000	i/	i/	4,939,500 b/	4,939,500 b/
1986	5,655,000	5,655,000	5,371,000	5,371,000	5,190,000	5,190,000 j/
1987	5,861,000 k/	5,661,000	i/	i/	4,053,441 l/	4,053,441 l/
1988	4,421,150	4,421,150	m/	m/	4,017,000 n/	4,049,000
1989	4,460,000	4,460,000	o/	o/	4,272,750	4,272,750
1990	5,027,000	5,027,000	p/	p/	4,827,642	4,827,642 q/
1991	5,016,900	5,016,900	r/	r/	4,663,821	4,312,944 s/
1992	4,610,000	4,610,000				

NOTE: Military Assistance Program included Foreign Military Sales Financing program prior to FY 1969.

a/ Includes $500,000 thousand for Israel authorized by P.L. 91-441 and appropriated by P.L. 91-665.

b/ CRA limitation.

c/ Includes $2,200,000 thousand for Emergency Security Assistance requested, authorized and appropriated for Israel.

d/ Includes transitional quarter (FY 1977).

e/ Includes $2,200,000 thousand supplemental program for Israel and a $1,500,000 supplemental program for Egypt.

f/ Includes a $10,000 thousand amendment for Sudan and $15,000 thousand for Oman.

g/ Includes $200,000 thousand proposed budget amendment for Egypt.

h/ Reflects the amended budget request but not the supplemental budget request for program increase of $525,000 thousand for guarantee loans.

i/ Authorization waived in Continuing Resolution Authority (P.L. 98-473 for FY 1985, and P.L. 99-500 for FY 1987).

j/ Reflects amounts appropriated under P.L. 99-100 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), $223,170 thousand not available for obligation.

k/ Includes a supplemental request of $200,000 thousand.

l/ Includes $4,040,441 thousand authorized by P.L. 99-500 CRA limitation and $13,000 thousand authorized by P.L. 100-71.

m/ Authorization waived in Continuing Resolution (P.L. 100-202).

n/ P.L. 100-202 appropriated $4,049,000 thousand for FY 1988. Also included in the law was a $32,000 thousand rescission applicable to the FY 1985 and FY 1986 appropriation resulting in an adjusted appropriation of $4,017,000 thousand, as shown in the FY 1989 President's Budget.

o/ Authorization waived in P.L. 100-461.

p/ Authorization waived in P.L. 101-167.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS
(Dollars in Thousands)

FOREIGN MILITARY FINANCING PROGRAM (Continued)

q/ Congress appropriated $4,828,403 thousand which was reduced by .43% for use in the control of illicit drugs. In addition, $20,000 thousand was transferred into the FMF account from the DOD budget (P.L. 101-165) resulting in $4,827,641 thousand available to the FMF program.
r/ Authorization waived in P.L. 101-513.
s/ Includes a proposed reduction of $403,500 thousand plus a reappropriation of $53,023 thousand of prior year funds.

FOREIGN MILITARY FINANCING
DIRECT LOAN FINANCING ACCOUNT
TOTAL PROGRAM

Fiscal Year	Executive Branch Request	Financing Authority
1992	314,814	

FOREIGN MILITARY FINANCING
DIRECT LOAN SUBSIDY ELEMENT

Fiscal Year	Executive Branch Request	Authorized	Appropriated
1992	40,000		

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Thousands)

ECONOMIC SUPPORT FUND

Fiscal Year	Executive Branch Request	Authorized	Appropriated
1964	435,000	380,000	330,000
1965	405,000	405,000	401,000
1966	764,000	684,000	684,000
1967	750,000	715,000	690,000
1968	720,000	660,000	600,000
1969	595,000	410,000	365,000
1970	515,000	414,600	395,000
1971	600,000	414,600	414,600
1972	800,000	618,000	550,000
1973	848,800	a/	600,000 a/
1974	732,000	629,000	611,500
1975	1,425,300	1,377,000	1,200,000
1976	1,923,300	1,856,200	1,739,900
1977T	50,200	464,100 b/	279,700 b/
1977	1,893,500	1,895,000	1,757,700
1978	2,232,200	2,235,000 c/	2,219,300 c/
1979 d/	2,204,400 e/	2,202,000	2,282,000
1980	2,115,100 e/f/	1,935,000	1,946,000 g/
1981	2,030,500	2,065,300	2,104,500 g/
1982	2,931,500	2,973,500	2,926,000
1983	2,886,000 h/	2,873,500	2,962,250 g/
1984	2,949,000 i/	3,074,000	3,254,250 g/j/
1985	3,438,100	k/	6,084,000 l/
1986	4,024,000	3,800,000	3,800,000 m/n/
1987	4,390,800 o/	p/	3,600,000 q/
1988	3,600,000 r/	3,200,820 r/	3,200,820 r/
1989	3,281,000 r/	3,258,500	3,258,500
1990	3,849,100 s/	3,916,510 t/	3,916,510 t/
1991	3,358,000 u/	3,175,000 v/	3,175,000 v/
1992	3,240,000 w/		

a/ CRA level - $618,000 thousand. There was no authorization level in FY 1973.
b/ Section 506 of the International Security Assistance and Arms Control Act of 1976, P.L. 94-329, quarter not to exceed one-fourth of the total amount authorized in that Act for FY 1976.
c/ Includes $300,000 thousand for Portugal; also $20,000 thousand for Lebanon, authorized as Disaster Assistance, but appropriated in the Security Support Assistance (SSA) account.
d/ Includes a $300,000 thousand supplemental for Egypt and $100,000 thousand for Turkey.
e/ Executive Branch request included ESF and FKO in one account--Security Supporting Assistance (SSA).
f/ Includes an $80,000 thousand supplemental for Central America.
g/ CRA limitation.
h/ Reflects initial budget request. Does not include the $294,500 thousand supplemental budget request.
i/ Reflects initial budget request. Does not include the $340,500 thousand supplemental appropriation for Central America or the $10,000 thousand for Poland.
j/ Includes supplemental appropriation (P.L. 98-332).
k/ Authorization waived in Continuing Resolution Authority (P.L. 98-473 for FY 1985, and P.L. 99-500 for FY 1987).
l/ Includes FY 1985 Supplemental of $2,258,000 thousand.
m/ Reflects amounts appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), $159,358 thousand not available for obligation.
n/ Includes $100,000 thousand supplemental for the Republic of the Philippines.
o/ Includes a supplemental request of $297,000 thousand.
p/ The International Development and Security Act of 1985 (P.L. 99-83) authorized $3,800,000 thousand for both FY 1986 and FY 1987.
q/ Includes $50,000 thousand deobligation/reobligation reappropriation.
r/ Includes $12,500 thousand deobligation/reobligation reappropriation estimate.
s/ Includes $18,000 thousand deobligation/reobligation reappropriation estimate and a $500,000 thousand supplemental for Panama.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Thousands)

ECONOMIC SUPPORT FUND (Continued)

t/ Includes $20,000 thousand for Ireland (less $145 thousand sequestration pursuant to P.L. 99-177), minus $50,000 thousand pursuant to P.L. 101-167 and $755,000 thousand supplemental (P.L. 101-302) for Panama, Nicaragua, Namibia and South Africa.
u/ Includes $14,000 thousand reappropriation estimate.
v/ Includes $14,000 thousand reappropriation estimate and $30,200 thousand transferred to other accounts. Includes $20,000 thousand for Ireland.
w/ Includes $12,000 thousand reappropriation estimate.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Thousands)

MILITARY ASSISTANCE PROGRAM

Fiscal Year	Executive Branch Request	Authorized	Appropriated
1950	1,400,000	1,314,000	1,314,000
1951	5,222,500	5,222,500	5,222,500
1952	6,303,000	5,997,600	5,744,000
1953	5,425,000	4,598,400	4,219,800
1954	4,274,500	3,681,500	3,230,000
1955	1,778,300	1,591,000	1,192,700
1956	1,959,200	1,450,200	1,022,200
1957	2,925,000	2,225,000	2,017,500
1958	1,900,000	1,600,000	1,340,000
1959	1,800,000	1,605,000	1,515,000
1960	1,600,000	1,400,000	1,300,000
1961	2,000,000	a/	1,800,000
1962	1,885,000	1,700,000	1,600,000
1963	b/	1,700,000	1,325,000
1964	1,405,000	1,000,000	1,000,000
1965 c/	1,055,000	1,055,000	1,055,000
1966 c/	1,170,000	1,170,000	1,179,000
1967	917,000	875,000	792,000
1968	620,100	510,000	500,000
1969	420,000	375,000	375,000
1970	425,000	350,000	350,000
1971	690,000	690,000	690,000
1972	705,000	500,000	500,000
1973	780,000	553,100 d/	553,100 d/
1974 e/	685,000	512,500	450,000 f/
1975 g/	985,000	600,000	475,000
1976 h/i/	790,000	245,875	252,200
1977	279,000	235,800	264,550
1978	230,000	228,900	220,000 j/
1979	133,500	133,500	83,375
1980 c/	160,200 k/	111,900 l/	110,000 d/
1981 c/	104,400	106,100	110,200 d/
1982 c/m/	131,400	231,400	171,412
1983 c/	557,000 n/	238,500 o/	383,325 d/
1984	747,000 p/	639,700	711,750 d/q/
1985	924,500	r/	805,100 d/
1986 c/	949,350	805,100	798,374 s/t/
1987 c/	1,257,450 u/	805,100	950,000
1988	1,329,800	v/	700,750
1989	467,000	w/	467,000 x/
1990	40,432	y/	z/

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Thousands)

INTERNATIONAL MILITARY EDUCATION & TRAINING PROGRAM

Fiscal Year	Executive Branch Request	Authorized	Appropriated
1976 a/	37,000	33,750	28,750
1977	32,200	30,200	25,000
1978	35,000	31,000	30,000
1979	32,100	31,800	27,900
1980	32,900	31,800	25,000 d/
1981	32,500	34,000	28,400 d/
1982	42,000	42,000	42,000
1983	53,700 o/	43,000	46,000
1984	56,532	56,452	51,532 d/
1985	60,910	r/	56,221 d/
1986	65,650	56,221	54,490 s/
1987	68,830	56,000	56,000
1988	56,000	v/	47,400
1989	52,500	w/	47,400
1990	54,500	y/	47,196 A/
1991	50,500	B/	47,196
1992	52,500		

NOTE: (1) The Military Assistance Program included International Military Education and Training Program prior to FY 1976.
(2) The Administration has not proposed Military Assistance Programs subsequent to FY 1990.

a/ The Mutual Security Act of 1959, P.L. 86-108, approved July 24, 1959, states "There is hereby authorized to be appropriated to the President for the fiscal year 1961 and 1962 such sums as may be necessary from time to time to carry out the purpose of this chapter, which sums shall remain available until expended."
b/ Foreign Assistance Act of 1961 authorized $1,700,000 thousand; no executive branch request for authorization was required.
c/ Does not include MAP drawdowns of $75,000 thousand in FY 1965 and $300,000 thousand in FY 1966, or Section 506(a) drawdowns of $1,000 thousand in FY 1980; $26,000 thousand in FY 1981; $55,000 thousand in FY 1982; $25,000 thousand in FY 1983; $40,000 thousand in FY 1986; and $25,000 thousand in FY 1987.
d/ CRA limitation.
e/ Includes funds requested separately for proposed International Military Education and Training Program finally authorized and appropriated as part of the Military Assistance Program. Does not include $2,500,000 thousand for Section 506 drawdown authority.
f/ Includes $5,000 thousand transferred to AID.
g/ Does not include $75,000 thousand for Section 506 drawdown authority.
h/ Includes transitional quarter (FY 1977).
i/ Does not include $275,000 thousand for Section 506 drawdown authority.
j/ Includes $40,200 thousand subsequently rescinded.
k/ Includes a $50,000 thousand supplemental for Turkey.
l/ Includes a $1,700 thousand Senate supplemental for Sudan.
m/ Does not include $7,100 thousand reimbursement for Section 506 drawdown authority.
n/ Reflects the amended budget request but not the $187,000 thousand supplemental budget request.
o/ Reflects initial budget request; excludes $1,000 thousand supplemental request.
p/ Reflects initial budget request; excludes $259,050 thousand supplemental request for Central America.
q/ Includes supplemental appropriation of $201,750 thousand for Central America.
r/ Authorization waived in Continuing Resolution (P.L. 98-473).
s/ Reflects amounts appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings) $33,626 thousand of MAP and $2,343 thousand of IMET are not available for obligation.
t/ Includes supplemental appropriation of $50,000 thousand for the Republic of the Philippines.

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LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Thousands)

MILITARY ASSISTANCE PROGRAM AND INTERNATIONAL MILITARY EDUCATION
& TRAINING PROGRAM (Continued)

u/ Includes a supplemental request of $261,000 thousand.
v/ Authorization waived in Continuing Resolution (P.L. 100-202).
w/ Authorization waived in P.L. 100-461.
x/ P.L. 101-45 transferred $2,000 thousand to contributions for international peacekeeping activities (Budget Account 19-9-1124).
y/ Authorization waived in P.L. 101-167.
z/ Administrative costs formerly designated as MAP General Costs (1080 account) are included in the Foreign Military Financing Appropriation (1082 account) effective 1 October 1989.
A/ Congress appropriated $47,400 thousand which was reduced by .43% for use in the control of illicit drugs, resulting in $47,196 thousand available to the IMET program.
B/ Authorization waived in P.L. 101-513.

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Thousands)

PEACEKEEPING OPERATIONS

Fiscal Year	Executive Branch Request	Authorized	Appropriated	
1979	a/	30,900	27,400	
1980	a/	21,100	22,000	b/
1981	25,000	25,000	25,000	c/
1982	19,000	19,000	14,000	d/
1983	43,474	19,000	31,100	c/
1984	46,200	46,200	46,200	c/
1985	49,000	e/	44,000	c/
1986	37,000	37,000	34,000	f/
1987	39,000	37,000	31,689	
1988	46,311	31,689	31,689	
1989	41,689 g/	41,689	41,689	
1990	33,377	32,773	32,773	
1991	32,800	32,800	32,800	
1992	28,000			

FOREIGN MILITARY LOAN LIQUIDATING ACCOUNT
(Formerly Guaranty Reserve Fund)

Fiscal Year	Executive Branch Request	Appropriated	Borrowing/Spending Authority		
			Actual	Estimated	
1985	274,000	109,000	-	-	
1988	-	532,000	-	-	
1989	-	-	452,065	-	h/
1990	-	-	731,510	-	h/
1991			-	76,089	h/
1992				-	h/

AIR BASE CONSTRUCTION IN ISRAEL

Fiscal Year	Executive Branch Request	Authorized	Appropriated
1979	800,000	800,000	800,000

LEGISLATIVE HISTORY OF AUTHORIZATIONS & APPROPRIATIONS (Continued)
(Dollars in Thousands)

PEACEKEEPING OPERATIONS, FOREIGN MILITARY LOAN LIQUIDATING ACCOUNT
AND AIR BASE CONSTRUCTION IN ISRAEL (Continued)

a/ Executive Branch request included ESF and PKO in one account--Security Supporting Assistance (SSA).
b/ CRA limitation (P.L. 96-123).
c/ CRA limitation.
d/ In addition, $125,000 thousand appropriated under CRA (P.L. 97-51) and authorized by P.L. 97-132 for the Multinational Force and Observers.
e/ Authorization waived in Continuing Resolution (P.L. 98-473).
f/ Reflects amount appropriated under P.L. 99-190 (final CRA). Pursuant to P.L. 99-177 (Gramm-Rudman-Hollings), $1.462 million of this amount is not available for obligation.
g/ Includes $10 million transfer from DOD allocated to Department of State pursuant to P.L. 101-45 used for UN mineclearing operations in Afghanistan.
h/ Use of borrowing from U.S. Treasury under authority of P.L. 100-202 in FY 1989, P.L. 101-167 in FY 1990, P.L. 101-513 in FY 1991 and permanent borrowing authority in FY 1992.

COUNTRIES/AREAS AND INTERNATIONAL ORGANIZATIONS ELIGIBLE TO PURCHASE DEFENSE ARTICLES AND SERVICES

Pursuant to section 25(a)(8) of the Arms Export Control Act (AECA), the following is a listing of the countries/areas and international organizations that have been determined by the President under section 3(a)(1) of the AECA to be eligible for the purchase of defense articles and services. The number in parentheses following each listing corresponds to the date of the President's findings in the following list. Findings which have not been published in a previous edition of this document follow the listings. That a determination of record under section 3(a)(1) exists does not signify in itself that sales will be made.

East Asia/Pacific

Australia (1)
Brunei (1)
Burma (1)
Cambodia (1)
China (25)
Fiji (5)
Indonesia (1)
Japan (1)
Rep. of Korea (1)
Laos (1)
Malaysia (1)
New Zealand (1)
Papua New Guinea (14)
Philippines (1)
Vietnam (1)
Singapore (1)
Taiwan (1)
Thailand (1)
Tonga (32)

Near East/South Asia

Afghanistan (1)
Algeria (21) (29)
Bahrain (5)
Bangladesh (15)
Egypt (6)
India (1)
Iran (1)
Israel (1)
Jordan (1)
Kuwait (1)
Lebanon (1)
Morocco (1)
Nepal (1)
Oman (1)
Pakistan (1)
Qatar (1)
Saudi Arabia (1)
Sri Lanka (1)
Tunisia (1)
United Arab Emirates (1)
Yemen Arab Republic (1)

Europe/Canada

Austria (1)
Belgium (1)
Canada (1)
Denmark (1)
Finland (1)
France (1)
Germany (1)
Greece (1)
Iceland (1)
Ireland (1)
Italy (1)
Luxembourg (1)
Malta (1)
Netherlands (1)
Norway (1)
Portugal (1)
Spain (1)
Sweden (1)
Switzerland (1)
Turkey (1)
United Kingdom (1)
Yugoslavia (1)

Africa

Benin (1)

Botswana (10)
Burkina Faso (1)
Cameroon (1)
Cape Verde (30)
Central African Republic (31)
Chad (9)
Djibouti (19)
Equatorial Guinea (
Ethiopia (1)
Gabon (1)
Gambia (31)
Ghana (1)
Guinea (1)
Guinea-Bissau (30)
Ivory Coast (1)
Kenya (1)
Liberia (1)
Libya (1)
Madagascar (3)
Malawi (1)
Mali (1)
Mauritania (30)
Mauritius (3)
Mozambique (29)
Niger (1)
Nigeria (1)
Rwanda (16)
Sao Tome & Principe (33)
Senegal (1)
Seychelles (34)
Sierra Leone (27)
Somalia (8)
Sudan (8)
Tanzania (34)
Togo (28)
Uganda (34)
Zaire (1)
Zimbabwe (20)

American Republic

Antigua & Barbuda (18)
Argentina (1)
Bahamas (2)
Barbados (11)
Belize (17)
Bolivia (1)
Brazil (1)
Chile (1)
Colombia (1)
Costa Rica (1)
Dominica (13)
Dominican Rep. (1)
Ecuador (1)
El Salvador (1)
Grenada (23)
Guatemala (1)
Haiti (1)
Honduras (1)
Jamaica (1)
Mexico (1)
Nicaragua (1)
Panama (1)
Paraguay (1)
Peru (1)
St. Kitts-Nevis (13)
St. Lucia (13)
St. Vincent & the Grenadines (13)
Suriname (7)
Trinidad & Tobago (1)
Uruguay (7)
Venezuela (1)

Interantional Organizations

NATO and its Agencies (1)
United Nations and its Agencies (1)
Organization of American States (1)
International Commission of Control and Supervision in Vietnam (4)
International Commission of Control and Supervision in Laos (4)

Dates of Findings

1. January 2, 1973
2. April 26, 1973
3. December 13, 1973
4. October 29, 1974
5. August 5, 1975
6. March 25, 1976
7. April 14, 1976
8. November 5, 1976
9. September 1, 1977
10. February 6, 1979
11. June 21, 1979
12. March 3, 1980
13. March 13, 1980
14. December 16, 1980
15. January 15, 1981

16. February 27, 1981
17. November 23, 1981
18. April 8, 1982
19. May 17, 1982
20. October 26, 1982
21. November 28, 1983
22. April 3, 1984
23. April 9, 1984
24. June 12, 1984
25. February 4, 1985
26. February 5, 1985
27. February 11, 1985
28. April 10, 1985
29. June 10, 1985
30. February 2, 1987
31. November 5, 1987
32. May 27, 1988
33. July 20, 1989
34. October 25, 1990

EFFECTS OF CREDIT REFORM ON SECURITY ASSISTANCE

Credit reform is the term used to describe the new method of scoring federal credit transactions that was mandated by certain provisions of the Budget Enforcement Act (BEA) of 1990 (P.L. 101-508). The BEA changed the budget presentation of all federally financed or guaranteed loans. Briefly, the BEA requires that the cost of new loan programs be shown as the net present value of the difference between the cost of money to the U.S. government and the payments that foreign countries will make on the loans. The objective of credit reform is to display more accurately the cost to the U.S. Treasury of Federal credit transactions.

To illustrate how the new scoring would work, assume that the United States will offer $500 million of direct loans to a foreign country at 5 percent with five years of grace on the repayment of principal and seven additional years to amortize the loan. Prior to credit reform, the full $500 million would have been appropriated and shown (eventually) as outlays. Under credit reform, the cost of money to the Federal government at the time the loan was disbursed (roughly 7.5 percent) would be taken into account and the net present value of the loan would be calculated. At these terms, the loan would result in a subsidy of roughly 12.5 percent or $62.5 million ($500 million x 12.5 percent = $62.5 million). This cost is what would be now shown in the budget instead of $500 million. The factors that can affect the subsidy include: the creditworthiness of the borrower, various fees paid by the borrower, the cost of money to the U.S. Treasury, and the interest rate that foreign Governments pay the United States.

Government guarantees of commercial loans would also be scored in this way, showing the subsidy amounts in the budget. This is a major departure for guarantee programs that formerly showed no budget cost for guaranteed loans unless defaults or loan reschedulings occurred, at which time amounts paid for guarantee claims of principal and interest would have shown in the budget.

Technical Note Concerning Sequestration

None of the FY 91 program totals in this CPD reflect the 1.9 percent sequester that was required by law due to a technical error in the FY 91 Foreign Operations Appropriations Act (P.L. 101-513). Pending legislation will reverse the sequester. This document assumes enactment of such legislation.

FUTURE ASSISTANCE PROJECTIONS

In accordance with Section 581 of the Foreign Operations, Export Financing and Related Program Appropriations Act 1991 (P.L. 101-513), the following table contains security assistance funding projections for each of the three fiscal years following fiscal year 1992. These estimates are subject to considerable uncertainty given the rapid pace of change in the world. Should events so warrant, the Administration may adjust substantially its actual budget request for these accounts.

Security Assistance	FY 93	FY 94	FY 95
FMF			
Grant (BA)*	4,610.0	4,635.0	4,635.0
Loan	[342.9]	[368.0]	[381.0]
Loan Subsidy (BA)	40.0	40.0	40.0
ESF (BA)	3,280.0	3,320.0	3,360.0
IMET (BA)	54.6	56.7	58.8
PKO (BA)	28.6	29.1	29.7
TOTAL (BA)	8,013.2	8,080.8	8,123.5

* BA = Budget Authority

SECTION III

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INTRODUCTION

This section of the FY 1992 Congressional Presentation Document contains detailed information on individual country and regional security assistance programs. Programs include Foreign Military Financing (FMF), International Military Education and Training (IMET) and the Economic Support Fund (ESF).

In addition to narrative descriptions, tables with relevant economic and assistance data are provided. Various sources have been used for these data, which represent composite estimates: U.S. Government agencies, the World Bank and the International Monetary Fund. Because per capita income figures reflect conversions and official exchange rates from national currencies, they may not reflect true values.

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FY 1992 SECURITY ASSISTANCE PROGRAMS
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

COUNTRY/ORGANIZATION:	ECONOMIC SUPPORT	FMF CONCESS.	FMF GRANT	IMET	PKO	TOTAL
AFGHAN HUMANITARIAN	30,000	0	0	0	0	30,000
AFRICA REGIONAL	10,000	0	10,000	0	0	20,000
ALGERIA	0	0	0	150	0	150
ANDEAN NARCOTICS INITVE	250,000 a/	0	0	0	0	250,000
ANTIGUA-BARBUDA*	0	0	900	100	0	1,000
ARGENTINA	0	0	1,000	200	0	1,200
BAHAMAS	0	0	0	125	0	125
BANGLADESH	0	0	0	350	0	350
BARBADOS*	0	0	1,000	100	0	1,100
BELIZE	0	0	500	175	0	675
BENIN	0	0	0	125	0	125
BOLIVIA	25,000	0	40,000	900	0	65,900
BOTSWANA	0	0	1,000	400	0	1,400
BRAZIL	0	0	0	150	0	150
BURKINA FASO	0	0	0	100	0	100
BURUNDI	0	0	0	200	0	200
CAMBODIAN RESISTANCE	5,000	0	0	0	0	5,000
CAMEROON	0	0	0	325	0	325
CAPE VERDE	0	0	0	100	0	100
CENTRAL AFRICAN REPUBLIC	0	0	0	255	0	255
CHAD	0	0	2,000	380	0	2,380
CHILE	0	0	1,000	150	0	1,150
COLOMBIA	0	0	58,000	2,300	0	60,300
COMOROS	0	0	0	75	0	75
CONGO	0	0	0	105	0	105
COSTA RICA	20,000	0	2,360	230	0	22,590
COTE D'IVOIRE	4,000	0	0	200	0	4,200
CYPRUS	3,000	0	0	0	0	3,000
CZECHOSLOVAKIA	0	0	0	75	0	75
DJIBOUTI	3,000	0	2,000	175	0	5,175
DOMINICA*	0	0	400	100	0	500
DOMINICAN REPUBLIC	5,000	0	2,000	900	0	7,900
EASTERN CARIBBEAN	3,000	0	0	0	0	3,000
ECUADOR	0	0	5,000	800	0	5,800
EGYPT	815,000	0	1,300,000	1,800	0	2,116,800
EL SALVADOR	120,000	0	85,000	1,400	0	206,400
EQUATORIAL GUINEA	0	0	0	100	0	100
FIJI	300	0	300	50	0	650
GABON	0	0	0	150	0	150
GAMBIA	0	0	0	125	0	125
GHANA	0	0	0	175	0	175
GREECE	0	285,000	65,000	500	0	350,500
GRENADA*	0	0	545	100	0	645
GUATEMALA	30,000	0	2,000	400	0	32,400
GUINEA	0	0	0	175	0	175
GUINEA-BISSAU	0	0	0	150	0	150
GUYANA	2,000	0	0	50	0	2,050
HAITI	24,000	0	2,200	665	0	26,865
HONDURAS	50,000	0	19,100	1,100	0	70,200
HUNGARY	0	0	0	75	0	75
INDIA	0	0	0	345	0	345
INDONESIA	5,000	0	0	2,300	0	7,300
ISRAEL	1,200,000	0	1,800,000	0	0	3,000,000
JAMAICA	15,000	0	3,000	450	0	18,450
JORDAN	30,000	0	25,000	2,000	0	57,000
KENYA	0	0	4,000	1,100	0	5,100
KOREA	0	0	0	800	0	800
LATIN AMERICA REGIONAL	9,900	0	0	0	0	9,900
LEBANON	2,000	0	0	400	0	2,400
LESOTHO	0	0	0	75	0	75
LIBERIA	0	0	0	100	0	100
MADAGASCAR	0	0	0	100	0	100
MALAWI	0	0	1,000	250	0	1,250
MALAYSIA	0	0	0	1,100	0	1,100
MALDIVES	0	0	0	70	0	70

FY 1992 SECURITY ASSISTANCE PROGRAMS (CONTINUED)
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

	ECONOMIC SUPPORT	FMF CONCESS.	FMF GRANT	IMET	PKO	TOTAL
COUNTRY/ORGANIZATION (CONT):						
MALI	0	0	0	175	0	175
MALTA	0	0	0	65	0	65
MAURITIUS	0	0	0	100	0	100
MEXICO	0	0	0	430	0	430
MIDDLE EAST REGIONAL	6,000	0	0	0	0	6,000
MOROCCO	12,000	0	40,000	1,150	0	53,150
MOZAMBIQUE	0	0	0	100	0	100
NAMIBIA	5,000	0	0	180	0	5,180
NEPAL	0	0	500	185	0	685
NICARAGUA	150,000	0	0	0	0	150,000
NIGER	0	0	500	300	0	800
NIGERIA	0	0	0	500	0	500
OMAN	15,000	0	5,000	100	0	20,100
PACAMS	0	0	0	1,000	0	1,000
PAKISTAN	100,000	6,961	105,595	915	0	214,471
PANAMA	10,000	0	0	0	0	10,000
PAPUA NEW GUINEA	0	0	0	80	0	80
PARAGUAY	0	0	500	175	0	675
PERU	0	0	39,000	900	0	39,900
PHILIPPINES	120,000	0	200,000	2,800	0	322,800
POLAND	0	0	0	75	0	75
PORTUGAL	40,000	22,000	103,000	2,850	0	167,850
RWANDA	0	0	0	100	0	100
S. PACIFIC TUNA TREATY	10,000	0	0	0	0	10,000
SAO TOME & PRINCIPE	0	0	0	125	0	125
SENEGAL	3,000	0	1,000	525	0	4,525
SEYCHELLES	3,300	0	0	100	0	3,400
SIERRA LEONE	0	0	0	200	0	200
SINGAPORE	0	0	0	15	0	15
SOLOMON ISLANDS	0	0	0	50	0	50
SOMALIA	0	0	0	300	0	300
SPAIN	0	0	0	1,200	0	1,200
SRI LANKA	0	0	0	200	0	200
ST. KITTS AND NEVIS*	0	0	500	100	0	600
ST. LUCIA*	0	0	500	100	0	600
ST. VINCENT & GRENADINES*	0	0	400	100	0	500
SUDAN	0	0	0	300	0	300
SWAZILAND	0	0	0	100	0	100
TANZANIA	0	0	0	150	0	150
THAILAND	2,500	0	0	2,500	0	5,000
TOGO	0	0	0	150	0	150
TONGA	0	0	0	50	0	50
TRINIDAD & TOBAGO	0	0	500	95	0	595
TUNISIA	3,000	0	10,000	1,250	0	14,250
TURKEY	75,000	0	625,000	3,500	0	703,500
UGANDA	0	0	0	200	0	200
URUGUAY	0	0	1,000	325	0	1,325
VANUATU	0	0	0	50	0	50
VENEZUELA	0	0	0	175	0	175
WEST BANK/GAZA	12,000	0	0	0	0	12,000
YUGOSLAVIA	0	0	0	100	0	100
ZAIRE	0	0	3,000	300	0	3,300
ZIMBABWE	0	0	0	300	0	300
TOTAL COUNTRY/ORG. PROGRAMS	3,228,000	313,961	4,571,300	50,040	0	8,163,301
NON-REGIONAL:						
ADMINISTRATIVE COSTS	0	200	28,700	0	0	28,900
GENERAL COSTS	0	0	0	2,460	0	2,460
MULTINATL FORCE & OBSERV (MFO)	0	0	0	0	19,500	19,500
REAPPROPRIATION	12,000	0	10,000	0	0	22,000

FY 1992 SECURITY ASSISTANCE PROGRAMS (CONTINUED)
BUDGET AUTHORITY
(DOLLARS IN THOUSANDS)

	ECONOMIC SUPPORT	FMF CONCESS.	FMF GRANT	IMET	PKO	TOTAL
UN FORCE IN CYPRUS	0	0	0	0	8,500	8,500
NON-REGIONAL TOTAL	12,000	200	38,700	2,460	28,000	81,360
TOTAL PROGRAM	3,240,000	314,161	4,610,000	52,500	28,000	8,244,661
ADJUSTMENT FOR NON-SUBSIDY ELEMENT OF CONCESSIONAL LOANS	0	-274,161	0	0	0	-274,161
TOTAL BUDGET AUTHORITY	3,240,000	40,000	4,610,000	52,500	28,000	7,970,500

*These countries comprise the Eastern Caribbean. See Eastern Caribbean narrative in Section III for a discussion of specific country programs.
a/ Provisional allocation as follows: Bolivia $100 million, Colombia $50 million, Peru $100 million. Final allocations will depend on each country's performance in meeting drug program objectives.

AFGHAN HUMANITARIAN

POLICY CONSIDERATIONS

In February 1989, the Soviet Union completed withdrawal of its armed forces from Afghanistan. The Soviet-installed Kabul regime has stayed in power since then, largely with the help of massive Soviet military and economic aid. The Afghan Resistance continues its fight for an independent Afghanistan with a government freely chosen by all Afghan people, and for the voluntary, safe return with honor of millions of Afghan refugees and internally displaced persons.

The United States and the Soviet Union continue to discuss a framework for a political settlement of the Afghan conflict. During the transition to a settlement, U.S. and international humanitarian assistance will be of even greater importance. The Afghan people will be rebuilding their country in the aftermath of destruction caused by twelve years of armed conflict. The U.S. maintains an active human rights dialogue with the Afghan Resistance, chiefly concerning treatment of prisoners and the need to minimize civilian casualties.

PROGRAM DESCRIPTION

Objectives

- Meet humanitarian needs of war-affected Afghans
- Support a broad multilateral effort to voluntarily repatriate and resettle refugees and displaced persons.

Status

The U.S. Cross Border Humanitarian Assistance (CBHA) program helps war-affected Afghans to support themselves within Afghanistan. Although the Afghan political situation remains unresolved, a small but growing number of Afghans are returning to their homes from Pakistan, Iran, and other parts of Afghanistan. Afghans returning home find the infrastructure severely damaged, fields and orchards abandoned, and serious shortages of food, fertilizer, seed, agricultural implements and other essentials. The CBHA delivers food and other commodities; funds health care, schools and agricultural rehabilitation projects; and assists in the repatriation of Afghan refugees.

FY 1992 REQUEST

The proposed FY 92 ESF program will support mine clearance and the repair of roads, bridges and other key infrastructure components. ESF will also provide seed, fertilizer, essential agricultural inputs, education projects, and food to sustain returning Afghans until they can harvest their first crops.

AFRICA DEMOCRACY SUPPORT PROGRAM

POLICY CONSIDERATIONS

The Africa Democracy Support Program is a new regional ESF program to advance political pluralism in Africa by providing timely and appropriate help to countries undertaking fundamental democratic reforms. Many African countries have already embarked on the creation of multi-party political systems; many others are considering doing so. Reforming countries have sought our technical and material support to ensure a successful transition to democracy.

The new program would provide help for constitutional development, the preparation and holding of free and fair elections, establishing new parliaments, improving the functioning of existing parliaments, establishing representative regional and local governments, and other aspects of the democratization process. The fund also would assist established democracies faced with destabilizing economic emergencies, and give supplemental assistance to countries newly embarked on a democratic course. Finally, the fund would be used to strengthen those institutions on which democracy rests, including, an independent judiciary and a free press. Such institution-building is of particular importance to encourage the growth of democratic sentiment in African countries which have yet to undertake political reform.

PROGRAM DESCRIPTION

Objectives

- Assist African countries to complete their transition to democracy successfully
- Assist democracies to respond to destabilizing economic emergencies
- Strengthen democratic institutions throughout the continent

Status

Funding is proposed for this new program in FY 92.

FY 1992 REQUEST

The proposed FY 92 ESF program will support development of democratic processes and institutions, and help existing democracies cope with economic emergencies. The program will provide technical and material aid, as well as funding support, for a wide range of projects to promote democracy and human rights in Africa. Emphasis will be on supporting free and fair elections, improving the functioning of parliaments, and establishing representative regional and local government.

AFRICA REGIONAL MILITARY ASSISTANCE

POLICY CONSIDERATIONS

The Africa Regional Military Assistance Program is an expansion and improvement on the existing and very successful Africa Civic Action Program. Like the former ACA, the new program includes the Military Civic Action (MCA), African Coastal Security (ACS) and Military Health Affairs (MHA) programs. The new regional structure will facilitate prompt responses to requests for equipment, spare parts and training. MCA supports African military infrastructure projects which benefit the civilian sector. ACS improves the ability of littoral states to patrol their exclusive economic zones and enforce fishing agreements and environmental protection regulations. The ACS has already significantly enhanced the ability of several African countries to counter illegal fishing. The MHA provides selected militaries with minimum medical capabilities at low cost, including equipment, supplies and in-country training. The new program will also emphasize preparing militaries for peacekeeping duties in support of our objective of encouraging Africans to solve Africa's problems. The emphasis will be on more training both in the United States and with mobile training teams. Finally, the new program will provide the flexibility necessary to meet minimal emergency repair requirements in support of previously delivered U.S. equipment.

PROGRAM DESCRIPTION

Objectives

- Improve the capability of African armed forces to plan and implement projects that benefit the civilian population
- Assist governments in protecting their natural resources
- Encourage militaries to play a greater role in providing health care to their troops and the civilian population
- Improve flexibility in responding to unexpected needs and conducting peacekeeping activities

Status

The existing African Civic Action Program provided FMF for the construction and repair of clinics, schools, roads, bridges, and improved fisheries protection and coastal control.

FY 1992 REQUEST

The proposed FY 92 FMF program would provide: building materials, some engineering equipment, medical equipment and supplies; upgraded small patrol boats; repair aircraft and communications equipment; and a variety of training.

ALGERIA

POLICY CONSIDERATIONS

Algeria, potentially the richest and most powerful country in North Africa, plays an important role in Arab and Third World circles. In recent years, Algeria significantly improved its relations with the United States and the West, and played a constructive role in promoting regional stability in Lebanon and Chad. Algeria was among the first Arab states to condemn Iraq's invasion of Kuwait, while calling for and credibly seeking a peaceful Arab resolution to the crisis. Since the January 1991 outbreak of hostilities, popular opinion has been widely pro-Iraqi. The government criticized Operation Desert Storm as exceeding the U.N. resolutions and called for a cease-fire and a resumption of negotiations.

In June 1990, Algeria held its first free and fair multi-party elections, in which Islamic fundamentalists won some control of local government. National elections are planned for 1991. Algeria took a number of steps in 1989 to advance human rights, which are better protected by its new constitution. The U.S. had no significant human rights concerns with Algeria in 1990. The rise of Islamic fundamentalism could present new concerns.

In 1988, Algeria began significant market-oriented economic reforms. In the 1980s, Algeria become an important market for U.S. agricultural and other products and services, and a major user of CCC and EXIM financing guarantees. Since the mid-1980s, Algeria has had serious balance of payments and budgetary problems which are likely to persist through the mid-1990s despite post-Kuwait invasion higher world oil prices. As a major oil and natural gas exporter, Algeria funds virtually all of its military programs, acquiring mainly Soviet and East European equipment. Algeria seeks to diversify its military supply and training sources by purchasing U.S. and Western equipment. FMS sales benefit U.S. companies, and promote military and commercial relations.

PROGRAM DESCRIPTION

Objectives

- Enhance regional security and U.S. influence by supporting military modernization and diversified equipment supply
- Expose the Algerian military to U.S. military doctrine and U.S. views on world events, democracy and human rights

Status

Algeria has been eligible to purchase defense articles and services through FMS since April 1985 with purchase requests reviewed on a case-by-case basis. The small IMET program has increased U.S. interchanges with the Algerian military.

FY 1992 REQUEST

The proposed IMET program will include professional military education and technical training for present and future leaders and users of U.S. equipment in the Algerian inventory.

ARGENTINA

POLICY CONSIDERATIONS

President Menem has made major political and economic advances since taking office in July 1989 as the elected successor of President Alfonsin. Menem is implementing ambitious free market economic reforms and pursuing a more Western-oriented foreign policy, highlighted by the decision to send a naval force to join the multilateral force in the Persian Gulf and to implement U.N. sanctions against Iraq. Menem seeks closer ties with the United States and is addressing our non-proliferation concerns. He also has normalized relations with the United Kingdom. The security assistance program is designed to reinforce these positive trends and to support the Argentine government's efforts to restructure, consolidate, and further professionalize its armed forces.

PROGRAM DESCRIPTION

Objectives

- Further strengthen civilian government control over the armed forces and improve civil-military interaction
- Support Ministry of Defense and armed forces restructuring and consolidation to use scarce resources efficiently
- Expand military managerial and technical capabilities
- Support modernization and refurbishment of previously supplied U.S. equipment

Status

Argentina's severe economic austerity measures have adversely affected its defense budget. A modest FMF program would enhance the Argentine military's ability to adapt to new fiscal realities through restructuring and consolidation of the armed forces and the Ministry of Defense. It would also demonstrate U.S. support for Menem's economic and political programs. Besides helping to develop professional military skills, the IMET program exposes trainees to U.S. traditions of democracy, human rights, and civilian government control of the military.

FY 1992 REQUEST

The proposed FY 92 FMF program will help to restore crucial logistics capabilities, modernize and refurbish equipment for all three services, especially deteriorated personnel carriers and radars. IMET will provide professional military education, as well as management, flight, and technical training.

ARGENTINA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	1,000
INTL MIL EDUCATION & TRNG PROG	200
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	1,200
STUDENTS TRAINED UNDER IMET	90

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	1,000	1,000
TOTAL	0	1,000	1,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	149	150	200
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	3,576
DEFENSE ARTICLES/SERVICES	3,576
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	2,891
ESTIMATED FMS AGREEMENTS FY 1991:	50,000
DEFENSE ARTICLES/SERVICES	50,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	72,851
ESTIMATED FMS AGREEMENTS FY 1992:	20,000
DEFENSE ARTICLES/SERVICES	20,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	43,711

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	79,052	82,647	92,239	n/a
PER CAPITA GDP**	2,572	2,654	2,925	n/a
TOTAL BUDGET	18,395	19,218	19,897	n/a
TOTAL DEBT	52,374	58,423	58,936	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	65%	60%	36%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	NO FOREIGN MILITARY FINANCING		
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

AUSTRALIA

POLICY CONSIDERATIONS

Allies in practice even before the 1951 ANZUS Treaty, the United States and Australia enjoy a long tradition of political-military consultation and cooperation. We regularly conduct joint military exercises, exchange personnel, and pursue interoperability of equipment and weapons systems. Australia also hosts joint defense facilities which perform important communications, intelligence, arms control verification and early warning functions. Australia contributed two frigates and a support ship to the multinational naval force in the Persian Gulf, and four Australian medical teams serve aboard U.S. ships there.

Australia's defense policy emphasizes continental defense and force modernization within the framework of our alliance. While continuing to develop its domestic defense industry, Australia remains a major cash purchaser of U.S. defense equipment, contributing to a bilateral U.S. trade surplus. Australia shares many of our foreign policy goals, normally supports similar positions in international fora, and plays a key role in the Five Power Defense Arrangement for Singapore and Malaysia.

PROGRAM DESCRIPTION

Objectives

- Support the ANZUS alliance by helping Australia strengthen its defense capabilities and further regional stability
- Support acquisition of technically advanced U.S. weapons systems to ensure U.S.-Australia interoperability
- Contribute to a favorable balance of trade with Australia

Status

Our alliance remains vigorous. Australia welcomes U.S. ship visits and allows defense overflights. Australia relies on us for intelligence support, training and sophisticated military equipment, such as shipboard systems, Blackhawk helicopters and air defense missiles.

FY 1992 REQUEST

The proposed FY 92 program will continue to support a reliable and technologically advanced ally in the South Pacific. As part of its modernization effort, Australia will continue its FMS cash and commercial purchases of the F-111 avionics upgrade, enhancements to locally developed over the horizon radar, and support packages for ANZAC frigates.

AUSTRIA

POLICY CONSIDERATIONS

Austria is a militarily neutral, pro-Western democracy located between NATO's central and southern regions. It has a mixed economy, welcomes U.S. investment, and plays a useful role in facilitating trade, cultural and other contacts between Eastern Europe and the West. This facilitative role will remain important as the momentous changes underway in Eastern Europe and the Soviet Union continue. Austria has a moderate foreign policy, usually supportive of U.S. positions in European and international fora. Vienna hosts the International Atomic Energy Agency, a number of United Nations agencies, and two arms control negotiations.

The security assistance program helps Austria to maintain a credible, independent conventional deterrent. In 1990, Austria agreed to provide $11 million in assistance to front-line states coping with dislocations caused by Iraq's invasion of Kuwait. Austria also granted U.S. and other coalition military transport aircraft expanded overflight authority in support of Operations Desert Shield and Desert Storm.

PROGRAM DESCRIPTION

Objectives

- Upgrade armor, anti-air, anti-tank and artillery capabilities
- Provide expertise for effective defense management

Status

During the 1980s, the security assistance program focused on helping Austria to modernize its defense capabilities and improve sustainability. This included upgrading anti-tank, tank, howitzer and maintenance equipment. IMET exposed Austrians to U.S. defense doctrine and forged personal bonds between the U.S. military and many highly successful Austrian officers.

FY 1992 REQUEST

The proposed FY 92 program of FMS cash and commercial sales will support tank modernization and improve command, control and communications. Sales may include ammunition, various support equipment and spare parts.

BAHAMAS

POLICY CONSIDERATIONS

The Bahamas, a close friend and neighbor of the United States, is a constitutional, multi-party democracy with an economy primarily dependent on tourism. The islands are located next to the Florida Straits, a widely used drug-trafficking route. The primary U.S. concern in the region is the interdiction of illegal drugs, although recent events in Trinidad and Tobago serve as a reminder that security concerns persist in the Caribbean.

The small Royal Bahamas Defense Force (RBDF) plays a key role in our cooperative counter-narcotics efforts. The IMET program prepares Bahamians to increase their support of drug interdiction operations, builds understanding between Bahamian and U.S. personnel, and promotes regional cooperation.

PROGRAM DESCRIPTION

The proposed IMET program will provide training in maintenance and other skills to help the RBDF support its six ex-U.S. Coast Guard cutters in narcotics interdiction operations. IMET will provide training for the ground combat unit which provides the ship-riders aboard U.S. law enforcement vessels and aircraft pursuing drug traffickers in the Bahamas. IMET also will provide professional military education, management, and instructor training courses to enhance RBDF leadership and technical self-sufficiency.

BAHRAIN

POLICY CONSIDERATIONS

Bahrain has been a friend of the United States for over 40 years, and shares our interest in restoring peace and stability and maintaining free trade in the Persian Gulf. U.S. Navy access to Bahraini port facilities proved crucial to the success of U.S. operations in the Gulf during both the Iran-Iraq war and the current Gulf crisis. Moreover, Operation Desert Shield/Desert Storm has been a catalyst for the expansion of bilateral ties into other aspects of defense cooperation, including Bahraini support for significant deployments of U.S. military personnel. Bahrain joined the other members of the Gulf Cooperation Council (GCC) in combatting Iraq's invasion of Kuwait. Our security assistance program is a recognition of Bahrain's continuing importance to U.S. strategic goals in the Gulf.

Bahrain's traditional government is headed by the Amir. Although he suspended parts of the constitution in 1975, he continues to respond to citizen concerns expressed in numerous "majlis" or private assemblies. Bahrain's conservative society is more open to diverse social and cultural elements than any other in the Gulf, although some human rights are limited. Unlike its wealthier neighbors, Bahrain is only a marginal oil producer. It has worked for decades to develop a diversified economy based on finance, petrochemicals, and light industry. It uses its limited resources to provide extensive social services to its citizens and for a small but effective defense force.

PROGRAM DESCRIPTION

Objectives

- Support the political efforts of this important member of the international coalition opposing Iraqi aggression
- Maintain the U.S. naval presence and its support facilities
- Support military modernization programs to enhance Bahrain's defense capabilities
- Encourage improved regional defense cooperation

Status

In recent years, the small Bahrain Defense Force has made noteworthy strides in improving its ground and air defenses. It participates in the GCC Peninsula Shield Force headquartered at King Khaled Military City in Saudi Arabia. Recently Bahrain took delivery of twelve F-16 fighter aircraft to supplement its twelve F-5's. Bahrain also purchased M-60A3 tanks, armored personnel carriers, and Stinger missiles, and is scheduled to receive the Multiple Launch Rocket System (MLRS).

FY 1992 REQUEST

In FY 92 and beyond, Bahrain will continue to improve its defensive capabilities with FMS purchases emphasizing ground and air defense.

BANGLADESH

POLICY CONSIDERATIONS

Bangladesh is one of the poorest and most densely populated countries in the world with an average per capita income of US $180 for 112 million people in a country the size of Wisconsin. The government plays a moderate, but active role in the United Nations, the Organization of Islamic Conference, the Non-Aligned Movement and the Group of Least Developed Countries. Bangladesh sent 2,300 troops to Saudi Arabia as part of the international coalition against Iraqi aggression, and has contributed troops to peacekeeping forces in Namibia.

Progress toward representative democracy received a push forward in late 1990 when popular dissatisfaction with eight years of leadership by President H.M. Ershad led to a peaceful transfer of power to an interim government which promised to hold parliamentary elections early in 1991. The military played a crucial and positive role in this transition.

The economy remains dependent on jute, rice, a few other crops, and light industry. Higher oil prices and loss of remittances from Bangladeshi workers in Iraq and Kuwait will hinder economic growth, lower the country's already low foreign exchange reserves, and increase its need for foreign assistance. In recent years, government policies have focused on improving agriculture, expanding the private sector and decentralizing administration. We encourage further efforts along these lines.

The IMET program enhances the professionalism of the Bangladeshi military and exposes Bangladeshi officers to U.S. traditions of democracy, civilian control of the military and respect for human rights. IMET also encourages Bangladesh to maintain its moderate foreign policy and internal stability. The latter is critical given the military's role as the backbone of relief operations in this disaster-prone country. Bangladesh's efforts to make its democracy work will be dependent upon continued support from the military.

PROGRAM DESCRIPTION

The proposed IMET program will provide military education, and management and technical training to about 44 students. Increased funding would permit the training of four additional junior officers, thus strengthening mid-level management in the army. Emphasis on command, staff and technical training would continue.

BELGIUM

POLICY CONSIDERATIONS

Belgium, a densely populated, highly industrialized democracy in the middle of one of Europe's foremost industrial regions, strongly supports NATO as the cornerstone of European security in post-Cold War Europe. Belgium cooperates closely with the U.S. in NATO's integrated military structure, and hosts NATO Headquarters in Brussels and Supreme Headquarters Allied Powers Europe (SHAPE) in Mons. Belgium's contribution to NATO includes defense of its strategically located territory and maintenance of two divisions permanently stationed in Germany. In March 1985, Belgium reaffirmed its commitment to Alliance efforts by deploying cruise missiles on its own soil until they are withdrawn under the INF treaty.

Belgium is reviewing its future defense force structure and procurement requirements in view of ongoing changes in Europe's security and economic landscape. It shares our interest in standardization and interoperability of weapons systems with a strong emphasis on enhancing intra-European cooperation.

In 1990, Belgium deployed a frigate, two minesweepers, and a support ship to the multinational force in the Persian Gulf. In early 1991, it sent a fighter squadron to Turkey with the Allied Command Europe (ACE) Mobile Force to augment Turkey's defense against possible Iraqi aggression. In 1990, Belgium gave $32 million directly to the front-line states and $25 million as part of 1991 EC aid. Belgium also granted $26.7 million in concessional loans to Egypt, Jordan, and Turkey.

PROGRAM DESCRIPTION

Objectives

- Support interoperability and NATO standardization through Belgian participation in programs for air defense
- Assist the Belgium armed forces in modernizing their equipment by purchasing U.S. military items
- Provide training for personnel and maintenance of U.S. origin equipment

Status

The security assistance programs consist of FMS cash and direct commercial purchases in support of Belgian defense efforts, including AIM-9M and TOW IIA missiles. Belgium is an original partner in the F-16 coproduction program.

As a result of Belgium's need for continuing austerity budgets, it is difficult to forecast specific programs. However, Belgium will continue to modernize its defense services to help meet NATO force goals and increase standardization and interoperability of weapons. These efforts are expected to include procurement of new combat helicopters, modernization of Belgium's F-16s and modernization of Leopard tanks and Mirage aircraft.

FY 1992 REQUEST

The proposed FY 92 program of cash sales will help Belgium support its national defense capabilities and NATO commitments. Likely purchases from the U.S. include a C-130 avionics upgrade, participation in full-scale development of F-16A/B mid-life update modification kits, and continuing support for U.S.-origin weapons systems.

BELIZE

POLICY CONSIDERATIONS

The United States seeks to sustain a democratic Belize, and to help it develop sufficient economic and military strength to maintain internal stability and combat a growing threat from Colombian narco-traffickers transshipping cocaine through Central America. Belize is a peaceful democratic ally in an otherwise politically turbulent region. Illegal immigration from neighboring countries severely strains meager government resources. The narco-traffickers' cooperation with guerrillas in Guatemala is potentially destabilizing. The traffickers also have a corrupting influence on some elected officials and members of the police, the Belize Defense Force (BDF), other government agencies and the overall economy. The IMET program is designed to promote cooperative military-to-military relations, and to further develop a professional, apolitical BDF able to fulfill its defense duties.

PROGRAM DESCRIPTION

Objectives

- Help Belize protect its democratic institutions and promote regional stability
- Strengthen Belize's economy to maintain political stability and promote U.S. commercial interests
- Assist Belize to suppress narcotics trafficking and sustain its successful marijuana eradication program

Status

Belize's 220,000 people do not provide a tax base sufficient to meet its defense requirements. In June 1990, native Belizeans took over full command of the BDF from British loan officers. The new command gave the BDF an enhanced and aggressive role in counter-narcotics operations. However, without adequate U.S. assistance, Belize's ability to support counter-narcotics programs will be severely undercut. Previous cutbacks of U.S. assistance seriously damaged BDF morale, effectiveness and viability.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide the personal equipment, communications gear, ammunition, medical supplies and vehicle spares required to maintain the BDF capability to engage in counter-narcotics operations. IMET will provide professional military and technical training.

BELIZE
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	500
INTL MIL EDUCATION & TRNG PROG	125
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	7,500
P.L. 480	0
PEACE CORPS	1,632
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	9,757
STUDENTS TRAINED UNDER IMET	26

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	500	500
TOTAL	0	500	500
ECONOMIC SUPPORT FUND	0	0	0
IMET	106	115	125
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	320
DEFENSE ARTICLES/SERVICES	320
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	0
ESTIMATED FMS AGREEMENTS FY 1991:	500
DEFENSE ARTICLES/SERVICES	500
EST VALUE OF COMMERCIAL EXP DELIVERIES	13
ESTIMATED FMS AGREEMENTS FY 1992:	500
DEFENSE ARTICLES/SERVICES	500
EST VALUE OF COMMERCIAL EXP DELIVERIES	8

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	209	252	289	n/a
PER CAPITA GDP**	1,230	1,479	1,700	n/a
TOTAL BUDGET	73	77	91	n/a
TOTAL DEBT	131	164	136	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	11%	9%	8%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	NO FOREIGN MILITARY FINANCING		
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

BENIN

POLICY CONSIDERATIONS

The Government of Benin has continued to demonstrate interest in improved relations with the United States. In December 1989, Benin renounced Marxism-Leninism, and in February 1990 adopted reforms and began the transition to a democratic government with full respect for human rights. Multi-party elections are planned for 1991. In recent years, Benin has also moved towards a more market-oriented domestic economic policy and is implementing its 1989 agreements with the World Bank and the IMF.

The IMET program is intended to encourage these positive trends and to give Benin's military an alternative to dependence on the USSR, Eastern Europe and Libya for training. IMET provides valuable exposure to U.S. values of democracy, human rights and civilian control of the military while improving our access to the military in Benin.

PROGRAM DESCRIPTION

The proposed IMET program will provide training for military personnel, such as basic and advanced courses for infantry, armor and airborne soldiers, including parachute training and safety, and military management training.

BOLIVIA

POLICY CONSIDERATIONS

Bolivia is a functioning multi-party democracy that has been working to further strengthen its democratic institutions since 1983. In 1989, Bolivians elected a new president, and made the transition to a new government according to its constitution. Under President Jaime Paz Zamora, the government has demonstrated a commitment to fighting narcotics trafficking. Along with his Andean neighbors, President Paz signed the February 1990 Cartagena Declaration that set in motion the most comprehensive counter-narcotics effort in the hemisphere. The Cartagena effort reinforced Bolivia's on-going voluntary eradication of illicit coca cultivation, as defined in its 1988 counter-narcotics law. While eradication in 1989 was meager, the 1990 eradication goals were surpassed. The Bolivian police also had several interdiction successes in 1990 that contributed significantly to counter-narcotics objectives. Bolivia's successes in narcotics interdiction and eradication have been, and will continue to be, heavily dependent on U.S. equipment, training and funding.

President Paz Zamora continued the market-oriented economic reforms begun by President Paz Estenssoro. These reforms have yielded continued real economic growth since 1987 and relatively low inflation. However, Bolivia remains one of the poorest countries in the hemisphere, with an economy dependent on the minerals industry, natural gas, sugar and some agricultural commodities whose world prices are depressed. The Bolivian economic reforms required sharp cuts in the armed forces' budget, adversely affecting military operations and maintenance.

Our security assistance program is designed to enhance support for counter-narcotics law enforcement activities, and to prepare the military and the anti-narcotics police to engage in a wider range of counter-narcotics operations. We continue to support the Bolivian air force and navy's counter-narcotics operations. Since the government decided in January 1991 to entrust the army with a specific counter-narcotics role, we are prepared to support it as well. The FMF program supports air force and navy riverine operations, as well as army cooperation with the anti-narcotics police. The ESF program provides essential balance of payments support. The local currency generated from these programs funds alternative development projects in and near coca producing areas. ESF also funds Administration of Justice program activities to strengthen the troubled judicial system as it struggles to reduce corruption and cope with threats from the narco-traffickers.

PROGRAM DESCRIPTION

Objectives

- Strengthen a democracy threatened by large-scale narcotics trafficking and a nascent terrorist threat
- Help sustain and improve narcotics eradication and interdiction efforts
- Improve military and police equipment
- Improve the technical, maintenance and managerial skills of the armed forces and police
- Sustain economic recovery and foster private sector growth, especially alternative development projects

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Status

The Bolivian armed forces and anti-narcotics police still have serious equipment and supply shortages. The army is particularly ill-equipped and ill-prepared to confront armed narcotics traffickers or domestic and foreign terrorists. The FMF program has provided transport aircraft, helicopters and maintenance systems, river patrol boats, individual troop equipment and spare parts. In FY 90, we authorized $7.8 million worth of military equipment and supporting services under Section 506(a)(2) of the Foreign Assistance Act for counter-narcotics purposes. IMET has reinforced military responsiveness to civilian control, and enhanced military respect for democracy and human rights.

ESF is vital to Bolivia's economic recovery, and to its continued counter-narcotics efforts. Increases in ESF are conditioned on counter-narcotics performance and continued sound economic policies. The Government of Bolivia is aware that it would forfeit essential assistance should it not fulfill its commitment to reduce narcotics trafficking and illegal coca cultivation. Bolivia will need continuing aid from the U.S. and other international donors to carry out its alternative development program, since coca/cocaine currently accounts for about 10-15 percent of Bolivia's GDP.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide communications equipment, aircraft, aviation fuel, vehicles, maintenance support, and basic equipment essential for counter-narcotics military and police operations. IMET will provide professional military education, together with technical and management training to improve officer corps professionalism. ESF will finance essential raw material and intermediate goods imports for the private sector and help with debt arrearages. ESF-generated local currency will support alternative development and other projects.

BOLIVIA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	40,000
INTL MIL EDUCATION & TRNG PROG	900
ECONOMIC:	
ECONOMIC SUPPORT FUND	25,000
DEVELOPMENTAL ASSISTANCE	22,500
P.L. 480	35,295
PEACE CORPS	1,262
INTERNATIONAL NARCOTICS CNTRL	15,700
TOTAL FOREIGN ASSISTANCE	138,657
STUDENTS TRAINED UNDER IMET	20

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	39,228	35,000	40,000
TOTAL	39,228	35,000	40,000
ECONOMIC SUPPORT FUND	20,163	22,000	25,000
IMET	552	900	900
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	563
DEFENSE ARTICLES/SERVICES	563
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	128
ESTIMATED FMS AGREEMENTS FY 1991:	15,000
DEFENSE ARTICLES/SERVICES	15,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	2,327
ESTIMATED FMS AGREEMENTS FY 1992:	15,000
DEFENSE ARTICLES/SERVICES	15,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,398

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	4,297	4,506	4,438	n/a
PER CAPITA GDP**	658	663	635	n/a
TOTAL BUDGET	504	516	550	n/a
TOTAL DEBT	5,580	5,631	5,456	n/a
FMF DEBT	6	6	6	8
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	30%	22%	33%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	17,966	5,318	23,284
FY 1991	1,200	968	2,168
FY 1992	600	847	1,447
FY 1993	800	560	1,360
FY 1994	800	467	1,267
FY 1995	800	379	1,179
FY 1996	1,117	275	1,392
FY 1997	768	184	952
FY 1998	716	115	831
FY 1999	716	50	766
FY 2000	0	0	0
TOTAL	25,683	8,963	34,646

BOTSWANA

POLICY CONSIDERATIONS

Botswana is a multi-racial, multi-party democracy which plays a key role as a force for moderation, and as a model of economic and political stability in southern Africa. The government has undertaken realistic national and regional programs to deal with the military and economic threats that it faces.

The United States provides Botswana with security and development assistance to demonstrate support for a stable, friendly and democratic government in a troubled region. Livestock raising and agriculture remain the basis for the economy, but are dependent on erratic rainfall and poor soils. Unemployment is high. While the mining industry continues to grow rapidly, scarce natural resources limit diversification. The government has continued its market-oriented policies to promote private sector growth and welcomes foreign investment. Botswana provides a small, though important example to the region of a functioning free enterprise economy that benefits members of all ethnic groups.

PROGRAM DESCRIPTION

Objectives

- Continue helping the BDF obtain appropriate military equipment and services
- Provide training in maintenance of U.S.-origin equipment
- Provide military skills training to enhance defense capabilities

Status

The Botswana Defense Force (BDF) consists of a small army and an air wing organized in small, rapid response units to protect the country from intrusion. There is also a paramilitary police unit. Botswana's limited national resources and the BDF's small size make IMET assistance critical to sustaining BDF operational and maintenance capabilities. Botswana is entirely dependent on IMET for training in key specialties, such as computers and communications.

FY 1992 REQUEST

The proposed FY 92 FMF program would help Botswana acquire appropriate military equipment, and provide spare and repair parts for U.S.-origin equipment, especially vehicles and communications equipment. IMET will emphasize officer professional development and technical training.

BOTSWANA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	1,000
INTL MIL EDUCATION & TRNG PROG	400
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	7,000
P.L. 480	0
PEACE CORPS	3,198
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	11,598
STUDENTS TRAINED UNDER IMET	43

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	996	0	1,000
TOTAL	996	0	1,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	385	411	400
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	451
DEFENSE ARTICLES/SERVICES	451
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	454
ESTIMATED FMS AGREEMENTS FY 1991:	1,000
DEFENSE ARTICLES/SERVICES	1,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	9,585
ESTIMATED FMS AGREEMENTS FY 1992:	1,000
DEFENSE ARTICLES/SERVICES	1,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	5,751

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	2,069	2,243	3,088	4,987
PER CAPITA GDP**	1,831	1,917	2,552	3,958
TOTAL BUDGET	842	143	n/a	n/a
TOTAL DEBT	390	511	499	n/a
FMF DEBT	14	12	11	9
PERCENTAGE OF FMF TO TOTAL DEBT	4%	2%	2%	0%
DEBT SERV RATIO	4%	4%	4%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	10,292	3,754	14,046
FY 1991	2,732	545	3,277
FY 1992	1,595	249	1,844
FY 1993	667	164	831
FY 1994	667	130	797
FY 1995	667	95	762
FY 1996	667	61	728
FY 1997	667	26	693
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	17,954	5,024	22,978

BRAZIL

POLICY CONSIDERATIONS

Brazil completed its return to democratic government in March 1990 with the inauguration of Fernando Collor, the first directly elected civilian president in 29 years. Brazil's armed forces view the support of democracy as one of their prime responsibilities. In November 1990, Brazil and Argentina agreed to undertake bilateral nuclear safeguards and joint negotiations for a full-scope safeguards agreement with the International Atomic Energy Agency. Brazil fully implemented U.N. sanctions against Iraq, and completely halted sales of defense equipment to Iraq.

The United States will continue to encourage consolidation of democracy in this nation of 146 million people with the tenth largest economy in the world. The IMET program is designed to further strengthen bilateral ties to Latin America's largest country, in which the military will continue to play a major role. Exposure to U.S. military doctrine and training promotes professionalism in the armed forces, and fosters respect for democratic, constitutional government and human rights. Brazil produces some military equipment, aircraft and armored vehicles, but still wants to obtain U.S. aircraft, ships, and communications and other equipment.

PROGRAM DESCRIPTION

Objectives

- Encourage military support for civilian government
- Assist with modernization of the armed forces
- Expand U.S. and Brazilian military-to-military relations

Status

Since the 1977 disruption of bilateral military programs, training and other exchanges have gradually expanded, but remain limited. Officer and non-commissioned officer training programs and courses in such fields as aircraft maintenance foster the use of U.S. doctrine and equipment. FMS cash and commercial sales of equipment, training, and services support modernization of the Brazilian armed forces. In November 1990, the U.S. Navy transferred the decommissioned landing ship dock, *USS Alamo*, on a long-term lease to Brazil.

FY 1992 REQUEST

The proposed IMET program will provide professional military education, technical and management training. FMS cash and commercial sales would include equipment, training and support services for U.S.-origin aircraft and ships.

BURKINA FASO

POLICY CONSIDERATIONS

The small IMET program in Burkina Faso is a cost-effective means of maintaining a dialogue on regional and international issues with the country's leadership. IMET helps us to persuade moderate and pragmatic elements in the government of the importance of a cooperative working relationship with the United States and our allies.

Given the lack of bilateral development assistance programs, this military-to-military program is particularly important as a tool for access and influence. It is also a way to expose the Burkinabe leadership to U.S. values, particularly to our traditions of civilian control of the military, democratic government and respect for basic human rights.

PROGRAM DESCRIPTION

The proposed IMET program will provide professional military education, including basic courses in infantry, transportation, communications and maintenance training.

BURUNDI

POLICY CONSIDERATIONS

Although Burundi is governed by a military regime, the government has adopted a policy of national reconciliation and movement toward a more democratic system. Moreover, the regime has broken ties to Libya and gradually reduced its dependence on the USSR for military equipment and training.

We wish to encourage further movement toward closer ties to the West. The IMET program is designed to expose the trainees to U.S. democratic and human rights values to complement Burundi's present shift towards democracy.

PROGRAM DESCRIPTION

The proposed IMET program will provide professional military education for officers including courses in financial management, engineering, infantry and personnel administration.

CAMBODIA

POLICY CONSIDERATIONS

With the achievement of a comprehensive settlement in Cambodia, we expect the security assistance program to expand. We have been providing a modest amount of non-lethal assistance for the Non-Communist Resistance (NCR). By 1992, we also expect to be supporting community development, leadership, human rights training, and election efforts under an ongoing U.N. operation. Our program would help to stabilize the economic situation in Cambodia in the aftermath of decades of warfare and turmoil, and to prepare for free and fair elections organized and conducted by the United Nations. We will also support the development of non-Communist parties as credible political organizations and as alternatives to the Communist Phnom Penh regime and the Khmer Rouge. A freely elected government in a stable Cambodia will be better able to stand up to any future attempt by the Khmer Rouge to undermine the situation and return to power through violence. A peaceful Cambodia will help preserve the political and economic stability of Southeast Asia. U.S. assistance will also encourage other countries to support the settlement process and to provide aid.

PROGRAM DESCRIPTION

Objectives

- Demonstrate tangible U.S. support for the U.N. operation created as part of a comprehensive settlement in Cambodia
- Support the settlement process through programs in community development, leadership and human rights training and medical assistance
- Provide pre-election political training and support to the Non-Communist parties to become more effective alternatives in the election to both Communist factions, the Phnom Penh regime and the Khmer Rouge

Status

The U.S. initiative to provide ESF funds to the Non-Communist Resistance was hailed by ASEAN and others as a positive measure of U.S. support for efforts to reach a comprehensive settlement to the Cambodian conflict. We intend to expand this program in FY 91, using the combination of ESF and Development Assistance (DA) authorized by the Congress.

FY 1992 REQUEST

The proposed FY 92 ESF program would support leadership training, human rights education and medical aid projects.

CAMEROON

POLICY CONSIDERATIONS

Cameroon is a politically stable, relatively prosperous, one-party state which has followed a moderate, pro-Western foreign policy. Our bilateral relations are excellent, and we continue to encourage the government to show greater respect for human rights and to permit greater political pluralism. Cameroon has supported U.S. positions in international fora and actively encourages U.S. investment. The government opposes Libyan expansionism as a threat to regional stability and routinely allowed the free passage of material to Chad. Also, Cameroon continues to facilitate the transshipment of American emergency food and supplies to other parts of Africa.

PROGRAM DESCRIPTION

Objectives

- Improve tactical mobility to counter threats along borders
- Help strengthen military infrastructure and logistics
- Improve naval ability to patrol its exclusive economic zone
- Improve respect for human rights by exposure to U.S. values

Status

Since the mid-1980's, the Cameroonians have increasingly been concerned about external threats, and the armed forces are changing to a more conventional force with a clearly defensive orientation. Cameroon programmed a major force modernization for the late 1980's and early 1990's with an increase in the number of personnel and broad qualitative improvements in systems and equipment. Although this modernization is mostly on hold because of the ongoing economic crisis, the program is expected to resume when funds become available. Among other items, the Cameroon government is contemplating purchasing larger patrol craft and contracting for technical services from U.S. defense firms. The IMET program exposes future Cameroonian leaders to U.S. values of democracy, human rights and elected civilian government control of the military.

FY 1992 REQUEST

The proposed IMET program will provide professional military education for individuals likely to occupy positions of influence, foster development of an indigenous training capability, and provide skills needed for operation and maintenance of U.S.-origin equipment. Cameroon also may use some scarce national funds for FMS or commercial purchases of urgently needed spare parts for its U.S.-origin equipment.

CANADA

POLICY CONSIDERATIONS

Canada is a neighbor, friend, and ally of the United States. U.S.-Canadian cooperative security arrangements serve U.S. interests by directly contributing to the defense of North America. Canada helps us to maintain a viable North American defense industrial base which would be available in an emergency. It also maintains army and air force units with NATO forces in Germany, and contributes to U.N. peacekeeping operations in Cyprus and other areas. U.S. policy seeks to strengthen North American aerospace and maritime defense, encourage Canada to strengthen its defense capabilities, promote Canadian participation in NATO and European defense, and support increased Canadian participation in peacekeeping.

Canada was an early supporter of our policy in the Persian Gulf. In 1990, it sent a CF-18 fighter squadron to Operation Desert Shield and three naval vessels to the multinational force in the Persian Gulf. In January 1991, Canada sent an additional six CF-18's, an air refueling tanker and a field hospital. Approximately 2,400 military personnel are now committed to Operation Desert Storm. In 1990, Canada also provided C$94 million in exceptional economic aid to Turkey, Egypt, and other front-line countries to help them cope with dislocations caused by Iraq's invasion of Kuwait, and indicated it would provide additional such aid in 1991.

Because of a burgeoning budget deficit, the government suspended a fifteen year augmented defense procurement program announced in the 1987 Defense White Paper. As a result, the 1991 budget calls for no increase for defense, although supplemental funds will be available to support participation in the Gulf crisis.

PROGRAM DESCRIPTION

Objectives

- Strengthen North American continental defense by supporting modernization of Canadian air defense systems, fighter aircraft, frigates and destroyers
- Promote interoperability and standardization of Canadian and U.S. forces
- Continue joint defense-industrial cooperation
- Support Canada's continued deployment of troops in Europe as part of its contribution to NATO defense

Status

All Canadian defense-related purchases from the United States are FMS cash or commercial transactions. While the procurement program under the 1987 Defense White Paper has been suspended, some programs already initiated will be continued, requiring the purchase of defense articles from the U.S. The Canadian-U.S. CF-18 fighter aircraft program is a classic example of mutually beneficial defense cooperation. Another is the Light Armored Vehicle (LAV) used by the U.S. Marines in

Operation Desert Storm and elsewhere. The LAV is assembled in Canada from mainly U.S.-produced components. Canadian forces also use the LAV.

FY 1992 REQUEST

The proposed FY 92 program of FMS cash and commercial sales will ensure the continued maintenance and readiness of the Canadian forces' large inventory of U.S.-origin defense equipment. To the extent the Canadian budget allows, there may be purchases of new equipment.

CAPE VERDE

POLICY CONSIDERATIONS

The Government of Cape Verde, which is highly dependent on foreign assistance, is set on a course of democratization, having abandoned its previous one-party political system. Human rights are generally respected. The government has supported U.S. positions in African and international fora. The IMET program is designed to reinforce these trends and advance our cooperation on bilateral and regional issues.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education and technical training with an emphasis on managerial and administrative skills. It will include Coast Guard technical instruction, which is important to this small island country, to enhance patrolling and protection of territorial waters and fishing grounds from poaching and environmental damage.

CENTRAL AFRICAN REPUBLIC

POLICY CONSIDERATIONS

The Central African Republic (CAR) has supported United States, French and Chadian efforts to check Libyan expansion. The government has pursued foreign policy goals compatible with U.S. and Western objectives. Since 1982 the government has undertaken economic reforms to promote growth, but continuing unfavorable world economic trends have limited progress. Poor transportation keeps this landlocked country still largely dependent on subsistence agriculture and a small mining industry.

The U.S. seeks to promote democratic pluralism and greater respect for human rights. The IMET program is designed to reinforce these policies, and to expose CAR students to U.S. values of democracy, human rights and civilian control of the military.

PROGRAM DESCRIPTION

The proposed IMET program provides professional military education as well as management and technical training not offered by the French and not available through CAR schools. The emphasis will be on army command, staff and advanced officer courses.

CHAD

POLICY CONSIDERATIONS

During its first weeks in office in late 1990, the new government expressed its intention to seek good relations with the West, including the United States, and to pursue a case at the International Court of Justice against Libyan occupation of Chad's Aozou Strip. Long-term U.S. interests would be served by supporting the new government in its stated intention to enhance regional cooperation and stability, foster free market economic activities, and improve respect for human rights.

Chad's economic prospects are grim because of depressed world prices for its few exports of agricultural and livestock products. The country is further handicapped by damage from nearly nine years of constant war, drought and locust plagues.

PROGRAM DESCRIPTION

Objectives

- Support Chad's C-130 transport aircraft
- Maintain Chadian ground transport capabilities
- Provide support to the development budget

Status

The FMF program has focused on an all-season transport capability by providing military transport aircraft, vehicles and associated maintenance capability, appropriate to the harsh operating environment. The ESF program has focused on road maintenance, rebuilding infrastructure, and budget support to government agencies with development roles.

FY 1992 REQUEST

The proposed FY 92 FMF program would support previously supplied U.S. equipment and provide ammunition and individual troop equipment. IMET will provide professional military education and technical training to approximately 25 military personnel who will also benefit from an understanding of civilian control of the military in democratic societies such as the United States and an increased appreciation for the respect of human rights.

CHAD

DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	2,000
INTL MIL EDUCATION & TRNG PROG	380
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	16,000
P.L. 480	1,400
PEACE CORPS	1,818
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	20,298
STUDENTS TRAINED UNDER IMET	22

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	3,792	0	2,000
TOTAL	3,792	0	2,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	384	300	380

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990 0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	6,485
DEFENSE ARTICLES/SERVICES	6,485
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	0
ESTIMATED FMS AGREEMENTS FY 1991:	3,600
DEFENSE ARTICLES/SERVICES	3,600
EST VALUE OF COMMERCIAL EXP DELIVERIES	21,897
ESTIMATED FMS AGREEMENTS FY 1992:	3,000
DEFENSE ARTICLES/SERVICES	3,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	13,138

*Less than $500.

ECONOMIC DATA

DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	704	805	896	n/a
PER CAPITA GDP**	137	153	166	n/a
TOTAL BUDGET	73	n/a	n/a	n/a
TOTAL DEBT	235	318	346	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	2%	3%	3%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

CHILE

POLICY CONSIDERATIONS

Chile returned to its tradition of democratic, civilian government on March 11, 1990, with the inauguration of President Patricio Aylwin after more than sixteen years of military rule. The Chilean armed forces, particularly the Air Force and the Carabineros (the national police force), have supported the new democratic government. Chile has implemented U.N. sanctions against Iraq and completely halted sales of defense equipment to Iraq.

Human rights violations committed under the Pinochet regime, including the murder of Orlando Letelier and Ronni Moffitt in Washington in 1976, led to passage of the Kennedy-Harkin Amendment which imposed a ban on all arms sales and other security assistance to Chile. These constraints meant an entire generation of Chilean military officers had no exposure to U.S. military training and doctrine, or to the respect for democracy, civilian control of the military and human rights that characterize the U.S. armed forces.

Under President Aylwin, enough progress was made in the Letelier case to permit lifting the Kennedy-Harkin sanctions in December 1990. Thus, cooperative military-to-military programs can eventually be re-established to help build Chilean armed forces' support for democracy and demonstrate our commitment to work with freely-elected governments. Such programs will increase the likelihood that the Chilean military will support our objectives in Latin America, including narcotics interdiction and regional defense and cooperation.

PROGRAM DESCRIPTION

Objectives

- Demonstrate solid U.S. support for the new civilian government
- Strengthen the development of the Chilean military as a professional, apolitical institution, subordinate to and supportive of democratically-elected, civilian governments
- Increase the attractiveness of U.S. military equipment to the Chilean armed forces
- Help shape Chilean threat analysis and military structure decisions to reflect national and regional political and economic realities

Status

U.S. security assistance to Chile was terminated in 1974. Further restrictions, in addition to those placed on sales of military equipment and services to Chile in 1976, were imposed in 1981, but were modified in early 1990. Under President Aylwin, Chilean government cooperation to resolve the Letelier case was sufficient to allow the Secretary of State to announce on December 1, 1990, the certification of Chile under Section 726(b) of the International Security Cooperation and Development Act of 1981. This made Chile eligible for renewed defense cooperation and sales.

A modest FMF program would enhance the Chilean military's ability to maintain and refurbish some of its aged U.S.-origin equipment, especially aircraft and ships. It would also demonstrate U.S. support for Aylwin's political and economic programs. Besides helping to develop professional military and technical skills, IMET exposes trainees to U.S. traditions of democracy, human rights, and elected civilian government control of the military.

FY 1992 REQUEST

The proposed FY 92 FMF program would support maintenance of existing, but aged U.S.-origin military equipment. IMET would provide professional military education, management and technical training with an emphasis on command and staff courses for army, air force, and navy. Mobile training teams would be programmed for in-country naval training and air force technical assistance for their F-5 fighter and C-130 transport aircraft.

CHILE

DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	1,000
INTL MIL EDUCATION & TRNG PROG	150
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	400
P.L. 480	0
PEACE CORPS	700
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	2,250
STUDENTS TRAINED UNDER IMET	15

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	1,000
TOTAL	0	0	1,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	0	100	150
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	55
DEFENSE ARTICLES/SERVICES	55
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	*
ESTIMATED FMS AGREEMENTS FY 1991:	1,000
DEFENSE ARTICLES/SERVICES	1,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	7,540
ESTIMATED FMS AGREEMENTS FY 1992:	1,500
DEFENSE ARTICLES/SERVICES	1,500
EST VALUE OF COMMERCIAL EXP DELIVERIES	4,524

*Less than $500.

ECONOMIC DATA

DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	16,817	18,944	22,081	n/a
PER CAPITA GDP**	1,364	1,611	1,732	n/a
TOTAL BUDGET	5,022	5,543	6,795	n/a
TOTAL DEBT	21,144	21,502	19,645	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	33%	27%	19%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	NO FOREIGN MILITARY FINANCING		
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

CHINA

POLICY CONSIDERATIONS

United States relations with China continue to be strained and uncertain as a result of internal developments in China. In mid-1989, Chinese leaders ordered a crackdown on mass demonstrations for democracy, which led to the killing of hundreds of unarmed people in Beijing, followed by widespread, though not universal, repression of political dissidents. After the crackdown, the U.S. adopted measure to express our condemnation of the violence and suspended all FMS and commercial weapons sales. In 1989 and 1990, Congress enacted legislation with a broad range of sanctions against China.

Although it is clear that the Chinese leadership is not now prepared to pursue political and economic reform with the same vigor of the pre-Tiananmen period, the U.S. looks forward to constructive changes, including improved human rights, that would permit a return of the cooperative relations developed during the past five Administrations. In 1990-91 China's pivotal role as a Perm Five member of the U.N. Security Council in efforts to resolve the Persian Gulf crisis demonstrated its importance in regional and world affairs.

U.S. sales of military equipment to China were designed to strengthen its conventional defense by helping to modernize its obsolescent forces. The sales included weapons systems upgrades, procurement of new systems, and production and co-production programs. The sales were also designed to enhance our non-proliferation and arms control objectives. Should China take action to meet our human rights and other concerns, any new sales or reinstated sales would be evaluated for the same conventional defense, non-proliferation goals. Our dialogue on non-proliferation, defense, as well as regional and global political issues parallels our discussions with China on economic and commercial issues, including trade barriers, protection of intellectual property rights, and other commercial matters.

PROGRAM DESCRIPTION

Objectives

- Enhance U.S. security by developing an enduring military relationship with China across a broad range of areas
- Encourage a Chinese foreign policy that contributes to regional and Asian stability and peace
- Promote U.S. global missile, chemical, and nuclear non-proliferation objectives
- Encourage more democracy and improved human rights

Status

Congress and the Committee on Coordinating Multilateral Trade (COCOM) approved the first FMS arrangement with China in October 1985 to modernize its large-caliber artillery ammunition production facilities. Congress approved in 1986 an FMS program to modernize the F-8 II air defense interceptors' avionics. COCOM approved in 1986 the sale of Mark 46 MOD 2 torpedoes to the Chinese navy. Congress and COCOM completed review of the sale of four AN/TPQ-37 artillery-locating radars in February 1987.

China decided not to proceed to the production phase of the F-8 II program; the program ended in August 1990 after the completion of its development phase. The last shipment in connection with the large-caliber artillery ammunition production program was made in mid-1989. Two of four AN/TPQ-37 radars were delivered to China in mid-1988; the remaining two were originally scheduled for delivery in 1990, but have not been delivered and are being held in the U.S. in accordance with our suspension of weapons sales. Torpedoes scheduled for delivery in June 1989 also are being held in the U.S.

FY 1992 REQUEST

For FY 92, the FMS and commercial sale program will be held in abeyance due to our suspension of government-to-government weapons exports to China. If the suspension were lifted, and China wished to resume the arms relationship, the program would include FMS cash and commercial sales of equipment, services, and/or co-production projects. It would continue modernization of production facilities for large-caliber artillery ammunition components, and Chinese acquisition of AN/TPQ-37 artillery locating radars and Mark 46 MOD 2 torpedoes. A decision to lift the suspension is dependent on developments in China.

COLOMBIA

POLICY CONSIDERATIONS

Colombia has a long tradition of democracy, maintained so far despite an equally long tradition of violence. The functioning of Colombian democracy is seriously threatened by narcotics trafficking criminals and heavily armed guerrillas, many of the latter bankrolled by their narcotics activities. This well-documented alliance has exacerbated the violence. Under the administrations of former President Barco, and current President Gaviria, the Colombian law enforcement and armed forces have maintained a courageous campaign against the guerrilla and narcotics traffickers, despite suffering heavy casualties. The increased tempo of military operations resulted in impressive and important defeats for traffickers and guerrillas and substantial narcotics seizures.

Colombia has focused sharply on internal defense issues, signed a bilateral agreement with the United States to join the Caribbean Basin Radar Network (CBRN), and financed an equipment package that utilized EXIM Bank guarantees under the provisions of the Drug Abuse Act of 1988. Colombia used this authority to obtain the helicopter and transportation resources required for sustained counter-narcotics operations. Nevertheless, the increasing sophistication of techniques and the arsenal used by narco-traffickers and guerrillas highlight the urgent need for further equipment, intelligence assets and better command and control. There are also sporadic incidents of military involvement in paramilitary violence and cases of mistreatment of detainees by the DIJIN, Colombia's primary police investigative unit.

PROGRAM DESCRIPTION

Objectives

- Support counter-narcotics and counter-insurgency efforts that are linked
- Encourage joint police-military operations, intelligence cooperation, and airlift-sharing for police and military
- Offset the economic impact of the battle against the traffickers, and encourage alternative development
- Improve military maintenance and support capabilities
- Improve the human rights performance of the military and police, particularly the DIJIN and National Police
- Train judges and investigators to ensure that human rights violators are held accountable for their actions

Status

Our security assistance program is intended to help Colombia sustain its current aggressive tactics against the narcotics traffickers and guerrillas, as well as to assist Colombia to continue to use its own resources more effectively against the intertwined threats of narcotics and guerrilla violence. The Colombians have demonstrated that they can use FMF and other assistance efficiently to complement their commitment of massive amounts of their own national funds and resources to these efforts. However, the military and counter-narcotics police are logistically stretched to the limit and face genuine manpower, C3I, medical, and mobility deficiencies.

The Colombians have already used a $83.6 million EXIM loan guarantee made available in FY 90, and have developed a request for a new guarantee for $54 million. The Colombians also received $65 million worth of military equipment and supporting services authorized in FY 89 under Section 506(a)(2) of the Foreign Assistance Act, and another $20 million worth of military equipment and services was authorized in FY 90 under Section 506(a)(2)FAA. The FY 90 506(a)(2) assistance included C-130 aircraft, infantry weapons and ammunition, boats, vehicles, helicopters and aircraft spare parts, and individual troop equipment.

We also are developing an interagency program to help the Colombians improve the human rights performance of the military and police, including the DIJIN. We will assist in the training of judges and investigators, which, together with the government's creation of special courts, could improve the judicial system and the prospects for convicting narco-traffickers in Colombia.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide much needed spare parts for helicopters, vehicles and weapons, as well as ammunition, and individual troop field equipment. It should improve air mobility and support, helicopter operational readiness and maintenance, riverine counter-narcotics efforts, intelligence and communications capabilities. It should also increase the quality and availability of medical treatment and evacuation capabilities for security forces. IMET will provide professional military education, management, aviation operations and maintenance training.

ESF would support economic development projects that will provide legal alternatives to coca cultivation and distribution for the peasants and shopkeepers, some of whom are being economically coerced into narcotics activities. It also would support needed economic reforms to increase employment, tax collection, and legitimate private sector business activity and help to repair some of the economic damage caused by the drug war.

COLOMBIA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	58,000
INTL MIL EDUCATION & TRNG PROG	2,300
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	20,000
TOTAL FOREIGN ASSISTANCE	80,300
STUDENTS TRAINED UNDER IMET	1,375

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	71,730	27,055	58,000
TOTAL	71,730	27,055	58,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	1,500	2,500	2,300
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	2,460
DEFENSE ARTICLES/SERVICES	2,460
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	540
ESTIMATED FMS AGREEMENTS FY 1991:	90,000
DEFENSE ARTICLES/SERVICES	90,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	19,923
ESTIMATED FMS AGREEMENTS FY 1992:	90,000
DEFENSE ARTICLES/SERVICES	90,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	11,954

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	34,943	36,371	38,878	n/a
PER CAPITA GDP**	1,197	1,223	1,286	n/a
TOTAL BUDGET	4,662	4,985	n/a	n/a
TOTAL DEBT	15,354	17,008	17,001	n/a
FMF DEBT	23	18	12	8
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	30%	34%	41%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	136,004	34,626	170,630
FY 1991	3,767	195	3,962
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	139,771	34,821	174,592

COMOROS

POLICY CONSIDERATIONS

Comoros is a small island country at the northern entrance to the Mozambique Channel. The Government of the Comoros remains pro-Western. Following the assassination of President Abdullah in 1989, who headed a defacto one-party state, Comoros held a successful multi-party presidential election early in 1990.

United States interests in stability and economic development parallel those of the French in Comoros. Our small IMET program complements the ongoing French effort to help develop this isolated country, which is dependent on agriculture, fishing and a small tourist industry.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education and technical training to assist Comoros to broaden the technical and management skills of its military. Most students will also receive English language training and all will be able to observe U.S. civil-military relations.

CONGO

POLICY CONSIDERATIONS

The Congo is a one-party state which is beginning to move in the direction of democratic pluralism. In December 1990, the Congo officially abandoned Marxist ideology and adopted a social democratic platform. Opposition parties were legalized on January 1, 1991.

The government follows a pragmatic economic course, adopting many market-oriented economic measures, and welcoming some foreign investment. In recent years low prices for products of its oil industry forced the government to adopt austerity measures, but it continued some development efforts.

We wish to continue encouraging the Congo to adopt a truly non-aligned posture in the political-military sphere and to continue its evolution toward a more open political process. The IMET program is helping us to develop a relationship with Congo's influential military and to expose future Congolese leaders to U.S. values of democracy, human rights and civilian control of the military.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education and technical training with an emphasis on mid-level infantry officer and medical training. The Congo also is expected to use national funds for FMS cash and commercial purchases of repair parts and support for its U.S.-origin vehicles and infantry weapons and equipment.

COSTA RICA

POLICY CONSIDERATIONS

Costa Rica and the United States enjoy close bilateral relations and cooperate on a variety of regional and international issues. Our objectives in Central America are shared by the Costa Ricans, steadfast friends who play an invaluable role in the region's peace process, democratic and economic development, and disarmament efforts, including the newly created Central American Security Commission (CASC). While Costa Rica is benefitting from the democratic revolutions in the region and the related improvement in regional economic prospects, it still needs economic assistance. Costa Rica remains a primarily agricultural country, with bananas, coffee and livestock products as its main exports; however, light industry, construction and commerce have become more important in the past two decades, helping to diversify the economy. Costa Rica welcomes U.S. and other foreign investment.

U.S. policy remains to help Costa Rica maintain its successful 100-year old democracy, sustain private sector-oriented economic growth, and reduce narcotics trafficking. The security assistance program has provided essential economic and political support during a decade of major regional upheaval. A fragile fiscal situation inherited by the Calderon administration, including a huge domestic budget deficit and tenuous balance of payments and foreign reserve conditions, is being addressed through determined but politically painful remedial measures. The ESF program supports the continuation of these economic reforms.

External threats to Costa Rica now are few, but the existence of foreign armed civilians at border areas and the capability of narcotics traffickers to inflict selective violence pose potential security problems. After its constitution prohibited a professional army in 1949, Costa Rica successfully developed several small, specialized security forces with complementary duties to protect the country. The IMET program provides important military and technical training for the security forces. Until 1988, the U.S. also provided small amounts of military assistance for procurement and maintenance of equipment. Since then, Costa Rica has found it increasingly difficult to maintain adequately equipped security forces. A modest FMF program would help to modernize and refurbish essential equipment.

PROGRAM DESCRIPTION

Objectives

- Maintain close U.S. ties and cooperation with Costa Rica
- Preserve democratic institutions and processes
- Promote sustained market-oriented economic growth and stability
- Assist in training and equipping of security forces

Status

Costa Rica has continued structural adjustment and economic liberalization policies, which are essential for long-term, sustainable growth, stability and development. Precarious fiscal imbalances required strong government measures to increase revenues and reduce public sector expenditures, including personnel cuts and decreased funding for social and educational programs.

The Costa Rican Civil Guard, subordinate to the Ministry of Public Security, is the primary national defense force, although its day-to-day function is law enforcement. The Ministry of Public Security also includes a drug control unit, crime prevention unit, military police, metropolitan police, presidential guard, an air section, and a maritime section. A separate Rural Guard, subordinate to the Ministry of Government and Police, is responsible for law enforcement and security in the countryside. The IMET program provides management and technical training, including skills for counter-narcotics operations.

FY 1992 REQUEST

The proposed FY 92 ESF will support private sector initiatives designed to improve Costa Rica's balance of payments. IMET will continue to provide professional military education, management and technical training for the defense and security forces. The FMF program would support civic action projects, including road and bridge building and school construction, and provide repair and spare parts for U.S.-origin equipment, especially aircraft and vehicles.

COSTA RICA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	2,360
INTL MIL EDUCATION & TRNG PROG	230
ECONOMIC:	
ECONOMIC SUPPORT FUND	20,000
DEVELOPMENTAL ASSISTANCE	8,000
P.L. 480	10,000
PEACE CORPS	2,187
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	42,777
STUDENTS TRAINED UNDER IMET	44

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	2,360
TOTAL	0	0	2,360
ECONOMIC SUPPORT FUND	63,644	25,000	20,000
IMET	232	230	230

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990 0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	431
DEFENSE ARTICLES/SERVICES	431
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	43
ESTIMATED FMS AGREEMENTS FY 1991:	2,200
DEFENSE ARTICLES/SERVICES	2,200
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,453
ESTIMATED FMS AGREEMENTS FY 1992:	1,200
DEFENSE ARTICLES/SERVICES	1,200
EST VALUE OF COMMERCIAL EXP DELIVERIES	872

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	4,111	4,530	4,696	5,315
PER CAPITA GDP**	1,611	1,629	1,648	1,820
TOTAL BUDGET	719	1,038	n/a	n/a
TOTAL DEBT	4,827	4,690	4,530	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	29%	15%	20%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	NO FOREIGN MILITARY FINANCING		
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

COTE D'IVOIRE (IVORY COAST)

POLICY CONSIDERATIONS

Cote d'Ivoire is moving from a one-party state to acceptance of political pluralism. Multi-party presidential and legislative elections took place in 1990 for the first time. Cote d'Ivoire shares our views on many international issues and regional problems, especially on the need to thwart Libyan destabilization efforts and expansion in Africa. Cote D'Ivoire has also been extremely helpful in facilitating the peaceful resolution of conflict in southern Africa.

The country's market-oriented economy remains dependent on exports of coffee, cocoa and a few other commodities. The government is continuing its efforts to diversify the economy, promote the private sector and cope with a heavy foreign debt burden. U.S. investment and trade have been welcomed for many years. We allocated $3 million in FY 91 ESF to Cote d'Ivoire to help reduce its heavy debt burden, which is a drain on resources vital to the country's economic and political reform.

The IMET program helps strengthen and expand our mutual interests by providing significantly enhanced leadership and management skills. IMET will also help future Ivorian leaders to develop an improved understanding of civil-military relations in a democratic society.

PROGRAM DESCRIPTION

Objectives

- Support further development of democratic institutions and processes
- Promote private sector expansion and economic diversification
- Expand military to military contacts

Status

The IMET program has helped to improve professionalism and improve understanding of U.S. defense and political policies among the leaders of an important Francophone African armed force. The FY 91 ESF program helps the government to reduce the country's debt burden, which is draining the resources needed to support its economic and political reforms.

FY 1992 REQUEST

The proposed IMET program includes professional military education and technical training. Emphasis will be placed on basic and advanced courses for junior and mid-level officers. ESF will help Cote d'Ivoire to reduce its debt to multilateral financial institutions, and thereby free resources for economic reform.

CYPRUS

POLICY CONSIDERATIONS

The United States does not accept the status quo on Cyprus. Accordingly, it firmly supports the U.N. Secretary General's good offices mission to facilitate a settlement of the Cyprus dispute, and actively encourages all parties involved to do the same. Our assistance is designed to encourage joint economic and social development between the two communities through the expenditure of ESF for bicommunal activities.

PROGRAM DESCRIPTION

Objectives

- Promote cooperation between the two Cypriot communities
- Provide opportunities for Greek and Turkish Cypriots to develop mutual confidence through joint economic planning and development activities
- Promote a settlement that will be mutually beneficial to both communities

Status

In the past, the ESF program has not fully promoted our objectives for Cyprus. Representatives of the two communities who determine which projects will be funded frequently have chosen to interpret "bicommunal" as "aid to both communities," and too often have approved projects that do nothing to bring the communities together. The President's Special Cyprus Coordinator and U.S. Embassy officials in Nicosia are working with representatives of the two communities to increase to 100 percent the amount of ESF being used for projects which are truly bicommunal in nature.

FY 1992 REQUEST

The proposed FY 92 ESF program will support bicommunal projects and a scholarship program. These objectives are consistent with Section 620C of the Foreign Assistance Act of 1961, as amended, and do not raise any arms control concerns.

CYPRUS
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	0
INTL MIL EDUCATION & TRNG PROG	0
ECONOMIC:	
ECONOMIC SUPPORT FUND	3,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	3,000
STUDENTS TRAINED UNDER IMET	0

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	0
TOTAL	0	0	0
ECONOMIC SUPPORT FUND	14,936	15,000	3,000
IMET	0	0	0
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	0
DEFENSE ARTICLES/SERVICES	0
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	783
ESTIMATED FMS AGREEMENTS FY 1991:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	3,428
ESTIMATED FMS AGREEMENTS FY 1992:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	2,057

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	2,910	3,532	4,238	0
PER CAPITA GDP**	4,210	5,210	6,142	0
TOTAL BUDGET	1,016	930	1,111	0
TOTAL DEBT	1,614	2,008	1,998	0
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	12%	14%	12%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
COM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

CZECHOSLOVAKIA

POLICY CONSIDERATIONS

Czechoslovakia instituted democratic processes and institutions in 1990, and in June re-elected Vaclav Havel as its first non-communist President in four decades. The country also took its first steps on the very difficult road toward a market-oriented economy, although much industry is antiquated and serious structural distortions remain. Soviet instability and the Gulf War make oil supplies uncertain. Czechoslovakia supports U.N. sanctions against Iraq and sent a 200 person military medical team to Operation Desert Storm.

The United States has supported Czechoslovakia's move to democracy since the November 1989 revolution. President Bush proposed and Congress passed the SEED Act in 1989 to help East-Central Europe's transition to democracy and market economies; the legislation was amended to include Czechoslovakia in FY 91 foreign assistance appropriations. A Czechoslovak-American Enterprise Fund is being formed.

A carefully developed IMET program would complement the continuing emergence of democracy in Czechoslovakia. In FY 92, IMET would train Ministry of Defense civilians in democratic oversight of the armed forces. The program would contribute to the development of democratic institutions and political pluralism characterized by the establishment of non-partisan military, security and police forces. An IMET program is especially appropriate in the context of Czechoslovakia's changed relationship with the Warsaw Pact that is resulting in greater Czechoslovak concern for security arrangements and confidence building practices in the broader European context. Czechoslovakia's new civilian Minister of Defense is enthusiastic about expanded military cooperation.

PROGRAM DESCRIPTION

Objectives

- Teach the skills necessary to civilian management and oversight of the military
- Establish friendships and channels of communication with the Czechoslovak Ministry of National Defense and military

Status

A small amount of IMET funds was allocated in FY 91 to develop a program for Czechoslovakia in addition to economic aid.

FY 1992 REQUEST

The proposed IMET program would give defense management and technical training to MOD civilians and armed forces personnel.

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DENMARK

POLICY CONSIDERATIONS

Denmark, positioned along the Baltic approaches, is an important NATO member and a signatory of the Mutual Defense Agreement of 1950. Our bilateral defense relationship supports joint efforts to maintain NATO's defense of Northern Europe and stability in the region by enhancing Denmark's ability to defend the Baltic approaches. In 1990, Denmark gave important political encouragement and some aid to the Baltic states as they tried to develop democratic institutions and private sector economies. Denmark also kept a small infantry battalion with the U.N. peacekeeping force in Cyprus. In 1990, the U.S. negotiated a withdrawal agreement from bases in southern Greenland, but will retain valuable access rights. U.S. facilities at Thule in northern Greenland remain important to western defenses. Danish military contributions to the defense of Greenland and the North American continental approaches accord with the 1951 Agreement for the Defense of Greenland. In 1990, Denmark provided a corvette and offered a medical ship to the multinational naval force in the Persian Gulf. It also gave economic aid to Turkey, Egypt and other front-line countries to help them cope with dislocations caused by Iraq's invasion of Kuwait. In recent years, the Danish Government has kept a tight cap on public spending, with little or no growth in defense spending.

PROGRAM DESCRIPTION

Objectives

- Prepare sites and facilities to assist Denmark in meeting its host nation support obligations for NATO reinforcement
- Continue logistic and technical support and pilot training
- Improve wartime sustainability and ammunition stockpiles
- Upgrade and expand air defense capabilities, and support naval modernization

Status

The security assistance program consists of FMS cash and commercial sales of defense equipment, services and training. In the 1980s, Denmark purchased anti-tank, anti-ship and air-to-air missiles, electronic equipment, spare parts, ammunition and training. Denmark is a participant in the F-16 co-production program. Denmark faces major decisions on whether to replace or retire two squadrons of F-35 Draken fighter aircraft in the early 1990s, participate in the mid-life up-date of the F-16 squadrons, and upgrade its Centurion tanks.

FY 1992 REQUEST

The proposed FY 92 program will assist Denmark to continue upgrading its armor, anti-armor forces and air defense systems. Sales may include ammunition, training, spare parts, communications equipment, participation in full-scale development of F-16 mid-life update kits and possibly a follow-on purchase of F-16 aircraft.

DJIBOUTI

POLICY CONSIDERATIONS

Djibouti is important to the United States because it provides bunkering and fuel storage for U.S. ships as well as access for U.S. aircraft in the Horn of Africa and northwest Indian Ocean region. The Gulf crisis emphasizes the importance of this access. The security assistance program provides aviation and engineer support, transport vehicles and individual clothing and equipment.

Economic assistance is directed toward policy reform and modest growth. A resource-poor country with a low per capita income, Djibouti relies on external budgetary support. The port is the main economic activity and is directly affected by regional conflicts. Port facilities also have proved critical to international disaster aid to the region. U.S. assistance complements the French military presence that protects the country, as well as French military and economic assistance.

PROGRAM DESCRIPTION

Objectives

- Maintain access to airfield and naval facilities
- Reinforce security by supporting previously supplied U.S. equipment
- Enhance engineering construction capability
- Encourage movement toward democratic pluralism and respect for basic human rights

Status

Djibouti's small armed forces are very dependent on foreign assistance. The army does some national development construction work. The FMF program provides basic military equipment such as uniforms and boots, spare parts and support for U.S.-origin equipment. The ESF program provides balance of payments support, freeing local currency to support fisheries, alternative energy projects and other basic development efforts.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide maintenance and support for previously provided aircraft and other equipment, and some engineering equipment such as dump trucks and bulldozers for Djiboutian military facilities. IMET will provide professional military education and technical and management training. ESF will continue to provide budget support.

DJIBOUTI
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	2,000
INTL MIL EDUCATION & TRNG PROG	175
ECONOMIC:	
ECONOMIC SUPPORT FUND	3,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORP.	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	5,175
STUDENTS TRAINED UNDER IMET	9

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	2,076	1,000	2,000
TOTAL	2,076	1,000	2,000
ECONOMIC SUPPORT FUND	1,742	3,000	3,000
IMET	169	175	175

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990 0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	1,718
DEFENSE ARTICLES/SERVICES	1,640
CONSTRUCTION/DESIGN	78
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	42
ESTIMATED FMS AGREEMENTS FY 1991:	2,500
DEFENSE ARTICLES/SERVICES	2,500
EST VALUE OF COMMERCIAL EXP DELIVERIES	18
ESTIMATED FMS AGREEMENTS FY 1992:	1,500
DEFENSE ARTICLES/SERVICES	1,500
EST VALUE OF COMMERCIAL EXP DELIVERIES	11

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	n/a	n/a	n/a	n/a
PER CAPITA GDP**	n/a	n/a	n/a	n/a
TOTAL BUDGET	137	n/a	n/a	n/a
TOTAL DEBT	126	183	183	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	0%	0%	0%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

DOMINICAN REPUBLIC

POLICY CONSIDERATIONS

The Dominican Republic has a quarter-century record of unbroken democratic rule. Freedom of speech and the press and other basic human rights are respected. The Dominican Republic was a pioneer in the hemispheric move to democracy and, as such, is an important partner of the United States. The Dominican government cooperates closely with the United States on important issues in international fora and on narcotics interdiction. U.S. policy is to promote a stable political environment and, private sector-oriented, diversified economic growth. The security assistance program is designed to help the armed forces continue a 25-year old tradition of carrying out their duties in a non-political, professional way.

The Dominican Republic is one of the poorest nations in the hemisphere, with a weak economy still primarily dependent on sugar, although tourism and light industry are growing. President Balaguer has implemented economic reform measures, including reductions in subsidies and tariff reforms, to encourage sustainable economic growth and increase employment opportunities.

PROGRAM DESCRIPTION

Objectives

- Strengthen democratic processes and institutions
- Expand cooperation in drug interdiction
- Promote further professionalism in the armed forces, which are already subject to civilian control
- Encourage sound economic policy to foster development, alleviate poverty, and maintain social stability

Status

The armed forces are hampered by lack of training and resources. The FMF program helps the military to operate and maintain U.S.-origin equipment, but declining FMF levels in recent years detracted from this capability. Supporting the forces' light aircraft, coastal patrol boats, vehicles, and communications equipment is necessary to enable the military to cooperate effectively on narcotics interdiction efforts. The IMET program exposes present and future military leaders to U.S. traditions of democracy, respect for human rights, and civilian control of the military and improves military and technical skills. The ESF program supports efforts to develop a broader-based economy and sustainable private sector growth and employment.

FY 1992 REQUEST

The proposed FY 92 FMF program would provide basic military equipment, spare parts and operational support. ESF will continue to encourage macroeconomic reform, especially the establishment and maintenance of a market-based exchange rate and the removal of subsidies, thus strengthening the private sector. IMET will provide professional military education and technical and management training.

DOMINICAN REPUBLIC
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	2,000
INTL MIL EDUCATION & TRNG PROG	000
ECONOMIC:	
ECONOMIC SUPPORT FUND	5,000
DEVELOPMENTAL ASSISTANCE	13,000
P.L. 480	14,500
PEACE CORPS	2,213
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	37,419
STUDENTS TRAINED UNDER IMET	96

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	1,276	500	2,000
TOTAL	1,276	500	2,000
ECONOMIC SUPPORT FUND	0	0	5,000
IMET	776	900	900

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990 0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	1,621
DEFENSE ARTICLES/SERVICES	1,621
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	277
ESTIMATED FMS AGREEMENTS FY 1991:	500
DEFENSE ARTICLES/SERVICES	500
EST VALUE OF COMMERCIAL EXP DELIVERIES	9,474
ESTIMATED FMS AGREEMENTS FY 1992:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	8,684

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	5,441	5,068	4,640	6,691
PER CAPITA GDP**	829	767	676	n/a
TOTAL BUDGET	n/a	n/a	n/a	n/a
TOTAL DEBT	3,640	3,843	3,923	n/a
FMF DEBT	19	19	17	15
PERCENTAGE OF FMF TO TOTAL DEBT	1%	0%	0%	0%
DEBT SERV RATIO	17%	11%	12%	0%

*Less than $500,000 **In dollars n/a-not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	11,321	10,975	22,296
FY 1991	4,292	2,274	6,566
FY 1992	2,430	770	3,200
FY 1993	1,826	528	2,353
FY 1994	1,825	334	2,159
FY 1995	1,003	163	1,066
FY 1996	733	60	793
FY 1997	400	16	416
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	24,629	15,127	39,756

EASTERN CARIBBEAN

POLICY CONSIDERATIONS

The seven independent island nations of the Eastern Caribbean (Antigua & Barbuda, St. Kitts/Nevis, Dominica, St. Lucia, Barbados, St. Vincent and the Grenadines, and Grenada) are important to the United States because of their location, commitment to democratic institutions and pro-Western outlook. While relations with the U.S. are good, regional leaders are concerned about reduced security and economic assistance, which is seen as indicating declining U.S. interest.

Narcotics trafficking, which exacerbates the political tensions caused by high unemployment, constitutes the primary security threat in the Eastern Caribbean. Underdeveloped economies and growing populations can make trafficking or assisting traffickers economically attractive despite the commitment of local governments, security forces and law enforcement agencies to regional interdiction efforts.

These nations have an excellent record of cooperation with us in combatting drug trafficking and maintaining regional security. However, local revenue sources and trained personnel are not adequate by themselves to handle these tasks. The FMF program provides operations, logistics and maintenance support to the small maritime and ground security forces so that they can carry out their regional security and drug interdiction duties. The ESF program provides critical support for economic reform and democratic initiatives. ESF is designed to influence macroeconomic factors leading to increased investment, growth, and political and economic stability. Our security assistance also helps these small and vulnerable states provide a degree of protection, unilaterally and collectively, against insurgencies and similar incidents such as the July 1990 coup attempt in Trinidad.

PROGRAM DESCRIPTION

Objectives

- Defend democracy and promote democratic development
- Enhance counter-narcotics efforts, coast guard patrols, disaster relief, and counter-insurgency capabilities
- Encourage private sector-led economic development and diversification
- Preserve free transit through Caribbean sea lanes

Status

U.S. security assistance cuts in recent years hindered regional efforts to fight drug trafficking by reducing patrol boat operations and maintenance and preventing replacement of essential vehicles and communication equipment. Regional political leaders strongly support the seven-country Regional Security System, made up of the small Antigua/Barbuda and Barbados Defense Forces, and special service units—paramilitary police squads—from the five other countries. The United Kingdom and United States cooperate to provide training, equipment and facilities. The 1990 coup attempt in Trinidad and the mobilization of RSS forces in response demonstrate both the potential for upheaval in the region and the value of a multilateral security apparatus for states too small to protect themselves.

FY 1992 REQUEST

The proposed FY 92 FMF program will support equipment and facilities provided previously and improve the skills and capabilities of defense forces, special service units and marine/coast guard units. This support is vital to RSS narcotics interdiction and eradication efforts and to RSS readiness to counter internal and external security threats.

ESF will continue to focus on high-visibility economic development activities with bilateral impact, such as structural adjustment and sector programs. A significant portion will go to the popular Basic Needs Trust Fund and for an infrastructure project supporting private sector expansion.

IMET will support professional military education and technical and management training that proved essential in responding to the crisis in Trinidad.

ECUADOR

POLICY CONSIDERATIONS

Since 1979, Ecuador has been a multi-party democracy in which civil and political rights are generally respected. It maintains friendly relations with the United States. During the mid-1980s, the country's free-market economy suffered from low oil and agricultural prices. As a small oil exporter, Ecuador currently stands to benefit from higher petroleum prices stemming from the Persian Gulf crisis. This should help Ecuador to move its economic policies to a growth path and may help in servicing the country's huge public and commercial foreign debts.

Ecuador successfully eradicated much of its illegal coca crop in the mid-1980s. In recent years, however, manifold growth in drug trafficking has reintroduced elements of the cocaine cycle into the country from Peru and Colombia, although the degree of narco-involvement is still far less than in Colombia or Peru. The Colombian drug traffickers are likely to continue to shift more of their activities into Ecuador as Colombian military and police counter-narcotics efforts become more effective. The poverty of most of Ecuador makes the high-profit drug business a seductive alternative. Social stability therefore, depends on economic improvement and reduced narco-trafficking. A small left-wing terrorist group, the AVC, with links to similar groups in Colombia also continues to operate in Ecuador. However, there is no reliable evidence that the AVC has moved into narcotics activities as insurgents in Colombia and Peru have done.

Our security assistance program is designed to encourage the government to protect Ecuadoran democracy by improving and expanding counter-narcotics operations. The FMF program will encourage the armed forces to reorient their plans and operations away from a traditional focus on border disputes to inhibiting terrorism and narco-trafficking. We also want to encourage further private sector-led economic activity to generate employment and taxes to support basic services.

PROGRAM DESCRIPTION

Objectives

- Help Ecuador preserve and strengthen its democracy against incipient narco-terrorist threats
- Expand government and military counter-narcotics efforts while maintaining their good human rights record
- Encourage further private sector-led economic reform

Status

For the past several years, our security assistance focused on helping the military improve counter-insurgency capabilities, and providing equipment and maintenance support for operational units called for in the Ecuadoran five-year defense plan of 1985. The plan addresses Ecuadoran internal security threats such as terrorism, insurgency and narcotics trafficking. In practical terms, this five-year plan became a ten to fifteen-year plan, due to Ecuadoran funding constraints and a lack of U.S. assistance.

Over the years, Ecuador acquired a variety of aircraft, helicopters, coastal patrol craft, vehicles and weapons, but funding shortages limited essential maintenance and hindered operations in this country's harsh terrain. Even temporarily increasing oil revenues will not enable Ecuador's military to match heavily-armed narcotics traffickers without outside assistance.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide vehicles, aircraft spare parts and communications equipment to improve law enforcement and military mobility in the remote border regions which now attract drug traffickers. It also will provide weapons, ammunition and basic equipment needed to stand up to well-armed bands of traffickers. IMET will emphasize mid-level leadership, such as command and staff courses and other professional military education, and technical training. ESF would support continuation of an already fruitful cooperation on economic reforms, and fund projects to develop legal rural and urban economic alternatives to narcotics activities.

ECUADOR
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	5,000
INTL MIL EDUCATION & TRNG PROG	800
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	15,000
P.L. 480	0
PEACE CORPS	2,486
INTERNATIONAL NARCOTICS CNTRL	3,000
TOTAL FOREIGN ASSISTANCE	26,286
STUDENTS TRAINED UNDER IMET	347

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	485	0	5,000
TOTAL	485	0	5,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	701	800	800
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	5,564
DEFENSE ARTICLES/SERVICES	5,564
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	250
ESTIMATED FMS AGREEMENTS FY 1991:	10,000
DEFENSE ARTICLES/SERVICES	10,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	8,544
ESTIMATED FMS AGREEMENTS FY 1992:	10,000
DEFENSE ARTICLES/SERVICES	10,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	5,128

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	11,264	10,524	10,291	10,381
PER CAPITA GDP**	1,167	1,061	1,009	990
TOTAL BUDGET	1,778	1,634	1,382	n/a
TOTAL DEBT	9,308	10,500	10,864	n/a
FMF DEBT	33	33	33	34
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	20%	10%	12%	0%

*Less than $500,000 **in dollars n/a-not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	35,468	23,177	58,645
FY 1991	5,390	3,268	8,658
FY 1992	4,368	2,561	6,929
FY 1993	3,746	2,182	5,928
FY 1994	5,192	1,791	6,983
FY 1995	4,836	1,340	6,176
FY 1996	4,509	932	5,441
FY 1997	2,980	596	3,576
FY 1998	2,447	383	2,810
FY 1999	1,493	182	1,675
FY 2000	999	64	1,063
TOTAL	71,428	36,456	107,884

EGYPT

POLICY CONSIDERATIONS

The United States continues to support a moderate, stable Egypt firmly linked politically and economically to the West. Since 1980, Egypt has provided essential support for extending the U.S. military presence in the Middle East and hosted the biannual Bright Star joint exercises. Egyptian political and military support is vital to our joint efforts to forge and to sustain an effective international coalition in the Gulf crisis. In 1990, Egypt committed over 40,000 troops in an armored and a mechanized infantry division, a special service and an airborne brigade, and other units to the multinational force in Saudi Arabia. Egypt remains our key Arab partner in efforts to achieve a broader Arab-Israeli peace, and to bolster moderate forces in the volatile Middle East. Strengthened by readmission to the Arab League and renewed diplomatic relations with key Arab countries, Egypt has exerted leadership to promote regional stability and security. Egypt joins us in resisting Libyan adventurism, terrorism and religious extremism in the region. As a leader of the Non-Aligned Movement and the Organization of African States, Egypt has mediated conflicts and promoted moderate policies. Egypt's guided democracy, increasingly free political parties, relatively independent judiciary, and free press are the most progressive of any Arab country with regard to human rights. President Mubarak has separated most of the civilian government from military influence. The Peoples' Assembly has increased its authority and must approve the civilian budget. The government continues to use emergency law authority to prevent terrorism. Egypt has a tradition of religious tolerance, though it is officially an Islamic state. Our security assistance enhances Egypt's ability to continue its political and economic liberalization.

In the past two decades, Egypt has used U.S., Arab Gulf and other states aid to diversify its economy. We have encouraged Egypt to reduce official deficits and to increase private sector participation in a more market-oriented economy. Wariness of social and political resistance has caused the government to implement reforms slowly, in piecemeal fashion. In the late 1980s, growth was sluggish and inflation rose. Remittances from 2,500,000 Egyptian workers in Iraq and the Gulf states were a major component of the economy. Iraq's aggression drastically cut remittances, and forced nearly 500,000 Egyptians to return home where they face long-term unemployment. Saudi Arabia, other Arab Gulf states, and Western Europe gave large amounts of aid in 1990, but it was still insufficient to offset the severe economic blow. Forgiveness of Egypt's $6.7 billion FMS debt (out of $55 billion total debt) has helped to reduce the country's crippling foreign debt burden and freed hard currency to cushion the economic blow caused by the Gulf crisis.

PROGRAM DESCRIPTION

Objectives

- Continue procuring modern aircraft and armored equipment
- Improve nation-wide command, control and communications
- Improve operations and maintenance of U.S. origin equipment
- Encourage trade by financing imports of U.S. goods

- Promote market-oriented economic development and reform
- Encourage further democracy and human rights

Status

The FMF program supports the decade-long U.S.-Egyptian partnership to modernize equipment and reorganize the military into a smaller, yet better armed, deterrent force. Egypt is gradually replacing its outdated Soviet and East European equipment with U.S. and other Western high-tech weapons systems. About one half of Egyptian Army and Air Force major weapons systems are still of Soviet origin, while some two thirds of the Navy's ships are Soviet or Chinese supplied. The FMF program continues to focus on the M1A1 tank program and the third and fourth tranches of F-16's under the Peace Vector program. In 1990, we transferred 700 M60A1 tanks from Europe as excess defense articles to replace Soviet model tanks in Egyptian armor units. Discussions focusing on upgrading some of these M60A1s to M60A3 standards are underway. Ongoing programs to integrate air defense systems, and upgrade the communications and logistics systems will likewise enhance defense capabilities and increase the interoperability of Egyptian and U.S. forces.

IMET provides command and staff courses for present and future Egyptian leaders from field grade to general officer level. It provides technical and management training essential to integrating advanced U.S. systems into the Egyptian forces and enhanced interoperability with U.S. forces. IMET also exposes Egyptians to U.S. traditions of democracy, human rights and civilian government control of the military.

The ESF program has focused on improving living standards by increasing production and supporting projects for irrigation and agriculture, basic education, water and wastewater systems, and local government decentralization. ESF also supports the balance of payments and commodity import programs and encourages market-oriented, economic reforms to stimulate the private sector and eventually put the economy on a more self-sustaining basis. Continued assistance and economic reform are essential to cope with a rapidly growing population, inadequate housing and un/under-employment.

FY 1992 REQUEST

The proposed FY 92 FMF program will support the M1A1 tank co-production and F-16 programs; both will be entering their high-cost phases during FY 92. Peace Vector IV is being accelerated to gain economies of scale by using the same F-16 configuration as in Peace Vector III, which should enable the original estimated cost to be cut by one-third. IMET will continue to stress professional military education and management with students from each of the four armed services and various Ministry of Defense agencies. Operation Desert Storm will require special training courses. ESF will continue to provide economic development, budget and balance of payments support with cash transfers and the commodity import program. Support for agricultural and energy programs will be linked to progress on policy reforms in those areas. Infrastructural support for water and wastewater programs, irrigation, basic health and education needs will also continue. These programs and further generous international assistance will help Egypt adhere to economic liberalization objectives, although the Gulf crisis greatly hinders progress.

EGYPT
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	1,300,000
INTL MIL EDUCATION & TRNG PROG	1,000
ECONOMIC:	
ECONOMIC SUPPORT FUND	815,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	150,000
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	2,266,000
STUDENTS TRAINED UNDER IMET	174

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	1,294,410	1,300,000	1,300,000
TOTAL	1,294,410	1,300,000	1,300,000
ECONOMIC SUPPORT FUND	811,496	815,000	815,000
IMET	1,636	1,500	1,000

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990 493,388

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	1,144,514
DEFENSE ARTICLES/SERVICES	1,006,114
CONSTRUCTION/DESIGN	58,400
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	67,006
ESTIMATED FMS AGREEMENTS FY 1991:	1,000,006
DEFENSE ARTICLES/SERVICES	1,000,006
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,322,007
ESTIMATED FMS AGREEMENTS FY 1992:	350,000
DEFENSE ARTICLES/SERVICES	350,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	793,738

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	44,640	44,356	50,300	n/a
PER CAPITA GDP**	800	865	1,066	n/a
TOTAL BUDGET	29,500	18,271	23,696	n/a
TOTAL DEBT	37,161	43,361	43,259	n/a
FMF DEBT	4,550	4,550	5,000	5,001
PERCENTAGE OF FMF TO TOTAL DEBT	12%	10%	12%	0%
DEBT SERV RATIO	20%	1%	10%	3%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	36,585	2,948,513	2,985,098
FY 1991	160,748	1,316,748	1,476,496
FY 1992	245,625	622,728	868,353
FY 1993	442,273	595,080	1,037,353
FY 1994	486,162	550,888	1,037,040
FY 1995	429,320	486,580	915,900
FY 1996	586,952	472,774	1,059,726
FY 1997	370,504	400,889	786,393
FY 1998	221,953	370,636	592,589
FY 1999	221,953	345,201	567,154
FY 2000	221,953	319,215	541,168
TOTAL	3,432,990	8,435,181	11,867,271

EL SALVADOR

POLICY CONSIDERATIONS

The Salvadoran Armed Forces' (ESAF) success, with U.S. support, in denying the FMLN guerrillas a military victory played a key role in encouraging the insurgents to resume negotiations for a political settlement to the war. While we do not know whether the FMLN intends to conclude a settlement, the current peace negotiations surely represent the best chance in years to end the war. If peace comes, security assistance needs will be greatly reduced, although post-war reconstruction will require significant U.S. and other aid.

The United States seeks to help the Government of El Salvador (GOES) further develop its nascent democratic system, continue judicial reform and further enhance respect for human rights. Our policies also help the GOES to address the socio-economic origins of the war and to stabilize and revitalize the economy to sustain broader-based growth.

Despite participating in several rounds of talks with the GOES, the FMLN launched a nationwide offensive in November 1989 and a less successful series of attacks in October to December 1990. Each year, the ESAF successfully minimized civilian casualties and defeated the attacks, inflicting serious losses on the guerrillas. But the FMLN caused great destruction and forced the ESAF to use large quantities of supplies. Since the offensives, negotiations have met with some success, but the FMLN continues to threaten further offensives, ravage the country's infrastructure and assassinate people. Despite the Sandinistas' electoral defeat in Nicaragua, there are strong indications that they and Cuba still back the FMLN.

President Cristiani is promoting efforts to further reduce and ultimately eliminate human rights abuses. A colonel, three other officers and five enlisted men accused of killing Jesuit priests in 1989 have been arrested. A Salvadoran court recently completed its investigation and moved the case to the trial stage. The popular refusal to respond to FMLN incitement to insurrection during the November 1989 offensive demonstrated ESAF progress in winning public support by defending constitutional democracy and respecting human rights.

President Cristiani instituted broad based economic reforms to reduce centralized government control and encourage private investment. Begun in July 1989, the program has improved agricultural production, increased exports outside of Central America and led to projection of a record growth rate for 1990. The IMF and the World Bank give high marks to the Cristiani administration's efforts.

PROGRAM DESCRIPTION

Objectives

- Help GOES/ESAF to end insurgent activity in the countryside
- Provide training and equipment to counter urban terrorism and other violence
- Promote ESAF professionalism, support for democratic development and respect for human rights
- Enhance effectiveness of command, control and communication

- Develop military training and planning to enhance combat readiness, logistics and intelligence
- Replace or overhaul aging aircraft and other equipment
- Promote economic development and financial stability
- Help extend government benefits to formerly contested areas
- Extend basic social services to help create a "safety net"

Status

The ESF program helps the GOES to meet humanitarian needs, stimulate private investment and entrepreneurship, rebuild sabotaged infrastructure and finance essential imports. ESF supports the GOES' comprehensive program to follow competitive exchange rates, improve trade policies, privatize state enterprises, correct the interest rate structure, reduce fiscal deficits and promote more diversified investment.

The FY 91 Appropriations Act withheld 50 percent, or $42.5 million, of military assistance to El Salvador pending government and FMLN compliance with certain conditions set forth in the Act. On January 15, 1991, President Bush determined the FMLN violated two of those conditions—receiving lethal military assistance from outside El Salvador, and engaging in acts of violence directed at civilian targets. The President directed the release of the withheld portion of military assistance to the government but suspended delivery of the funds for sixty days in the interests of promoting a peaceful settlement to the conflict.

The FMF and IMET programs provide training and equipment to help the ESAF stymie the guerrilla assault. Training also directly promotes professionalism, respect for human rights and civilian control of the military. The ESAF's current level of effectiveness was instrumental to making negotiations possible. Improved mobility, small unit tactics and night-fighting capability all enable the ESAF to take the fight to the guerrillas' rear areas.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide equipment and supplies to sustain ESAF combat operations at current levels. It will also help the ESAF address weaknesses in its personnel and logistics systems, and replace aging aircraft. ESF will support the GOES economic program, finance productive imports, strengthen the judicial system and democratic institutions, and provide U.S. training. IMET will provide professional military education, and management and technical training.

EL SALVADOR
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	85,000
INTL MIL EDUCATION & TRNG PROG	1,400
ECONOMIC:	
ECONOMIC SUPPORT FUND	120,000
DEVELOPMENTAL ASSISTANCE	65,000
P.L. 480	32,812
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	294,212
STUDENTS TRAINED UNDER IMET	145

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	79,635	83,945	85,000
TOTAL	79,635	83,945	85,000
ECONOMIC SUPPORT FUND	130,616	120,000	120,000
IMET	1,592	1,055	1,400
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	76,941
DEFENSE ARTICLES/SERVICES	71,913
CONSTRUCTION/DESIGN	4,128
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	113
ESTIMATED FMS AGREEMENTS FY 1991:	90,000
DEFENSE ARTICLES/SERVICES	90,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	2,141
ESTIMATED FMS AGREEMENTS FY 1992:	100,000
DEFENSE ARTICLES/SERVICES	100,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,205

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	3,953	4,628	5,473	6,453
PER CAPITA GDP**	806	924	1,071	1,230
TOTAL BUDGET	545	604	619	661
TOTAL DEBT	1,717	1,755	1,806	n/a
FMF DEBT	104	192	98	80
PERCENTAGE OF FMF TO TOTAL DEBT	6%	6%	6%	0%
DEBT SERV RATIO	17%	20%	19%	0%

*Less than $500,000 **In dollars n/a-not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	32,704	75,676	108,470
FY 1991	26,828	14,995	41,823
FY 1992	12,865	6,207	18,072
FY 1993	12,870	3,726	16,596
FY 1994	11,009	2,260	13,369
FY 1995	8,899	1,119	10,018
FY 1996	3,004	338	4,142
FY 1997	1,333	52	1,385
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	110,492	103,373	213,865

EQUATORIAL GUINEA

POLICY CONSIDERATIONS

A small country with few resources, Equatorial Guinea is among the world's poorest nations. The country is still striving for economic and social recovery from the devastating policies of a previous regime. The recovery has included a change from military to civilian rule, the election of a national assembly and some improvement in the human rights situation. The economy remains dependent on coastal fishing, subsistence agriculture and forestry.

The IMET program helps us to encourage a move toward democratic pluralism and increased respect for basic human rights. IMET training is designed to improve the country's ability to patrol its exclusive economic zone so it can enforce fishing agreements to reduce poaching and protect coastal trade. IMET also exposes trainees to U.S. traditions of democracy, human rights and civil-military relations. Modernization of the small armed forces, particularly the navy, requires outside assistance.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education and technical training. Emphasis will remain on developing a cadre of naval officers to support U.S.-provided patrol boats and enhance Equatorial Guinea's ability to monitor its fishing grounds.

FIJI

POLICY CONSIDERATIONS

Fiji has supported U.S. regional and global interests at critical moments since its independence in 1970. Tensions between two major ethnic groups troubled Fiji for years, and led to a May 1987 military coup. The United States suspended security assistance until December 1988, when it resumed a humanitarian aid program to encourage Fiji's return to constitutional, elected government. Traditional military assistance remains suspended until a return to democratic government. Fiji adopted a new constitution in 1990, with elections scheduled for late 1991.

The ESF program encourages a broadly acceptable political solution by supporting private sector growth. The government is promoting export-oriented light industry to reduce Fiji's traditional dependence on sugar and tourism, and expand employment. The IMET program would enhance Fijian maritime safety efforts. IMET would also support Fijian efforts to counter narcotics trafficking. IMET exposes Fijians to U.S. practices of democracy, civilian control of the military and respect for human rights.

PROGRAM DESCRIPTION

Objectives

- Demonstrate our interest in Fiji's return to democracy
- Support Fiji's market-oriented economic reform efforts
- Promote U.S. presence, influence and access in the region
- Encourage continued Fijian peacekeeping operations

Status

U.S. military assistance supported participation of Fiji's small military force in important international peacekeeping efforts in southern Lebanon and the Sinai. Fiji has continued those peacekeeping efforts since 1987. ESF has provided medical commodities to Fiji.

FY 1992 REQUEST

We will continue to consult with Congress regarding the mix of ESF projects to ensure they benefit each of Fiji's ethnic communities. Assuming events in Fiji permit its resumption, the proposed IMET program would provide professional military education and technical training, including search and rescue and maritime law enforcement training, for Fiji's small naval arm.

FIJI
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	300
INTL MIL EDUCATION & TRNG PROG	50
ECONOMIC:	
ECONOMIC SUPPORT FUND	300
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	1,579
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	2,229
STUDENTS TRAINED UNDER IMET	5

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	300
TOTAL	0	0	300
ECONOMIC SUPPORT FUND	0	300	300
IMET	0	50	50
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	0
DEFENSE ARTICLES/SERVICES	0
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	50
ESTIMATED FMS AGREEMENTS FY 1991:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	136
ESTIMATED FMS AGREEMENTS FY 1992:	500
DEFENSE ARTICLES/SERVICES	500
EST VALUE OF COMMERCIAL EXP DELIVERIES	81

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	1,302	1,148	1,076	n/a
PER CAPITA GDP**	1,060	1,017	1,473	n/a
TOTAL BUDGET	330	321	278	n/a
TOTAL DEBT	441	466	487	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	12%	4%	0%	0%

*Less than $500,000 **in dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	NO FOREIGN MILITARY FINANCING		
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

FINLAND

POLICY CONSIDERATIONS

Finland's geography and history dictate that it remain on good terms with both the East and the West. Finland maintains its long-standing policy of armed neutrality, and as an active neutral contributes to stability in the Nordic region. It also is an important example to the Baltic states and the USSR of a fully functioning democracy with a free market economy.

The United States continues to support Finland's neutrality, independence, and western cultural orientation. In turn, we seek Finland's understanding of and support for U.S. foreign policy. The recent dramatic changes in the European security and economic landscape gave Finland more freedom of action, forced it to consider eventual EC membership, and led it to in effect discard outdated, sovereignty-limiting provisions of Fenno-Soviet and World War II treaties.

In 1990, Finland gave $11 million in economic assistance to help Turkey, Egypt and other front-line states cope with the dislocations caused by Iraq's invasion of Kuwait. In January 1991, Finland gave $3.25 million in aid and said it would give more aid to these countries later in the year. In late 1990, 409 Finns were serving with U.N. peacekeeping force in the Golan Heights and 540 with the U.N. force in Lebanon.

PROGRAM DESCRIPTION

Objectives

- Support continuation of Finnish neutrality and independence
- Help Finland maintain a credible defense capability
- Continue Finland's western democratic orientation

Status

In the 1980s, security assistance fostered valuable U.S.-Finnish defense relations and growing cooperation between our countries. Finland acquired U.S. general purpose infantry equipment, TOWII anti-tank systems, and advanced electronic equipment, and improved defense technology arrangements. IMET gave Finnish officers a first-hand understanding of U.S. military and foreign policy goals and exposure to U.S. society.

FY 1992 REQUEST

The proposed FY 92 program of FMS and commercial sales may include anti-tank weapons, air-to-air missiles, fighter aircraft, and communications equipment and electronics.

FRANCE

POLICY CONSIDERATIONS

France is a member of the North Atlantic Alliance, but not the NATO integrated command. France engages in planning for the use of its forces with NATO and takes part in joint and/or combined operations with other NATO members. In 1990, France announced it will gradually withdraw its 50,000 soldiers and airmen (under French command) in western Germany as the Soviet Union implements its own announced troop withdrawal from eastern Germany by the end of 1994. Since 1989, France and Germany have fielded an infantry brigade composed of soldiers from both countries, a possible model for future NATO units.

France cooperates with the United States and other allies in operations to protect its vital interests, both within the Alliance and in other parts of the world. French world-wide power projection often serves U.S. foreign policy goals. French forces in Africa contribute significantly to deterring Libyan adventurism and to maintaining regional stability. France continues to provide troops to the U.N. peacekeeping force in Lebanon.

In 1990 and early 1991, France sent over 10,300 soldiers, and 1,300 airmen with 120 aircraft to participate in Operation Desert Storm. It also contributed 13 ships with 2,000 sailors to the multinational force in the Persian Gulf. In 1990, France gave special bilateral economic aid to Egypt ($50 million), Turkey ($30 million), and Jordan ($20 million) to help them cope with dislocations caused by Iraq's invasion of Kuwait and also contributed funds through the European community. France said it will give further aid in 1991.

The U.S. and France sell defense equipment and weapons systems to one another on the basis of relative efficiency of production, thus enhancing the conventional capabilities of both countries' armed forces. FMS cash and commercial sales of defense articles, services and training enhance security, both in the Alliance context and elsewhere.

PROGRAM DESCRIPTION

Objectives

- Support modernization and interoperability of French armed forces with NATO standard air defense and other equipment
- Encourage improvements in inter-service and intra-alliance command and control
- Promote defense cooperation and mutual support in regional operations

Status

Bilateral military programs focus on cooperative programs of mutual benefit. In recent years, France purchased airborne warning and control system (AWACS) aircraft, C-130H transport aircraft, an electronic warfare training facility, technical services, and publications that support weapons interoperability and command, control and communications.

Purchase of U.S.-designed aircraft carrier catapult and retrieval systems will permit the launch of U.S. as well as French aircraft. Support for electronic warfare training will serve mutual defense objectives in Europe. France's acquisition of a NATO standard Airborne Early Warning (AEW) system will provide further depth to NATO defenses and strengthen interoperability.

FY 1992 REQUEST

Under the proposed FY 92 program France will purchase spare parts, training and services. Potential purchases include equipment for the French frigate program, missile fire control upgrades and Naval training aircraft. France is a member of the Multiple Launch Rocket System (MLRS) NATO cooperative project and may participate in this program, and other co-development projects. France is also considering a follow-on purchase of Standard missiles for its Navy and equipment to modernize its aircraft tanker fleet.

GABON

POLICY CONSIDERATIONS

Gabon is an economically sound oil-producing nation which has long followed a moderate, pro-Western foreign policy. President Bongo has played a crucial role in national reconciliation efforts in Chad, contributed significantly to the exposure of Libyan aggression in northern Chad and has supported our policies in southern Africa. Gabon has recently moved toward a multi-party system and conducted democratic parliamentary elections as part of a political reform process.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education, management and technical training. Emphasis will remain on infantry, engineer and seamanship training. Gabon is expected to use national funds for FMS and commercial purchases of parts and support for its C-130 type aircraft and other U.S.-origin equipment.

THE GAMBIA

POLICY CONSIDERATIONS

The Gambia has a pluralistic democratic government, a commendable human rights record, supports U.S. positions in international fora, and has been particularly helpful in supporting U.S. and West African initiatives in the Liberian civil war.

Under President Jawara's leadership, The Gambia has implemented a model economic reform program, fully supported by the U.S. and other Western and international donors. It is developing a growing tourism industry to replace its dependence on livestock and agriculture.

The IMET program helps to diversify Gambian military perspectives and to support a pro-Western military orientation. The program also complements British military assistance efforts.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education for junior and mid-level officers. Emphasis will be placed on infantry, seamanship and engineering skills.

GERMANY

POLICY CONSIDERATIONS

With Germany's peaceful reunification in 1990, the Federal Republic of Germany (FRG) assumed responsibility for security of the territory of the former German Democratic Republic (GDR) and absorbed the GDR's armed forces. Germany has pledged to reduce its combined armed forces from a total of over 600,000 to 370,000 within three to four years of entry into force of a CFE agreement. Germany will nevertheless continue to field one of NATO's largest and best equipped armed forces.

In this time of transition and uncertainty, Germany will play a central role in meeting the Alliance's tasks of deterring the use of force in Europe and guarding against potential threats from instability in the Soviet Union and Eastern Europe. We also anticipate that Germany will continue to provide significant amounts of economic aid to help Eastern Europe and developing countries around the world to build democratic institutions, improve human rights, and expand private sector, market-oriented economies open to foreign investment and trade.

In 1990, Germany pledged $3.5 billion in military and other assistance in support of Operation Desert Storm and pledged to provide another $5.5 billion in the first three months of 1991. Germany also provided heavy equipment transporters (HETS), tank and other ammunition, electronics, generators, water transport and purification equipment, chemical/biological warfare (CBW) protective equipment, trucks, and air and sea transportation. Germany absorbed most of the considerable cost of rail transport for deploying U.S. personnel and materiel from Germany to the Saudi Arabia and their return. Also in 1990, Germany deployed a frigate, five minesweepers, and two support ships to NATO forces in the eastern Mediterranean Sea, thus freeing other allied ships for service with the multinational naval force in the Persian Gulf. In early 1991, Germany sent a fighter squadron to Turkey with the Allied Command Europe (ACE) Mobile Force to augment its defense against possible Iraqi aggression. The FRG has also announced that it will send Roland and Hawk air defense missile units to further augment Turkey's defenses.

PROGRAM DESCRIPTION

Objectives

- Promote NATO standardization and equipment interoperability
- Enhance allied air defenses in Central Europe
- Continue supporting U.S.-origin weapons systems
- Promote bilateral US/FRG cooperative armaments development
- Enhance surveillance and early warning systems
- Enhance radar and communications networks
- Support missile and other purchases to strengthen area defense and anti-armor capabilities

- Encourage continued strong FRG support for Southern Region allies and NATO infrastructure programs

Status

The United States and Germany continue to have a strong and cooperative security relationship. Germany either produces or purchases from the United States and other NATO allies the majority of its new weapons systems. Germany participates in co-production of several advanced systems, such as Stinger, MLRS and Patriot.

Germany's cash purchases of U.S. defense articles and services support Alliance objectives and European stability by enhancing NATO cooperative efforts. The sales also maintain the continued security of U.S. forward-deployed forces and enhance the effectiveness of FRG forces. The sales, also help to reduce the U.S. trade deficit with Germany by about 10-12 percent each year. In the 1980s, the FRG made major contributions to the NATO infrastructure program and aided Southern Region allies.

FY 1992 REQUEST

In FY 92, German commercial and FMS purchases will include materiel and training to support U.S.-origin weapons systems. Additional purchase items are likely to include HARM missiles and equipment, services for the Patriot and HAWK missile systems, aircraft radar, air-to-air missiles, airborne reconnaissance assets and anti-tank missiles.

GHANA

POLICY CONSIDERATIONS

United States-Ghanaian relations are improving. We continue to urge the Government of Ghana to move towards genuine non-alignment and political pluralism and have expressed our concerns over human rights abuses. We support the government's adherence to an economic recovery program, supported by the IMF and World Bank, which emphasizes the private sector and foreign private investment as the best road to sustained equitable growth.

The IMET program is intended to reinforce the already pro-Western orientation of the Ghanaian military establishment and thereby counter Libyan attempts to project its influence in West Africa. IMET also exposes future Ghanaian leaders to U.S. traditions in civil-military relations, democracy and human rights.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education, management and technical training. Emphasis will be on basic and advanced officer courses, international defense management, maintenance and medical training.

GREECE

POLICY CONSIDERATIONS

Greece, under the New Democracy government of Prime Minister Constantine Mitsotakis since elections in April 1990, has strengthened ties with the United States and reinvigorated its role within NATO. Greece solidified its security relationship with the U.S. by ratifying in July 1990 a new eight-year Mutual Defense Cooperation Agreement which entered into force on November 6, 1990. The agreement provides for continued United States use of facilities at Souda Bay and Iraklion on Crete, and the orderly phasing out of other facilities. The agreement stipulated that the U.S. would seek appropriate levels of defense support to assist in the modernization of the Hellenic Armed Forces (HAF). Provision of U.S. security assistance fulfills that pledge. It also encourages Greece to focus military procurement programs on U.S. equipment and to join in cooperative programs with other NATO countries.

Greece fully supported U.S. deployments to Operation Desert Storm to respond to Iraq's invasion of Kuwait. Greece granted us blanket overflight clearance, offered contingency hospital support, authorized basing of U.S. aircraft at facilities in Greece, and sent a frigate to the multinational naval force in the Persian Gulf. Greek cooperation was instrumental in the rapid movement of troops and equipment to the region and remains important for our armed forces in the Gulf. Greece quickly and fully enforced U.N. sanctions against Iraq.

A common NATO strategy remains key to a coordinated response by the Alliance to the dramatic changes in Eastern Europe and the Soviet Union. U.S. security assistance ensures that Greece will be able to continue to perform its NATO role during this period. The FMF program supplements Greek national funds in implementing its five year HAF modernization program. FMF also helps Greece to protect itself—and helps preserve regional stability, if necessary—should long-suppressed ethnic differences that threaten to destabilize the Balkans erupt into conflict. Ongoing FMF help with HAF modernization will be important to encourage Greek cooperation in meeting future extra-regional crises. NATO's infrastructure program and West European allied aid to the Southern Region complements FMF for Greece.

Greece relies on FMF as an integral element of its HAF modernization program. Faced with an inflation rate of over 18 percent, a public sector borrowing requirement of 22 percent, and external debt totalling $24 billion, Greece would be unable to continue modernization without our assistance. Greece's domestic financial difficulties makes some grant aid important.

PROGRAM DESCRIPTION

Objectives

- Support a continuing strong bilateral defense relationship
- Encourage Greece's continued active participation in NATO
- Encourage Greece's participation in multilateral forces such as the one in the Gulf
- Enhance Greece's ability to defend its sovereignty in a region of potential unrest

- Support Greece's five year defense modernization program

Status

Our security assistance consists of FMF credits and grants and IMET training to support HAF modernization. This includes: improving force structure and command and control i procurement of helicopters, anti-tank missiles and tank upgrades; and, infrastructure p Greek and allied armed forces, anti-aircraft and upgraded air defense systems, anc forces. Recent major Greek purchases with FMF credits included 30 UH-1H h AIM9P4 missiles, upgrade kits, and communications equipment.

The IMET program provides professional military education, management and t IMET also enhances the Greek military's understanding of current U.S. foreign pc concerns and helps to provide a broad awareness of modern American society.

FY 1992 REQUEST

The proposed FY 92 FMF program will permit follow-on support for U.S.-origi allow for purchase of additional aircraft, ammunition and armaments. Sales may control systems and equipment, Harpoon missiles, and possibly F-16 aircraft. IMET College, Command and Staff College, Army Advanced Officer courses, technical tr U.S.-origin equipment, and Navy and Air Force management courses.

GREECE
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	350,000
INTL MIL EDUCATION & TRNG PROG	500
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	350,500
STUDENTS TRAINED UNDER IMET	121

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	318,624	320,000	285,000
GRANT	29,871	30,000	65,000
TOTAL	348,495	350,000	350,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	629	550	500
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			191,092

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	200,906
DEFENSE ARTICLES/SERVICES	200,906
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	2,328
ESTIMATED FMS AGREEMENTS FY 1991:	150,000
DEFENSE ARTICLES/SERVICES	150,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	268,447
ESTIMATED FMS AGREEMENTS FY 1992:	120,000
DEFENSE ARTICLES/SERVICES	120,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	161,068

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	39,172	46,186	52,488	n/a
PER CAPITA GDP**	3,929	4,623	5,197	n/a
TOTAL BUDGET	14,396	17,876	21,408	n/a
TOTAL DEBT	21,331	23,914	23,513	n/a
FMF DEBT	2,339	2,630	2,902	3,197
PERCENTAGE OF FMF TO TOTAL DEBT	11%	11%	12%	0%
DEBT SERV RATIO	29%	34%	28%	0%

*Less than $500,000 **In dollars n/a-not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	973,240	937,032	1,910,272
FY 1991	63,889	229,042	292,931
FY 1992	121,035	235,267	356,302
FY 1993	178,427	233,243	411,670
FY 1994	239,651	221,983	461,634
FY 1995	300,325	206,511	506,836
FY 1996	329,505	188,384	517,889
FY 1997	331,542	167,424	498,966
FY 1998	297,142	147,850	444,992
FY 1999	250,861	130,415	381,276
FY 2000	205,128	114,759	319,887
TOTAL	3,290,745	2,811,910	6,102,655

GUATEMALA

POLICY CONSIDERATIONS

The primary United States objective in Guatemala is the promotion of a stable, democratic government respectful of human rights, and the development of a strong, market-based economy able to improve the living standards of the rural Indian poor. President Cerezo's administration (January 1986 through January 1991) took significant steps to open up the economy and the political process but did little to stem violence and rights abuses. Democratic development in Guatemala continues to be undermined by the existence of extra-judicial violence, weak government, a small but entrenched insurgency, and increasing narcotics production and trafficking. Two unsuccessful coup attempts occurred under President Cerezo.

Guatemala held orderly, peaceful and fair elections on November 11, 1990, followed by a second round of balloting on January 6, 1991. Guatemala made its first transition from one civilian government to another in its modern history when President Serrano took office in January 1991.

The country remains poor, with a primarily agricultural economy, inadequate infrastructure, limited education, poor health and social services, and wide wealth disparities. In 1986, President Cerezo's administration implemented a far-reaching economic adjustment program to encourage sustainable growth. By early 1991, the outlook was for heavy but manageable debt service payments, foreign exchange shortages, and inadequate investment to boost economic growth enough to improve markedly the peoples' general low living standards.

PROGRAM DESCRIPTION

Objectives

- Support democratic development by strengthening civilian governmental institutions and control of the military
- Support reform of the judiciary
- Promote growth to foster more equitable income distribution
- Improve military and police respect for human rights
- Promote military professionalism and support for democracy
- Strengthen the Government's capability to combat the insurgency and internal right-wing organizations
- Improve and expand counter-narcotics activities

Status

The 42,000-man Guatemalan armed forces desperately need repair parts to keep existing equipment working. Military equipment and materiel stocks are dangerously low. The newest U.S. equipment is 14 years old, uneconomical to repair, and needs replacement. The air force's 49 flyable fixed-wing aircraft and 27 helicopters have a relatively low operational readiness. Many military vehicles require replacement. The army communication system is not secure and cannot support units in the field.

In December 1990, we suspended the $2.9 million FY 90 FMF program because of serious concerns about human rights and, particularly, the inaction on the June 1990 murder of an American citizen. We plan to resume the FMF program only after President Serrano takes concrete steps to resolve the murder and improve observance of human rights.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide spare parts, services, tools and replacement equipment. It will support helicopter and transport aircraft used for medical and other support to units operating in remote insurgent strongholds; repair vehicles, communications, and engineering equipment; and, upgrade logistics. IMET will provide professional military education and technical training. It will also expose Guatemalans to U.S. traditions of democracy, human rights, and civilian government control of the military.

ESF will provide balance of payments support and support market-oriented polices promoting investment and growth. ESF-generated local currency will improve the infrastructure and increase social services in rural areas.

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GUATEMALA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	2,000
INTL MIL EDUCATION & TRNG PROG	400
ECONOMIC:	
ECONOMIC SUPPORT FUND	30,000
DEVELOPMENTAL ASSISTANCE	20,225
P.L. 480	23,909
PEACE CORPS	2,560
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	87,094
STUDENTS TRAINED UNDER IMET	101

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	2,887	2,000	2,000
TOTAL	2,887	2,000	2,000
ECONOMIC SUPPORT FUND	56,483	30,000	30,000
IMET	492	400	400

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990 0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	4,038
DEFENSE ARTICLES/SERVICES	4,038
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	214
ESTIMATED FMS AGREEMENTS FY 1991:	3,000
DEFENSE ARTICLES/SERVICES	3,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,802
ESTIMATED FMS AGREEMENTS FY 1992:	3,000
DEFENSE ARTICLES/SERVICES	3,000
EST VAL : OF COMMERCIAL EXP DELIVERIES	1,081

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	8,470	7,084	7,871	8,497
PER CAPITA GDP**	1,034	839	907	951
TOTAL BUDGET	809	792	941	n/a
TOTAL DEBT	2,755	2,816	2,633	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	24%	26%	27%	0%

*Less than $500,000 **In dollars n/a-not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

GUINEA

POLICY CONSIDERATIONS

Since 1984, Guinea has developed friendly relations with the West, particularly the United States and France. Guinean cooperation with the United States continues on the upswing in both the economic and military spheres. This gradual change of political alignment offers an opportunity to enhance U.S. influence, promote our national interests, and encourage the military-controlled government to follow through on proposed constitutional reforms which, if implemented, could significantly open the political system to democratic reforms. The United States also encourages further economic structural adjustment and market-oriented growth.

The IMET program focuses on helping the Guineans protect the fishing resources of their exclusive economic zone, and further orient the Guinean military toward the West. The IMET program continues to promote contacts between Guinean military officers and their U.S. counterparts, and exposes Guineans to U.S. values of democracy, human rights and free enterprise. Through this contact, there has been a noticeable improvement in Guinean perceptions of the U.S., which may lead to an increased understanding of civilian control of the military in a democratic society.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education and technical training, with an emphasis on basic seamanship.

GUINEA-BISSAU

POLICY CONSIDERATIONS

The Government of Guinea-Bissau continues to demonstrate a strong desire to move toward genuine non-alignment and broaden its relations with the United States and other Western countries. The military government has announced plans for future democratic reform, including the introduction of a multi-party system and a constitution which envisions greater respect for human rights.

The United States will continue to urge the government to follow through on these plans. The government continues to place more emphasis on the role of the private sector and foreign private investment in development and to move toward a market-oriented economy. The IMET program is intended to strengthen these positive trends and to encourage the government to continue denying the use of its territory to Libya for military purposes.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education. Emphasis will be placed on command and staff courses.

GUYANA

POLICY CONSIDERATIONS

Since mid-1985, the Government of Guyana (GOG) has pursued a policy of non-alignment and friendly relations with the United States and other Western countries. The People's National Congress (PNC) defeated the People's Progressive Party (PPP) and other parties in the 1985 elections. New national elections are now scheduled for mid-1991. The GOG, in response to opposition claims of past systematic election fraud, has agreed to significant electoral reform and has invited a Commonwealth observer team, and former President Carter, to monitor the elections. AID will help finance the observers, technical advisers and election support materials.

In April 1989, Guyana implemented an IMF-monitored economic recovery program backed by an IMF-sponsored "Guyana Support Group", headed by Canada and including the U.S. and other industrialized nations. In June 1990, the Support Group assembled a bridge-loan and bilateral contribution package which, added to GOG contributions, enabled the GOG to clear all arrears to international financial institutions (IFI) and again qualify for IFI loans. On September 13, 1990 the Paris Club agreed to terms for rescheduling Guyana's debt to member lenders, including the United States.

The proposed IMET program would enable us to improve the GOG's understanding of U.S. foreign and economic policy, and to encourage it to engage the Guyana Defense Force (GDF) more fully in counter-narcotics operations, which the GDF has already begun to undertake. The GDF however, is poorly equipped and has few trained technicians. The IMET program would provide military and technical training to upgrade the GDF's transportation and communications capabilities, thus enhancing its narcotics interdiction capability. IMET also promotes professionalism, and exposes trainees to U.S. traditions of democracy, human rights and civilian control of the military.

PROGRAM DESCRIPTION

Objectives

- Encourage a pro-Western foreign policy
- Strengthen democratic processes and institutions, and encourage respect for human rights
- Stimulate economic reform to permit new economic growth
- Promote privatization of state-owned enterprises, and encourage domestic and foreign investment

Status

The ESF and PL480 programs provided much-needed support to Guyana's economic recovery program, and helped to stimulate market forces in Guyana's state-dominated economy. However, the recovery program still has a long way to go, especially in privatizing state-owned and controlled enterprises, and diversifying the economy beyond dependence on bauxite, sugar and rice. ESF supports these efforts to stimulate the economy and thus benefits all segments of the society. In mid-1990, we

temporarily suspended the ESF program pending the holding of free and fair elections, now scheduled for mid-1991. We expect to resume the ESF program shortly thereafter.

Until recently, the U.S. had very little contact with the GDF, a professional, well-disciplined, but poorly equipped force which has been reduced by retrenchment to approximately 2,000 personnel. Equipment and training previously provided by the Soviet Union, Eastern Europe and Cuba are no longer available or desired. Instead, the GDF now seeks U.S. assistance. IMET training in FY 91 will enhance the professionalism and technical capabilities of the GDF.

FY 1992 REQUEST

The proposed IMET program would provide professional military education and technical training. ESF would provide balance of payments and budget support for the structural changes needed to address underlying economic problems.

GUYANA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	0
INTL MIL EDUCATION & TRNG PROG	50
ECONOMIC:	
ECONOMIC SUPPORT FUND	2,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	5,000
PEACE CORPS	638
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	7,688
STUDENTS TRAINED UNDER IMET	4

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	0
TOTAL	0	0	0
ECONOMIC SUPPORT FUND	2,289	2,000	2,000
IMET	0	50	50
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	0
DEFENSE ARTICLES/SERVICES	0
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	56
ESTIMATED FMS AGREEMENTS FY 1991:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	35
ESTIMATED FMS AGREEMENTS FY 1992:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	21

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	520	347	360	n/a
PER CAPITA GDP**	536	350	356	n/a
TOTAL BUDGET	n/a	n/a	n/a	n/a
TOTAL DEBT	1,583	1,678	1,647	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	12%	8%	7%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	NO FOREIGN MILITARY FINANCING		
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

HAITI

POLICY CONSIDERATIONS

Since the fall of the Duvalier regime in February 1986, five governments have tried to rule the country. The civilian transition government of President Ertha Trouillot held fair and free democratic elections on December 16, 1990. President Jean-Bertrand Aristide and the newly elected parliament, in which his party has a plurality, took office on February 7.

The United States and Haiti have a long history of close, but frequently troubled relations. We continue to support Haitian efforts to develop a functioning democracy that respects basic human rights and a more modern economy capable of sustained, equitable growth. Politically, Haiti finally seems to be on a path to becoming a functioning democracy, but many challenges must still be overcome. The Haitian army commander, Lt. Gen. Herard Abraham, and the military remained neutral during the electoral process, provided the security necessary for its success, and defended the election results against an early January coup attempt by Duvalier elements. Economically, the situation remains bleak.

Haiti remains the poorest country in the hemisphere with a per capita annual income of approximately $350, forty percent unemployment, little foreign investment and no foreign reserves. The economy remains dependent on subsistence agriculture, handicrafts and some local trade. Economic infrastructure, education and basic social services are all very poor. Severe environmental problems are depleting the country's few natural resources. The Persian Gulf crisis caused higher oil and other prices and the economic slowdown in the U.S. has further burdened the economy. Remittances from Haitian workers abroad are essential to the economy. Small-scale marijuana production and narcotics trafficking are becoming attractive alternatives for some Haitians.

PROGRAM DESCRIPTION

Objectives

- Support the newly elected civilian government in developing democratic processes and institutions
- Improve human rights
- Strengthen counter-narcotics cooperation
- Promote private sector-led, free-market economic policies

Status

The Haitian Armed Forces' continuing support for the new government is essential to its surviving possible challenges from still strong anti-democratic forces. The military's effectiveness is hampered by a shortage of experienced senior officers and non-commissioned officers. The military also needs basic communication and transportation equipment, clothing, bedding and other necessities.

In FY 90, the FMF program provided $498,000 for non-lethal assistance to the Organization of American States (OAS) to use in helping the Haitian military to protect the electoral process. In FY 91, we allocated additional FMF for non-lethal assistance directly to the Haitian military to enable it to better protect the new government and to engage in cooperative counter-narcotics operations. U.S. economic assistance helps to stimulate economic growth and provide basic services to the people. Besides providing military and technical skills, the IMET program exposes Haitians to U.S. traditions of democracy, human rights and civilian control of the military.

FY 1992 REQUEST

The proposed FY 92 FMF program would help the Haitian military defend the government against domestic security threats, and support intensified counter-narcotics operations. ESF will promote economic stabilization. IMET will provide professional military education, technical and management training to improve professionalism and human rights.

HAITI
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	2,200
INTL MIL EDUCATION & TRNG PROG	665
ECONOMIC:	
ECONOMIC SUPPORT FUND	24,000
DEVELOPMENTAL ASSISTANCE	38,750
P.L. 480	25,810
PEACE CORPS	1,428
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	92,853
STUDENTS TRAINED UNDER IMET	54

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	498	1,000	2,200
TOTAL	498	1,000	2,200
ECONOMIC SUPPORT FUND	3,000	12,000	24,000
IMET	0	200	665
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	0
DEFENSE ARTICLES/SERVICES	0
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	1
ESTIMATED FMS AGREEMENTS FY 1991:	500
DEFENSE ARTICLES/SERVICES	500
EST VALUE OF COMMERCIAL EXP DELIVERIES	87
ESTIMATED FMS AGREEMENTS FY 1992:	500
DEFENSE ARTICLES/SERVICES	500
EST VALUE OF COMMERCIAL EXP DELIVERIES	52

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	2,244	1,950	n/a	n/a
PER CAPITA GDP**	419	359	n/a	n/a
TOTAL BUDGET	393	415	n/a	n/a
TOTAL DEBT	705	846	823	n/a
FMF DEBT	1	1	1	1
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	4%	5%	6%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	1,688	788	2,476
FY 1991	160	93	253
FY 1992	80	33	113
FY 1993	80	22	102
FY 1994	80	13	93
FY 1995	38	4	42
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	2,126	953	3,079

HONDURAS

POLICY CONSIDERATIONS

Honduras is a key ally and friend of the United States in Central America. The United States is continuing to work with the Honduran Government to disrupt the smuggling of arms through its territory to El Salvador and to expand counter-narcotics cooperation, an initiative with great promise. Our technical cooperation, coupled with Honduras' Caribbean Basin Radar Network (CBRN) radar sites and Honduran Air Force support, could form a key barrier to the flow of drugs from Colombia to the United States Honduras has maintained programs to detect and interdict arms and drugs shipments despite severe cutbacks in its overall military budget, but it needs support to sustain these efforts.

Since taking office in January 1990, President Callejas has moved quickly and decisively to further institutionalize democracy and improve human rights. We continue to support Honduras' fledgling democracy, which in 1990 completed its second consecutive transition from one freely-elected president to another. The security assistance program supports further professionalization in the Honduran Armed Forces (HAF) and a reexamination and modernization of missions based on the current situation including a more efficient use of scarce resources. With democracy developing in Nicaragua and the reduction of the Sandinista military, the United States also supports expanding the HAF's counter-narcotics role. In recent years, the FMF program has focused on: completing the F-5 program to replace aged French fighters; providing essential maintenance and logistics support for U.S.-origin equipment and transport aircraft; and, supporting joint military exercises.

Honduras remains poor and underdeveloped, with an agricultural economy, a rapidly growing population, and serious administrative and financial problems. The government has undertaken a courageous economic reform program, the short-term effects of which have been a painful economic contraction and higher inflation. Even optimistic projections forecast negative per-capita growth through 1993. Higher fuel prices due to the Persian Gulf crisis will aggravate the problem. U.S. economic assistance and expanded trade are key to Honduran efforts to stabilize its economy and achieve higher rates of growth to improve living standards. The ESF program encourages structural reform and realistic budgets towards these ends.

PROGRAM DESCRIPTION

Objectives

- Encourage civilian control of the armed forces and better civil-military relations
- Support democratic processes and institutions and improved respect for human rights
- Support the government during the most difficult stages of its economic reform program
- Encourage private investment needed to sustain economic growth, generate employment and maintain basic services
- Support expanded efforts to combat narcotics and arms smuggling

Status

The 24,000-strong Honduran Armed Forces (HAF), which include the army, navy, air force and police, have moved steadily toward acceptance of civilian authority in the 1980's. The HAF accepted severe budget cuts in 1990 as part of the government's economic reform program. Continuing HAF weaknesses include maintenance, management, and tactical and technical skills. The IMET program is designed to address these problems and to expose students to U.S. traditions of democracy, respect for human rights and civilian control of the military.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide spare and repair parts and logistical support for U.S.-origin equipment, and expand counter-narcotics activities. ESF will sustain economic reforms while helping to alleviate the most severe social effects of fiscal austerity. IMET will provide logistical, maintenance and medical training.

HONDURAS
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	19,100
INTL MIL EDUCATION & TRNG PROG	1,100
ECONOMIC:	
ECONOMIC SUPPORT FUND	50,000
DEVELOPMENTAL ASSISTANCE	41,000
P.L. 480	17,432
PEACE CORPS	3,645
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	132,277
STUDENTS TRAINED UNDER IMET	235

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	20,163	21,850	19,100
TOTAL	20,163	21,850	19,100
ECONOMIC SUPPORT FUND	60,017	50,000	50,000
IMET	1,053	1,100	1,100
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	25,702
DEFENSE ARTICLES/SERVICES	23,686
CONSTRUCTION/DESIGN	2,016
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	606
ESTIMATED FMS AGREEMENTS FY 1991:	20,000
DEFENSE ARTICLES/SERVICES	20,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	6,586
ESTIMATED FMS AGREEMENTS FY 1992:	15,000
DEFENSE ANTICLES/SERVICES	15,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	3,951

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	3,798	4,064	4,457	4,885
PER CAPITA GDP**	842	872	928	987
TOTAL BUDGET	822	794	826	n/a
TOTAL DEBT	2,981	3,322	3,318	n/a
FMF DEBT	35	33	32	27
PERCENTAGE OF FMF TO TOTAL DEBT	1%	1%	1%	0%
DEBT SERV RATIO	21%	26%	29%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	53,086	34,946	88,032
FY 1991	3,239	1,358	4,597
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	56,325	36,304	92,629

HUNGARY

POLICY CONSIDERATIONS

Hungary continued to progress in developing democratic processes and institutions in 1990 culminating in parliamentary elections in the spring and local elections in the fall. Hungary also continued its effort of recent years to decentralize its economy and move to a free market. The privatization program is only now getting underway and much remains to be done. Dislocations in the Soviet Union as well as the Gulf Crisis forced Hungary to confront higher oil import bills, while the country coped with a heavy debt burden. Hungary supports U.N. sanctions against Iraq and sent humanitarian assistance and a medical unit to Operation Desert Storm.

The United States has supported Hungary's move to democracy since it began. President Bush proposed and Congress passed the SEED Act in 1989 to help the countries of East-Central Europe transition to democracy and market economies. The Hungarian-American Enterprise Fund is a key component of the U.S. program of economic assistance.

A carefully developed IMET program would complement the continuing emergence of democracy in Hungary. In 1992, IMET would train Ministry of Defense civilians in democratic oversight of the armed forces. Such a program would contribute to the development of democratic institutions and political pluralism characterized by the establishment of non-partisan military, security and police forces. An IMET program is especially appropriate in the context of Hungary's changed relationship with the Warsaw Pact that is resulting in greater Hungarian concern for security arrangements and confidence building practices in the broader European sense.

PROGRAM DESCRIPTION

Objectives

- Teach the skills necessary to civilian management and oversight of the military
- Establish friendships and channels of communication with the Hungarian Ministry of National Defense and military

Status

A small amount of IMET funds was allocated in FY 91 to develop a program for Hungary to complement our economic aid.

FY 1992 REQUEST

The proposed IMET program would give defense management and technical training to MOD civilians and military personnel.

ICELAND

POLICY CONSIDERATIONS

Iceland occupies a critical location in the North Atlantic. The present coalition government supports Iceland's membership in NATO and the retention of the U.S.-manned NATO base at Keflavik. Nevertheless, public support of the U.S.-Icelandic defense relationship cannot be taken for granted. Iceland has no armed forces of its own, but contributes to its own security and that of the Keflavik base in other ways, especially through its Coast Guard.

PROGRAM DESCRIPTION

Iceland is expected to purchase through FMS and on a commercial basis spare and repair parts for U.S.-origin equipment on its Coast Guard vessels, search and rescue helicopters, and other similar or related equipment.

INDIA

POLICY CONSIDERATIONS

India has the world's fourth largest armed force and is emerging as the leading military power in the South Asia and Indian Ocean region. As such, its policies and actions will be key to regional peace and stability. As the world's most populous democracy and a leader in the Non-Aligned Movement, India's influence is already felt far beyond the South Asia region. India has adhered to U.N. sanctions against Iraq and suffered greatly from lost Gulf oil and worker remittances. At the same time, India is experiencing increasing difficulty in obtaining foreign development assistance.

India is a secular republic governed by officials chosen in regular multiparty elections at national and state levels. Its democracy is bolstered by legal safeguards for the rights of individuals, a vigorous free press, an independent judiciary and action-oriented voluntary associations.

Indian-U.S. relations have continued to grow since 1981, especially in the fields of commerce and transfer of high technology. In line with its policies of diversifying its foreign arms and equipment sources and achieving self-reliance in arms production, India has purchased U.S. military equipment and sought transfers of U.S. military technology.

We have used the increasingly active high-level dialogue resulting from closer relations to promote regional stability and to increase Indo-U.S. cooperation without detriment to Pakistani-U.S. cooperation. Our discussions have included such contentious issues as nuclear and missile proliferation; Indian trade barriers and protection of intellectual property rights; U.S. relations with Pakistan; India's relations with its South Asian neighbors; and, human rights abuses, particularly in Kashmir and Punjab.

PROGRAM DESCRIPTION

The proposed IMET program will provide management, technical and research training, with emphasis on mid- and senior-level professional military education as part of India's goal of developing a modern defense structure. IMET builds on the Indian armed forces' tradition of respect for democracy and civilian control of the military.

INDONESIA

POLICY CONSIDERATIONS

The United States and Indonesia have developed and maintained a friendly relationship over the past 25 years. Indonesia is a leading member of ASEAN, plays a moderating role in international fora, and often cooperates with the U.S. on regional issues. Indonesian leadership in seeking a Cambodia solution has been very helpful. Indonesia has supported U.N. sanctions against Iraq.

The Indonesian government views U.S. assistance levels as an indicator of our interest in Indonesia's security, and of our intention to remain a regional player. Both U.S. and Indonesian armed forces have found the IMET program extremely valuable. The Indonesians respect the quality of U.S. military hardware, evidenced by their purchase of 12 F-16s; however, that purchase strapped the defense budget. Foreign assistance is a key element in purchase decisions.

President Soeharto and the military wield predominant political power over Indonesia's citizens. The government makes major political decisions through a process of "consultation to consensus." The debate over political, economic and social issues is broadening; and the Parliament has somewhat enhanced its dialogue with the Executive. Reports of human-rights violations declined in recent years, particularly in East Timor. The U.S. encourages Indonesia to respect internationally recognized human rights, and to expand democratic processes. Indonesia's tradition of religious tolerance continues.

Indonesia has vast reserves of oil, natural gas and other strategic raw materials. In the 1980s, Indonesia began to deregulate its economy and expand the private sector. Its rapid diversification has markedly increased non-oil exports, reducing oil revenues to 40 percent of the export total. Effects of the Persian Gulf crisis have been to increase oil revenues while slowing world demand for non-oil exports, leaving Indonesia only a small net gain. Indonesian economic deregulation has greatly increased opportunities for U.S. investment and trade outside the traditional oil and mining sectors. Entry into new, more diverse, and potentially huge industrial sectors could substantially increase U.S.-Indonesian trade to the benefit of both countries.

PROGRAM DESCRIPTION

Objectives

- Promote understanding of a U.S. security presence in Asia
- Urge market-oriented policies to expand private sector
- Encourage increased U.S. investment and trade
- Support F-16 and other U.S.-origin defense equipment
- Encourage democracy and human rights

Status

The United States pledged to provide $12 million in ESF in FY 90-93 to support an AT&T bid for a major telephone-switch project, subject to funding availability and legal requirements. EXIM Bank is to provide an equal amount. In November 1990, AT&T won the contract. The ESF funds will enable AT&T to meet the soft-financing terms on a contract that in the long-term could be worth more than a billion dollars.

The FMF program, building on the previous F-5 program, encouraged Indonesian acquisition of the F-16 aircraft rather than European fighters. The FMF program demonstrates that the United States is a reliable friend by supporting previously supplied U.S. aircraft, helicopters, ships and other equipment appropriate to Indonesian defense requirements.

The IMET program has been highly successful in helping to train present and future Indonesian military leaders and technicians, and to broaden their appreciation of U.S. defense doctrine, operations and training practices. IMET also exposes Indonesians to U.S. traditions of democracy, human rights and civilian control of the military.

FY 1992 REQUEST

The proposed FY 92 ESF program will contribute to EXIM mixed-credit financing to underwrite AT&T's telecommunications contract. IMET will focus on professional military education, management, and technical training to support the F-16 program and encourage acquisition of other U.S. defense systems.

INDONESIA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	0
INTL MIL EDUCATION & TRNG PROG	2,300
ECONOMIC:	
ECONOMIC SUPPORT FUND	5,000
DEVELOPMENTAL ASSISTANCE	45,250
P.L. 480	5,792
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	58,342
STUDENTS TRAINED UNDER IMET	180

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	0
TOTAL	0	0	0
ECONOMIC SUPPORT FUND	1,991	5,000	5,000
IMET	1,985	1,900	2,300
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	19,853
DEFENSE ARTICLES/SERVICES	19,853
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	15,219
ESTIMATED FMS AGREEMENTS FY 1991:	50,000
DEFENSE ARTICLES/SERVICES	50,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	71,528
ESTIMATED FMS AGREEMENTS FY 1992:	10,000
DEFENSE ARTICLES/SERVICES	10,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	42,977

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	79,989	76,763	82,726	n/a
PER CAPITA GDP**	475	440	471	n/a
TOTAL BUDGET	18,216	17,349	18,601	n/a
TOTAL DEBT	43,117	52,668	52,600	n/a
FMF DEBT	177	144	119	96
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	33%	31%	27%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	275,533	135,604	411,137
FY 1991	20,277	6,070	26,347
FY 1992	16,214	3,334	19,548
FY 1993	11,490	2,109	13,599
FY 1994	7,419	1,433	8,852
FY 1995	5,752	1,012	6,764
FY 1996	5,752	723	6,475
FY 1997	5,752	426	6,178
FY 1998	3,065	189	3,254
FY 19**	533	47	580
FY 20	533	20	553
TOT	352,340	149,947	602,287

IRELAND

POLICY CONSIDERATIONS

Ireland is a friendly, western, non-militarily aligned country. Its armed forces help suppress Provisional IRA terrorists, and serve in U.N. peacekeeping forces in several countries. Cutbacks in defense expenditures by the Irish Government have had a negative impact on the Irish Army. Also, the failure of the U.S. to fund fully U.N. peacekeeping operations has forced Ireland to assume part of the costs for keeping its troops in Lebanon and elsewhere. The Irish defense forces have used a combination of IMET and national funds to support courses for the professional development of their officers at U.S. staff colleges.

PROGRAM DESCRIPTION

Ireland purchases some spare parts for U.S. equipment and other defense articles and services through FMS and commercial sales.

ISRAEL

POLICY CONSIDERATIONS

The United States' commitment to Israel's security and well-being has been a cornerstone of our Middle East policy since the creation of the state of Israel in 1948. Our continuing commitment is based on historic and cultural ties, as well as the ongoing U.S. interest in securing a just and comprehensive peace between Israel and its Arab neighbors. We also share with Israel concerns related to the security of the eastern Mediterranean and stability in the Middle East. President Bush repeatedly emphasizes that Israel's security and legitimacy must not be in doubt if the regional peace process, which the U.S. strongly supports, is to succeed.

Iraq's 1990 invasion of Kuwait, and Saddam Hussein's repeated threats to attack Israel with chemical and other weapons, followed by Iraqi missile attacks in early 1991, heightened the dangers to Israel. Israel's highly commendable restraint in delaying its retaliation for the missile attacks significantly assisted the allied coalition forces engaged in Operation Desert Storm. We have expedited the delivery of Patriot fire units to Israel to help defend against Iraqi attacks.

The security assistance program is designed to ensure Israel's existence as a free and democratic state that shares many of our own social and political traditions. The FMF program enables Israel to maintain the essential capability to defend itself against any likely combination of aggressors. The ESF program provides the necessary balance of payments support to help Israel reduce inflation, sustain its market economy's growth, and maintain a decent standard of living for its people. The influx of large numbers of Soviet immigrants that began in late 1989, with urgent needs for housing, employment and basic social services, greatly increased the strains on the economy. The Gulf crisis caused higher oil prices, uncertain international economic conditions and new inflationary pressures.

PROGRAM DESCRIPTION

Objectives

- Assist Israel to maintain the qualitative edge needed for its national security with a balance of new weapons procurement, upgrades, and support of existing systems
- Encourage a comprehensive settlement of the Arab-Israeli conflict to promote stability and security in the region
- Continue cash-flow funding and follow-on support for F-16 and F-15 aircraft, Apache helicopters and F-4 upgrades
- Assist Israel's planned naval modernization program
- Promote economic reform and renewed private sector growth

Status

The FMF program shifted to an all-grant basis in FY 85 that enabled Israel to meet cash flow requirements of procuring F-16 and F-15 aircraft, attack helicopters, AN/TPQ-37 radar, and Israeli-origin systems such as the Merkava tank. The program also modernized systems already in the inventory, including GAL class submarines and F-4 fighters. While Israel decided to proceed with a naval modernization program, funding limits delayed implementation of major new programs for reconnaissance and transport helicopters and reduced purchases of critical support, spares and training.

The ESF program provided balance of payments support that helped Israel reduce inflation from the extremely high levels of the mid-1980s, without increased unemployment. Intifadah related dislocations contributed to reduced growth which fell from five percent in 1987 to one percent by 1989 and three percent in 1990. Soviet immigration grew dramatically in 1990 and is expected to remain high in 1991. Israel tried to continue its market-oriented economic reforms, but the immigrants' needs took precedence over prior plans.

FY 1992 REQUEST

The proposed FY 92 FMF program will help Israel continue major procurement and equipment upgrade programs to maintain air superiority, increase infantry mechanization and mobility, and improve naval equipment quality and capability. FMF also will help to maintain Israel's capabilities and readiness to cope with heightened Gulf crisis threats. ESF will help Israel protect already implemented economic reforms, resettle Soviet emigres and cope with Gulf crisis burdens.

ISRAEL
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	1,800,000
INTL MIL EDUCATION & TRNG PROG	0
ECONOMIC:	
ECONOMIC SUPPORT FUND	1,200,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	3,000,000
STUDENTS TRAINED UNDER IMET	0

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	1,792,260	1,800,000	1,800,000
TOTAL	1,792,260	1,800,000	1,800,000
ECONOMIC SUPPORT FUND	1,194,840	1,200,000	1,200,000
IMET	0	0	0
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			42,240

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	355,258
DEFENSE ARTICLES/SERVICES	355,258
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	69,202
ESTIMATED FMS AGREEMENTS FY 1991:	80,000
DEFENSE ARTICLES/SERVICES	80,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	2,086,287
ESTIMATED FMS AGREEMENTS FY 1992:	260,000
DEFENSE ARTICLES/SERVICES	260,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,239,772

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	29,632	36,366	39,856	n/a
PER CAPITA GDP**	6,891	8,322	8,997	n/a
TOTAL BUDGET	18,038	21,233	20,992	n/a
TOTAL DEBT	18,914	17,452	n/a	n/a
FMF DEBT	9,339	9,214	9,096	5,926
PERCENTAGE OF FMF TO TOTAL DEBT	49%	53%	0%	0%
DEBT SERV RATIO	0%	0%	0%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	5,631,511	8,756,563	14,388,074
FY 1991	191,145	247,822	438,967
FY 1992	196,021	234,547	430,568
FY 1993	196,021	220,513	416,534
FY 1994	210,655	206,756	417,411
FY 1995	205,289	191,138	396,427
FY 1996	179,473	177,399	356,872
FY 1997	163,656	163,096	316,752
FY 1998	153,656	150,290	303,946
FY 1999	143,866	137,502	281,168
FY 2000	153,656	125,062	278,718
TOTAL	7,424,739	10,610,688	18,035,427

ITALY

POLICY CONSIDERATIONS

Italy is a strong supporter of the NATO Alliance and occupies a pivotal location astride the Mediterranean between Western and Central Europe and the Middle East. United States interests are served by a close security relationship centered on Italy's role in NATO. Our close relations promote Italian cooperation in dealing with contingencies beyond NATO's traditional region of concern.

Italy provides important military bases and facilities for U.S. forces and hosts NATO Headquarters for Southern Europe in Naples. In 1990, ground-breaking began for construction of a NATO base for the F-16s of the 401st Tactical Fighter Wing near Crotone in southern Italy. Italy's modernized defense forces also help to deter Libyan adventurism in the Mediterranean area.

Italy sent three frigates, two transport/hospital ships, and a support ship to the multinational force in the Persian Gulf and ten Tornado fighters to Operation Desert Storm. Early in 1991, Italy also sent six F-104 fighters, three Hercules C-130 and nine G-222 cargo aircraft to Turkey with the Allied Command Europe (ACE) Mobile Force to augment its defense against possible Iraqi aggression. Italy also shipped sixty heavy equipment transporters (HETs) to the Gulf free of charge and supplied gratis an Alitalia B-747 for transport missions between Germany and Saudi Arabia. Overflight and base access support to U.S. aircraft traveling to the Gulf has been excellent. In 1990, Italy gave $150 million in exceptional economic aid to Turkey, Egypt, and other front-line states to help them cope with dislocations caused by Iraq's invasion of Kuwait and promised further aid in 1991.

PROGRAM DESCRIPTION

Objectives

- Promote NATO standardization and interoperability by supporting continued modernization of Italian forces
- Enhance Italian inter-service and NATO command and control
- Support attainment of NATO force goals
- Improve NATO's southern flank defenses
- Encourage Italian engagement in security issues and peace-keeping beyond NATO's traditional geographic area

Status

The security assistance program consists of FMS cash and direct commercial purchases of equipment, services and training and co-production to support Italian defense efforts. In 1990, Italy expressed its continuing interest in purchasing some $3.6 billion worth of the Patriot ground-to-air missile system to modernize its air defenses. Recent sales included missiles, munitions, spare parts and technical data to maintain its U.S.-made equipment.

Italy has an ongoing co-production program for systems for its land forces, including Hawk missiles, and is a member of the AIM-9L Missile European Consortium. Italy also signed statements of intent for, and fully cooperates in, several NATO R&D projects for the Conventional Defense Initiative under the Nunn Amendment and other programs. Italian participation in the programs helps sustain momentum for armaments cooperation. Italy participates in the Strategic Defense Initiative.

FY 1992 REQUEST

The proposed FY 92 program would include FMS cash and commercial sales of AV-8B Harrier II PLUS aircraft, Patriot surface-to-air missile components, as well as spares and support items for U.S.-origin equipment.

JAMAICA

POLICY CONSIDERATIONS

Jamaica is a constitutional parliamentary democracy whose two major political parties have alternated in office since 1944. The government has considerable ability to influence opinion in the English-speaking Caribbean. Since resuming office in 1989, Prime Minister Manley pursued a relatively moderate foreign policy, supporting U.S. positions in international fora more frequently than before. He also has maintained his predecessor's commitment of the Jamaica Defense Force (JDF) to cooperate in counter-narcotics activities, although Jamaican funding shortages limit JDF ability to maintain and operate the equipment needed for these operations.

Jamaica's mixed economy is based on tourism, bauxite and alumina production, light manufacturing and agriculture. As Prime Minister, Manley has kept his promise to follow the politically difficult economic restructuring begun by the previous Seaga Government in accordance with IMF guidelines. The current Manley Administration encourages domestic and foreign investment to stimulate growth. The island supplies some two percent of the marijuana smuggled into the U.S. and is increasingly used as a transshipment point for cocaine and its by-products from South America.

Our security assistance program is designed to support a stable, democratic, friendly government, preserve regional stability, and improve cooperation in marijuana eradication and drug interdiction. The FMF program supports acquisition of new equipment, as well as overhaul and repair of existing equipment, especially light aircraft. Located on heavily-used smuggling routes in the center of the Caribbean Sea, the 4,400-square mile island needs light aircraft, helicopters, naval patrol craft and tactical vehicles for effective narcotics interdiction. The ESF program supports continued economic restructuring and private sector growth to increase employment.

PROGRAM DESCRIPTION

Objectives

- Improve counter-narcotics surveillance, interdiction, and law enforcement activities
- Support maintenance and limited modernization of previously supplied U.S. equipment
- Improve financial stability and renew economic growth
- Improve JDF response to natural disasters and public disorders

Status

The composite Jamaica Defense Force of 2,700 personnel includes ground, air and maritime elements, but lacks funds to buy spare parts for its aging transport fleets. Without operational equipment, including newer aircraft and boats, the JDF will be hard-pressed to carry out its responsibilities for internal and regional security and narcotics eradication and interdiction efforts. The JDF also has a major role in responding to natural disasters such as Hurricane Hugo (1989), and search and rescue (SAR) operations. The JDF has a good human rights record despite the island's high crime rate.

FY 1992 REQUEST

The proposed FY 92 FMF program will permit selected maintenance and limited modernization of JDF equipment used to support counter-narcotics operations. ESF will continue to support economic stabilization and to promote medium to long-term structural reforms, including market-oriented pricing and private sector expansion. IMET will provide professional military education and technical and management training.

JAMAICA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	3,000
INTL MIL EDUCATION & TRNG PROG	450
ECONOMIC:	
ECONOMIC SUPPORT FUND	15,000
DEVELOPMENTAL ASSISTANCE	16,500
P.L. 480	33,600
PEACE CORPS	2,346
INTERNATIONAL NARCOTICS CNTRL	1,500
TOTAL FOREIGN ASSISTANCE	72,396
STUDENTS TRAINED UNDER IMET	82

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	1,000	500	3,000
TOTAL	1,000	500	3,000
ECONOMIC SUPPORT FUND	13,728	10,000	15,000
IMET	301	400	450
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	1,266
DEFENSE ARTICLES/SERVICES	1,266
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	118
ESTIMATED FMS AGREEMENTS FY 1991:	2,000
DEFENSE ARTICLES/SERVICES	2,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	572
ESTIMATED FMS AGREEMENTS FY 1992:	2,900
DEFENSE ARTICLES/SERVICES	2,900
EST VALUE OF COMMERCIAL EXP DELIVERIES	343

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	2,433	2,868	3,188	0
PER CAPITA GDP**	1,040	1,190	1,301	0
TOTAL BUDGET	890	0	0	0
TOTAL DEBT	4,025	4,537	4,304	0
FMF DEBT	3	3	3	3
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	30%	24%	24%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	304	1,465	1,769
FY 1991	924	664	1,588
FY 1992	498	235	733
FY 1993	508	173	681
FY 1994	351	137	488
FY 1995	353	102	455
FY 1996	352	74	426
FY 1997	330	46	376
FY 1998	183	20	203
FY 1999	91	4	95
FY 2000	0	0	0
TOTAL	3,894	2,919	6,813

JAPAN

POLICY CONSIDERATIONS

United States relations with Japan are the cornerstone of U.S. policy in the Asia-Pacific region, and are underpinned by the 1960 Treaty of Mutual Cooperation and Security. Japan provides more host nation support for locally-stationed U.S. forces than any other ally. Based on a new special agreement signed on January 14, 1991, Japanese support will increase significantly in 1991-95 including payments for water, electricity, heating fuel, gas and sewerage.

Japan routinely supports U.S. positions in international fora; it worked closely with us on U.N. actions against Iraq's August 1990 invasion of Kuwait, and fully supported U.N. sanctions against Iraq. To date, Japan has contributed $2 billion in cash and in-kind support to multinational forces in Operation Desert Storm, including transport costs and purchases of U.S. vehicles, computers and other equipment. Japan also provided $2 billion in economic assistance to Egypt and other front-line states as part of its initial $4 billion contribution to the Persian Gulf effort. On January 23, 1991, Japan announced its intention to contribute an additional $9 billion to the multinational forces.

Japan continues to support our and the ASEAN countries' efforts for a comprehensive settlement of the Cambodian conflict and other efforts to resolve regional conflicts. Japan works with us to support Republic of Korea efforts to engage North Korea in a responsible dialogue to reduce tensions and expand family contacts on the peninsula.

In recent years, Japan also began assuming an increasingly important role in world affairs. As the world's largest donor of official development assistance (ODA) since 1989, Japan promotes the development of peace and prosperity throughout the world. We encourage Japan to work more with us to promote democracy, human rights and market-oriented economic policies to expand the private sector in Eastern Europe, Africa, the Americas and Asia. Japan could provide useful aid to Latin American efforts to develop legal economic alternatives to narcotics production and trafficking, and expand fair and free trade. Close cooperation on defense and foreign affairs parallels the diverse trade and cultural aspects of U.S.-Japan relations which include the normal share of agreements and disputes in any close relationship.

PROGRAM DESCRIPTION

Objectives

- Co-develop an improved F-16 as Japan's next generation fighter support aircraft (FSX)
- Upgrade air defense capability including AEW
- Improve ground force mobility and firepower
- Improve sustainability and command & control
- Encourage further support for the Multilateral Assistance Initiative (MAI) for the Philippines

- Encourage more untied aid for democracy, human rights and development in the Americas, Africa and Eastern Europe

- Help support more balanced, fair and free U.S.-Japan trade

Status

The 1954 Mutual Defense Assistance Agreement is the basis for our security relationship and the sharing of equipment and data between the United States and Japan. It has been many years since Japan received any FMS credits or IMET assistance. Japan uses a combination of licensed production, codevelopment, direct purchase of U.S. services and training, and local development to strengthen its capabilities to defend its territory, airspace and sea lines of communication. Direct purchases support a more favorable U.S. balance of payments with Japan.

Consistent with its 1986-90 Mid-Term Defense Plan, Japan's acquisitions focused on air defense, anti-submarine warfare, ground force firepower, mobility and sustainability. The 1991-1995 Mid-Term Defense Plan will emphasize improvements in quality rather than quantity of forces and address the key issue of sustainability. While Japan's constitution precludes contributing military forces to U.N. or other peacekeeping efforts, we encourage Japan to consider other ways to contribute to international peace and security.

FY 1992 REQUEST

Japan will continue to acquire front-line systems such as P-3C ASW aircraft, F-15 fighters, missiles (Patriot, Hawk, Harpoon), AH-1S and SH/UH-60J helicopters, and improvements to the BADGE communications system. Parallel to existing licensing and coproduction programs, Japan will continue direct purchases of AEGIS naval weapons systems, and implement the program to codevelop with the U.S. the FSX fighter support aircraft. Japan will also purchase additional AEW aircraft, including four AWACs systems, in the next Mid-Term Defense Plan.

JORDAN

POLICY CONSIDERATIONS

Maintenance of a stable Jordan after resolution of the Gulf crisis remains a key facet of U.S. interests in the region. Jordan's traditional moderation on the Arab-Israeli dispute and its key geographical location accentuate the value of Jordanian stability. Jordan has a potentially important role to play in any post-war peace process.

However, the Administration has been disappointed by the positions supportive of Iraq taken by Jordanian leadership during the Gulf crisis. As a result, we have significantly reduced FY 91 FMF in order to increase assistance to countries opposing Iraqi aggression. We have not reduced FY 91 ESF, recognizing the significant hardships the crisis has imposed on Jordan. Whether and how much assistance we provide to Jordan in FY 92 will depend on developments in the relationship. The program described here has been designed on the assumption that the importance of the relationship and of Jordan in the region will enable us to overcome differences. If this is not possible, however, the uncommitted funds could be reallocated to other countries.

Since the invasion of Kuwait, the economic sanctions against Iraq have had devastating economic and political costs for Jordan. Jordan suffers from proportionally more from sanctions than any other country as Iraq was for many years its most important trading partner. The cost to Jordan of lost exports, remittances, tourism, Arab aid, Iraqi debt repayment and higher oil costs, added to indirect costs such as increased unemployment created by Jordanians and Palestinians displaced from Kuwait and Iraq, are estimated to be over one-half of GNP on an annual basis. In addition, Jordan has played a key role in opening its borders to over 800,000 evacuees from Iraq and Kuwait, including many Americans.

In recent years, King Hussein continued moves toward democracy in the face of serious long-term economic problems which began well before the Gulf crisis. Jordan's foreign debt tops $8 billion, and even prior to the Gulf crisis Jordan had to reschedule its 1989-90 payments to the Paris Club to get breathing space for financial recovery. The government had undertaken a tough IMF economic reform program despite April 1989 riots over consumer price increases. This program will now have to be reworked. While austerity measures are the policies for economic health, Jordan will need continued assistance to mitigate the effects of sanctions and other Gulf-related economic costs. Jordan needs immediate balance of payments assistance to stave off economic collapse, and longer term aid to rebuild its economy. The international community has designated Jordan as a "front line state" meriting economic assistance, but donor aid still falls far short of offsetting the losses Jordan is suffering.

PROGRAM DESCRIPTION

Objectives

- Provide spare parts and services for U.S.-origin military equipment, and maintain the Armed Forces' pro-U.S. views
- Develop modern military management and technical skills

- Promote private sector development, self-sustained economic growth and balance of payments equilibrium

- Support agriculture, health and training programs

Status

The FMF program helps Jordan to maintain its armed forces' U.S.-origin equipment, and encourages them to look to the United States for future equipment rather than competitors. Recent budget cuts caused real hardship for the armed forces, the bedrock of King Hussein's support. Some aircraft are grounded for lack of funds, and older U.S. aircraft are being sold off to pay for spare parts and operations. Despite FMF refinancing, Jordan has difficulty in servicing its heavy FMS debts. While we allocated a total of $67 million in FY 90 FMF for Jordan, we gave extra scrutiny to proposed uses of the funds after Iraq's invasion of Kuwait to ensure they remained consistent with U.S. defense and foreign policy objectives. Use of FY 91 FMF for Jordan will continue to be carefully scrutinized. As always, FMF projects are considered on a case by case basis.

The ESF program previously helped Jordan develop its economic and educational infrastructure. More recently, ESF supported economic reforms to expand the private sector and develop sustainable growth and employment for Jordan's rapidly growing population. ESF and food aid also generated critical balance-of-payments support and foreign exchange.

The IMET program promoted Jordanian understanding of U.S. defense doctrine and provided management and technical training essential to operate and maintain U.S. equipment. IMET exposes Jordanians to U.S. traditions and society.

FY 1992 REQUEST

If Jordan adopts a more constructive role in the area, the proposed FY 92 FMF program would provide parts for TOW missiles, M60A3 tanks, F-5 and C-130 aircraft and other U.S. equipment, as well as finance limited quantities of urgently needed military equipment. IMET will provide professional military education and technical training for approximately 450 personnel.

ESF will help Jordan survive the economic disaster caused by the Gulf crisis. ESF will help sustain the private sector and promote alternative export markets to replace Iraq. It will also support ongoing programs in agriculture, health and human resource development.

JORDAN
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	25,000
INTL MIL EDUCATION & TRNG PROG	2,000
ECONOMIC:	
ECONOMIC SUPPORT FUND	30,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	57,000
STUDENTS TRAINED UNDER IMET	214

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	67,794	20,000	25,000
TOTAL	67,794	20,000	25,000
ECONOMIC SUPPORT FUND	34,850	35,000	30,000
IMET	2,200	2,180	2,000
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			4,086

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	28,096
DEFENSE ARTICLES/SERVICES	28,096
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	6,487
ESTIMATED FMS AGREEMENTS FY 1991:	40,000
DEFENSE ARTICLES/SERVICES	40,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	52,470
ESTIMATED FMS AGREEMENTS FY 1992:	50,000
DEFENSE ARTICLES/SERVICES	50,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	31,482

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	698	684	1,047	1,660
PER CAPITA GDP**	192	181	266	n/a
TOTAL BUDGET	266	273	436	n/a
TOTAL DEBT	836	898	410	n/a
FMF DEBT	475	435	382	191
PERCENTAGE OF FMF TO TOTAL DEBT	57%	48%	93%	0%
DEBT SERV RATIO	16%	19%	24%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	686,448	342,755	1,029,203
FY 1991	16,376	17,360	33,736
FY 1992	23,264	15,117	38,381
FY 1993	30,742	13,365	44,107
FY 1994	30,047	11,248	41,295
FY 1995	24,046	6,318	30,364
FY 1996	37,927	9,914	47,841
FY 1997	31,074	4,966	36,040
FY 1998	24,678	2,928	27,606
FY 1999	12,964	1,304	14,268
FY 2000	6,048	253	6,301
TOTAL	923,614	425,628	1,349,142

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KENYA

POLICY CONSIDERATIONS

Kenya plays a key role in United States security strategy for southwest Asia and the Horn of Africa by permitting U.S. military access to its airfields and ports while providing repair and re-supply facilities for U.S. aircraft and ships. Kenya provides the primary liberty port available to U.S. vessels on the African-Indian Ocean littoral. Kenya also played a key role in the evacuation of American personnel from Somalia and Sudan in January 1991.

Kenya has taken an active and positive role in facilitating resolution of several regional conflicts. Kenya's economic management, while not perfect, continues to be among the better models in Africa. Kenya is working to limit public sector growth and remove constraints on private sector development, but it will need continued assistance during this medium-term transition. There were recurring human rights problems in Kenya throughout 1990. Although the Kenyan government adopted some limited reforms aimed at political liberalization in late 1990, Kenya's human rights record in early 1991 remained a matter for concern.

PROGRAM DESCRIPTION

Objectives

- Maintain access to air and port facilities
- Encourage an open society respecting human rights
- Support the F-5 air defense aircraft, MD-500 helicopter and engineer programs
- Encourage private sector economic development

Status

Kenya's defense forces consist of army, navy and air force units organized to provide for defense and nation-building. The FMF program has helped Kenya develop an air defense capability based on F-5 aircraft to deter aggression. The ESF program supported expanded private sector development to provide a source of employment for Kenya's rapidly increasing labor force. The IMET program has exposed the Kenyan military to U.S. traditions of democracy, human rights and civilian government control of the military.

To express concern about the Kenyan government's human rights problems, in mid-1990 the administration decided to withhold Kenya's FY 90 FMF, worth approximately $10 million. Subsequently, $5 million of these funds were released in early 1991, following limited political reforms and other positive steps. Congress, in the FY 91 Foreign Operations Appropriations Act, has stipulated that Kenya can receive no FY 91 FMF or ESF until the President certifies that the Government of Kenya is taking steps to increase respect for human rights.

FY 1992 REQUEST

The proposed FY 92 FMF program would provide repair parts and follow-on support for U.S.-origin equipment, particularly air defense, border patrol and engineering capabilities. IMET will provide professional military education and training with emphasis on command and staff, aviation safety, supply operations, logistics and maintenance courses.

KENYA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	4,000
INTL MIL EDUCATION & TRNG PROG	1,100
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	26,000
P.L. 480	8,018
PEACE CORPS	2,416
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	41,534
STUDENTS TRAINED UNDER IMET	100

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	9,956	0	4,000
TOTAL	9,956	0	4,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	1,068	1,175	1,100

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990 0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	11,116
DEFENSE ARTICLES/SERVICES	11,116
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	361
ESTIMATED FMS AGREEMENTS FY 1991:	15,000
DEFENSE ARTICLES/SERVICES	15,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	4,142
ESTIMATED FMS AGREEMENTS FY 1992:	15,000
DEFENSE ARTICLES/SERVICES	15,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	2,485

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	7,205	7,977	8,606	n/a
PER CAPITA GDP**	340	348	360	n/a
TOTAL BUDGET	1,830	2,278	2,145	2,239
TOTAL DEBT	4,945	5,967	6,888	n/a
FMF DEBT	58	60	60	17
PERCENTAGE OF FMF TO TOTAL DEBT	1%	1%	1%	0%
DEBT SERV RATIO	29%	33%	25%	0%

*Less than $500,000 **In dollars n/a-not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	143,381	77,267	220,648
FY 1991	946	817	1,763
FY 1992	1,634	1,021	2,655
FY 1993	3,684	875	4,569
FY 1994	3,853	598	4,451
FY 1995	2,399	352	2,751
FY 1996	1,729	178	1,907
FY 1997	400	55	455
FY 1998	400	35	435
FY 1999	400	15	415
FY 2000	0	0	0
TOTAL	158,736	81,213	239,949

KOREA

POLICY CONSIDERATIONS

The United States has a vital interest in maintaining peace and stability on the Korean peninsula and in supporting the development of democracy in the Republic of Korea. U.S. forces in Korea continue to help deter a heavily armed, unpredictable North Korea. Under our East Asia Strategy Initiative, the U.S. will move from a leading to a supporting role in our security relationship. By the end of 1992, we will have withdrawn 7,000 troops from the ROK.

In 1988, President Roh Tae Woo initiated a policy of "Nordpolitik" to improve relations with socialist governments, and draw North Korea out of its isolation. In 1990, this policy culminated in the establishment of diplomatic relations with the Soviet Union, the exchange of trade offices with China, and beginning in August 1990, three meetings between prime ministers of North and South Korea in Seoul and Pyongyang. No agreements were reached, but these North-South discussions marked an important milestone as they were the highest-level meetings ever between the two countries.

The ROK continues the movement toward full democracy begun in 1987 when President Roh became Korea's first directly-elected president. From 1988 to 1990, the opposition controlled the National Assembly. The merger of the government party and two opposition parties in 1990 gave the government control; new National Assembly elections are scheduled for April 1992.

South Korea today is a more tolerant and open society than it was in the mid-1980s, but vestiges of its authoritarian past remain. Power remains highly centralized, although less so than in previous years. In December 1990, the National Assembly passed a local autonomy law which will lead to the first direct elections for local government councils in March 1991. Security forces continue their surveillance of political opponents and detentions under national security laws continue. The South Korean press has become freer. The judiciary is more independent. Workers have asserted their rights to organize unions and bargain collectively.

We have encouraged the ROK to assume responsibilities in East Asia and globally, commensurate with its increased economic capabilities and growing political influence. Korea supports U.S. positions in international fora, worked with us on U.N. actions against Iraq's August 1990 invasion of Kuwait, and fully supports U.N. sanctions against Iraq. In 1990, the ROK committed $220 million to assist the multinational Persian Gulf effort and sent a 154-person military medical support group to staff a field hospital in Saudi Arabia at a cost of $14 million. In 1991, the ROK pledged an additional $280 million to fund military and transportation needs.

After three years of double digit gross national product growth, the ROK's economy grew at 8-9 percent in 1989 and 1990. The likelihood that higher oil prices resulting from the Gulf war will increase inflation and concern about Korea's external accounts rekindled concerns about a possible economic slowdown. The government's top economic priority is curbing inflation. Urban housing shortages, continued high levels of rural migration to the cities, labor shortages, and unbalanced regional development remain problems for the Korean economy. We continue to urge the ROK to open its economy to foreign products, services and investment and to assume its full responsibilities as a member of the global free market economy.

PROGRAM DESCRIPTION

Objectives

- Assist Korea to acquire modern conventional arms and advanced land, air and sea systems for self-defense
- Support acquisition of advanced fighter aircraft
- Encourage further development of democratic processes and regard for human rights
- Encourage more balanced access in U.S.-ROK trade
- Encourage the ROK to assume greater responsibilities in the world, including support for development activities

Status

The United States and Korea enjoy a close and mutually beneficial security relationship that for the past several years has consisted of FMS cash and commercial sales of defense equipment, services and training. The sales promote U.S.-ROK defense cooperation in industry and armament, safeguard U.S. technology transfer, enhance two-way technical data exchanges, and contribute to a more favorable U.S.-ROK balance of trade. Korea increased its cost sharing funds for support of U.S. forces from $70 million to $150 million for FY 90. The IMET program supports interoperability, increases familiarity with U.S. defense doctrine, and expands Korean understanding of U.S. civilian-military relationships, important to this young democracy.

FY 1992 REQUEST

The proposed FY 92 program supports modernization of the ROK's defense capabilities. The Korean advanced fighter aircraft program involves American firms. Possible major purchases are medium utility, light utility, and scout helicopters. Korea will purchase munitions, supplies and technological upgrades to its air, land and sea defense systems. IMET will focus on professional military education, management, and technical training.

KUWAIT

POLICY CONSIDERATIONS

Following Iraq's unprovoked invasion of Kuwait on August 2, the government of Kuwait relocated to Taif, Saudi Arabia. Large elements of Kuwait's defense forces strenuously fought back against the invaders until overwhelmed by sheer weight of numbers. Elements of Kuwait's small military forces which escaped included 20 A-4 aircraft and 4,000 to 5,000 personnel.

The United States provided emergency technical assistance, spare parts and munitions to make the A-4's operationally ready in October 1990, and they were included (for operational purposes) into Saudi Air Force wings. The Kuwaiti Air Force fought alongside U.S. and other allied forces to liberate Kuwait. Some Kuwaiti ground force units served with the Gulf Cooperation Council (GCC) Peninsula Shield Force headquartered at King Khalid Military City in Saudi Arabia.

The Kuwaiti government's primary objective has been to liberate the country and to ensure that Kuwaiti forces were part of any military endeavor to do so. Work is underway now to reconstitute into three brigades the disparate ground forces which escaped Kuwait. The government asked the U.S. for help in equipping its army units. In the long term, the Gulf crisis and the swift U.S. response in support of Kuwait will reinforce Kuwait's desires, already evident now, for much closer, continuing security relations with the United States.

The government of Kuwait contributed $2.5 billion in cash in 1990, and pledged a further $13 billion contribution in the first quarter of 1991 to support the U.S. role in the liberation of Kuwait. The government has also contributed substantial economic aid to Egypt and other countries hurt by implementation of U.N. sanctions against Iraq and Gulf crisis-related economic dislocations.

The crisis has unified the Kuwaiti ruling elite and its citizenry and generated a commitment from the ruling Al-Sabah family to return to parliamentary rule based on the 1962 constitution. U.S. assistance will allow us to influence positively the Kuwaiti program of political liberalization. Kuwait has a long tradition of participatory rule.

Prior to the invasion, Kuwait was one of the wealthiest countries in the world, with substantial oil reserves and an extensive network of overseas investments, particularly in the United States, reportedly totalling between $80 and 100 billion. Kuwait was an important U.S. trading partner. Kuwait traditionally was a generous donor of development assistance to third world countries. Its assistance efforts often complemented our own, reflecting shared international political goals.

PROGRAM DESCRIPTION

Objectives

- Support reconstitution and re-equipment of the surviving defense forces
- Encourage further Kuwaiti financial support for Operation Desert Storm
- Encourage improved regional defense cooperation

Status

Kuwait's pre-invasion defense forces, consisting of a small army, air force, navy and national guard, were equipped largely from European and U.S. sources. In September 1990, outstanding Kuwaiti FMS cases were consolidated, with the exception of the A-4s and F/A-18s Kuwait agreed to purchase in 1988. With the A-4 overhaul program basically complete prior to the invasion, the government has submitted a large list of proposed U.S. military purchases for the ground forces to meet the army's re-equipment needs. Kuwait intends to proceed with the purchase of the F/A-18 aircraft.

FY 1992 REQUEST

The proposed FY 92 program consists solely of FMS cash or commercial sales. Kuwait's planned purchases are designed to develop coherent, operationally ready ground forces.

LATIN AMERICA AND CARIBBEAN REGIONAL

POLICY CONSIDERATIONS

The Latin America and Caribbean Regional Program supports those social, economic and political development needs most effectively addressed on a regional basis. Several projects carried out under the aegis of this program assist countries, such as Mexico, Brazil and Colombia, which do not have bilateral AID missions. The regional program helps to improve the administration of justice, human rights, education and training. Projects are designed to support the United States objectives of strengthening democracy and improving living conditions throughout the hemisphere.

PROGRAM DESCRIPTION

Objectives

- Help improve the administration of justice, electoral and legislative processes, and human rights
- Provide training in the United States for potential private and public sector leaders
- Strengthen labor programs through training and technical assistance

Status

The spread of democracy in 1989 and 1990 dramatized the continuing need for greater effort throughout the hemisphere to improve legal systems, particularly in the area of criminal justice. Two important initiatives begun in 1989, will expand training in democratic ideals and practices for potential local leaders, strengthen legislative processes, and provide continued support to specific human rights and pro-democracy activities.

FY 1992 REQUEST

The proposed FY 92 ESF program would support ongoing democratic initiative programs, providing assistance for elections, freedom of the press, legislative management, and the International Criminal Investigative Training Assistance Program (ICITAP).

LEBANON

POLICY CONSIDERATIONS

Since 1975, Lebanon has suffered terribly from war and a progressive breakdown of central government authority. Many of its citizens have been uprooted from their homes. The war has wrecked much of the country's basic infrastructure and its free-enterprise economy based on trade. The Gulf crisis has exacerbated economic and social problems. Most Lebanese face increased hardships, and are in overwhelming need of humanitarian aid to begin rebuilding their lives.

The United States remains committed to a unified, sovereign and independent Lebanon, free from non-Lebanese forces and armed militias. The capitulation of General Michel Aoun in October 1990 gives the government an opportunity to unite the country and expand its authority. We support government efforts to rebuild independent, non-sectarian Lebanese Armed Forces (LAF) responsive to civilian government control and respectful of human rights.

PROGRAM DESCRIPTION

Objectives

- Support the government and the independence of Lebanon
- Assist the government to implement the Taif Agreement on political reform and withdrawal of foreign forces
- Support ongoing relief and humanitarian aid activities, including emergency assistance for needy families
- Promote development of a professional, non-sectarian LAF

Status

Our humanitarian aid, channeled through private voluntary organizations, demonstrates U.S. concern about the fate of Lebanon and its people. The government has asked for our help in training the LAF to use properly what military equipment it has. The recently approved resumption of the IMET program will help build a national, non-sectarian Lebanese military.

FY 1992 REQUEST

The proposed FY 92 ESF program will continue to provide humanitarian aid, and encourage the Lebanese to take further steps toward political reconciliation. IMET will provide professional military education and technical training. It will also expose important present and future leaders to U.S. concepts of democracy, respect for human rights, and civilian government control of the military.

LIBERIA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	0
INTL MIL EDUCATION & TRNG PROG	400
ECONOMIC:	
ECONOMIC SUPPORT FUND	2,000
DEVELOPMENTAL ASSISTANCE	4,000
P.L. 480	10,766
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	17,166
STUDENTS TRAINED UNDER IMET	40

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	0
TOTAL	0	0	0
ECONOMIC SUPPORT FUND	3,734	3,750	2,000
IMET	130	400	400
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	0
DEFENSE ARTICLES/SERVICES	0
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	120
ESTIMATED FMS AGREEMENTS FY 1991:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	122
ESTIMATED FMS AGREEMENTS FY 1992:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	73

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	n/a	n/a	n/a	n/a
PER CAPITA GDP**	n/a	n/a	n/a	n/a
TOTAL BUDGET	n/a	n/a	n/a	n/a
TOTAL DEBT	n/a	n/a	n/a	n/a
FMF DEBT	127	100	76	65
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	0%	0%	0%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	192,646	89,280	281,926
FY 1991	26,151	1,225	27,376
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	218,797	90,505	309,302

LESOTHO

POLICY CONSIDERATIONS

Lesotho is a small, poor, mountainous, southern African country which is moving toward democratic pluralism. The country is dependent on subsistence agriculture, some light industry and remittances from workers in South Africa.

Our modest IMET program serves as a concrete signal of U. S. support for the Government of Lesotho, which has been generally supportive of U.S. goals in the region. It gives us increased access to and potential influence with Lesotho's military leadership, thereby encouraging stability and peaceful development. This relatively new program focuses on basic training of officers, who also benefit from exposure to U.S. civil-military relations and traditions of democracy and human rights.

The President determined in 1990 that Lesotho is eligible to receive defense goods and services and so notified Congress. Should a modest amount of FMF become available for Lesotho through the proposed Africa Regional Military Assistance Program, it would be used to support civic action and/or military health projects.

PROGRAM DESCRIPTION

The proposed IMET program will provide professional military education with emphasis on basic infantry officer training.

LIBERIA

POLICY CONSIDERATIONS

Liberia's relationship with the United States is over 140 years old. The United States had tried for many years, with varied success, to support democratic development and market-oriented economic growth in Liberia, but was forced to suspend security assistance in May 1990 as a result of the civil war and human rights abuses.

Resumption of the IMET program depends on the outcome of the civil war and the policies adopted by the new government. If resumed, IMET will be designed to foster professionalism, an appreciation of civilian control over the military in a democratic society, and respect for human rights. We do not expect to resume the FMF program in FY 92. However, if the situation improves, Liberia may receive some ESF through the proposed Africa Democracy Support Program or for reconstruction.

Liberia previously hosted several important facilities, including a diplomatic communications complex, a major Voice of America transmitting site, and a U.S.-maintained Omega navigation station. These facilities were ransacked after the U.S. evacuation of its personnel in mid-1990 because of the civil war. We do not know if we will resume operation at any of the facilities again.

PROGRAM DESCRIPTION

If the IMET program can be resumed, it will provide professional military education, management and technical training. Emphasis will be on army and navy command and staff, army basic and advanced officer courses and navy/coast guard junior officer training.

LUXEMBOURG

POLICY CONSIDERATIONS

Luxembourg traditionally maintains strong pro-NATO policies and firmly supports a continued U.S. military presence in a post-Cold War Europe. One of the smaller countries in NATO's integrated military system, Luxembourg plays a critical role in the Alliance's plans. Luxembourg's defense rests on its membership in NATO. The country's all-volunteer army has no organized reserve or mobilization structure. Current law fixes army strength at 690 military and 100 civilians. It does not have an air force or navy. The U.S. military presence is primarily involved in managing storage sites in the country.

Despite it's small size and limited military assets, Luxembourg made major offers of logistical and economic support for the Gulf crisis by facilitating use of its civilian airport and providing ground support for transiting troops. Luxembourg also contributed funds to support the naval sanctions enforcement effort.

PROGRAM DESCRIPTION

Objectives

- Enhance protection of communications, airfields and storage sites
- Maintain the U.S.-Luxembourg security relationship
- Continue officer corps professional military education

Status

Our two countries have long enjoyed a cooperative military relationship. Luxembourg provides invaluable military support to the common Alliance effort. Security assistance programs consists of IMET and FMS cash and commercial sales of defense articles and services. Recent purchases included ground defense systems such as anti-tank missiles, support vehicles and light weapons. Luxembourg also obtains U.S. uniforms, repair parts and other products for NATO field training exercises.

FY 1992 REQUEST

In FY 92, Luxembourg's budgetary strength and the dollar exchange rate will support FMS purchases of U.S. equipment and services. Sales will likely continue to include tactical support vehicles, light weapons and perhaps a new generation of light air-defense weapons. Luxembourg funds its participation in the IMET program for professional military education.

MADAGASCAR

POLICY CONSIDERATIONS

The fourth largest island in the world, Madagascar's significance to the United States stems from its position in the southwest Indian Ocean and its proximity to southern Africa. Madagascar recently took a number of positive steps to open its political system, improve respect for human rights, and establish a multi-party, democratic form of government.

A poor, largely agricultural country, Madagascar has continued a program of economic austerity and structural reform to stimulate agricultural production and processing in close collaboration with the IMF, the World Bank and Western donors. Despite some progress, economic growth has generally not kept up with the population increase.

The U.S. has provided balance of payments support to improve the country's inadequate transportation infrastructure. The Malagasy Peoples' Armed Forces conducts engineering and transportation projects to support national development.

The IMET program complements our dialogue with the government on political and other issues. IMET also exposes trainees to the U.S. democratic system and traditions of civil-military relations and human rights.

PROGRAM DESCRIPTION

The proposed IMET program includes management and technical training with emphasis on construction engineering skills and medical courses.

MALAWI

POLICY CONSIDERATIONS

Malawi is a friendly, politically moderate country that has long been a partner in the United States' ongoing effort to bring about peaceful change in southern Africa. Malawi has been an admirable host for nearly a million refugees from Mozambique, even though they are a major burden on one of the poorest countries in Africa. We continue to urge the Malawian government to improve its human rights performance to match its sound economic policies.

U.S. security assistance has served to encourage the moderate foreign policy of the government, contributing to stability in the region. The Malawian armed forces are not known to have been involved in human rights abuses. The IMET program helps participating Malawian military students to appreciate U.S. traditions of civil-military relations, human rights and democracy.

PROGRAM DESCRIPTION

Objectives

- Assist Malawi in developing a professional military
- Promote understanding and support for U.S. policies
- Assist Malawi to defend essential transportation links
- Maintain good relations with Malawi, influence with the military, and encourage respect for human rights

Status

In 1990, Malawi continued to maintain one of its three infantry battalions and support troops along the Nacala railway, which runs through Mozambique. The success of the Malawi-Mozambique military effort to protect the railway is essential to the major, ongoing international refugee relief effort. The FMF and IMET programs provided Malawi with radios, small arms and ammunition, and basic infantry training.

FY 1992 REQUEST

The proposed FY 92 FMF program would provide spare parts and maintenance support for U.S.-origin aircraft, vehicles, engineering and other equipment. IMET will provide professional military education and technical training. Emphasis will be placed on command and staff courses, logistics training and army advanced officer training.

BRAZIL
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	1,000
INTL MIL EDUCATION & TRNG PROG	250
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	34,000
P.L. 480	7,095
PEACE CORPS	1,829
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	44,174
STUDENTS TRAINED UNDER IMET	16

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	2,091	0	1,000
TOTAL	2,091	0	1,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	172	250	250
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	1,903
DEFENSE ARTICLES/SERVICES	1,903
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	0
ESTIMATED FMS AGREEMENTS FY 1991:	2,000
DEFENSE ARTICLES/SERVICES	2,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	*
ESTIMATED FMS AGREEMENTS FY 1992:	1,000
DEFENSE ARTICLES/SERVICES	1,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	*

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	1,181	1,241	1,388	1,587
PER CAPITA GDP**	182	166	179	198
TOTAL BUDGET	399	383	n/a	n/a
TOTAL DEBT	1,166	1,369	1,349	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	37%	21%	19%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

MALAYSIA

POLICY CONSIDERATIONS

The United States has enjoyed friendly relations with Malaysia since Malaysian independence in 1963. Although formally non-aligned in its foreign policy, Malaysia shares important political objectives with us, including a commitment to the continued success of the Association of Southeast Asian Nations (ASEAN), and support for Thailand's security and for a comprehensive Cambodian settlement on the basis of free and fair elections. Prime Minister Mahathir's government endorses the continued presence of U.S. facilities in the Philippines and backs enhanced U.S.-Singapore security cooperation. Malaysia supported all UNSC resolutions on the Gulf, including that allowing for the use of force to ensure Iraqi withdrawal from Kuwait and fully enforced U.N. sanctions against Iraq.

Malaysia is a multi-ethnic society with a parliamentary and federal government. Regular, fair and free parliamentary, state and local elections are contested by the ruling National Front and several opposition parties. The long-running communist-led insurgency virtually ended in December 1989 with the signing of a peace agreement between the government and the Communist Party of Malaya. However, the government cites the insurgency, as well as racial tensions and serious narcotics problems, as justification for laws allowing preventive detention without charge or trial. Detention without trial and restrictions on judicial independence, as well as restrictions on freedom of association and the press, remain the principal human rights concerns in Malaysia. The country has oil, natural gas and abundant other natural resources, a strong free-market economy, and a generally rising standard of living which makes it a growing market for U.S. goods. The United States is Malaysia's second-largest trading partner; U.S. investment there continues to grow rapidly.

Between 1975 and 1989 Malaysia provided first asylum to more than 250,000 Vietnamese boat people. Malaysia's Red Crescent Society worked closely with the United States, other countries and the U.N. High Commissioner for Refugees (UNHCR) to care for the refugees in camp and facilitate their resettlement. Malaysia's concern that it not be left with a "residue" of Vietnamese that no other country would take was intensified when it became clear that the multinational Comprehensive Plan of Action, adopted in June 1989, made no provision for dealing with asylum-seekers who were found not to be refugees. Malaysia began denying first asylum to Vietnamese boat people in May 1989, and since then has refused more than 10,000 Vietnamese asylum-seekers. All but five are believed to have made it safely to Indonesia. We vigorously protested the denial of first asylum to all levels of the Malaysian Government and continue to work with it, other resettlement countries and the UNHCR on the problem. We remain hopeful that Malaysia will once again accord first asylum.

PROGRAM DESCRIPTION

Objectives

- Promote better understanding of U.S. policies on refugees, trade, investment and human rights
- Encourage Malaysian support of a continued U.S. presence in the region and understanding of U.S. defense doctrine
- Provide training to ensure Malaysia retains the capability to operate and maintain U.S. origin equipment

MALDIVES

POLICY CONSIDERATIONS

United States interest in this small less-developed island country derives primarily from the Maldives' location in the Indian Ocean between Diego Garcia and India. Maldives' government has a strong president and a single-party parliament. Human rights are restricted in this Moslem country, which is potentially susceptible to Islamic fundamentalist influences. Maldives swiftly condemned Iraq's invasion of Kuwait and is adhering to U.N. sanctions.

We want to preserve our friendly relationship with the Maldives and to retain access for U.S. Navy ship visits and aircraft transits, which have proved particularly useful during the Gulf crisis. We also want to encourage development of the Maldives' fledgling democratic institutions and further expansion of its private sector economy, which remains based on fishing and related activities, small-scale agriculture and a growing tourism industry.

Maldivian interest in defense and security assistance was minimal until an unsuccessful November 1988 coup d'etat by Maldivian rebels supported by a few foreign mercenaries. Since then, the government has moved to expand and improve its National Security Service into a more professional, though still small defense force. The NSS coast guard branch is responsible for search and rescue, anti-smuggling activities, and enforcing fisheries and other environmental controls. The IMET program provides technical and other training to improve the NSS ability to carry out its responsibilities. IMET also exposes students to U.S. traditions of democracy, human rights and civilian control of the military.

PROGRAM DESCRIPTION

The proposed IMET program would provide professional military education, management and technical training for six students with emphasis on basic and advanced military and naval courses.

MALI

POLICY CONSIDERATIONS

The United States seeks to support a stable and independent government in Mali, capable of implementing consistent development decisions and playing a constructive regional and international role. There is growing discussion in Mali of moving towards political pluralism.

Military personnel continue to occupy approximately 30 percent of all governmental administrative positions; consequently, the military will continue to play a key role for the foreseeable future. Training in the United States will expose Malian military officers to democratic, civilian government and help encourage respect for human rights.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education and technical training. Emphasis will be on command and staff courses and basic and advanced training for junior and mid-level officers.

MALTA

POLICY CONSIDERATIONS

Malta has developed closer ties to the West since 1987, when the Nationalist Party came to power after sixteen years of rule by the Maltese Labor Party. The present government of Prime Minister Eddie Fenech-Adami endorses neutrality and genuine non-alignment; however, his government also moved to strengthen democracy, attract U.S. and other foreign private sector investment, and applied for full membership in the European Community. A parliamentary democracy with no natural resources other than its energetic people and its location, Malta's mixed economy is dependent on tourism, a few exports and some light industry.

The IMET program was initiated in 1989 to encourage Malta's western orientation. Preparation for and implementation of the IMET program paralleled our discussions with the Maltese and reducing the island's potential use as a transit point for international terrorism, narcotics-trafficking, or technology diversion; and reinforcing a policy of denying Soviet and Libyan naval combatants access to local harbors.

In February 1990, Malta and Libya signed an agreement amending their 1984 friendship treaty that effectively removed provisions on security cooperation. In July 1990, the United States and Malta signed letters of agreement to transfer two surplus coastal surveillance vessels to Malta. A cash purchase of fifty M151 jeeps and the possible purchase of U.S.-made uniforms will soon be concluded. These activities symbolize our now excellent bilateral relations. The government publicly condemned Iraq's invasion of Kuwait and fully enforces U.N. sanctions.

PROGRAM DESCRIPTION

The IMET program provides professional military education to junior officers. Training has included basic combat and naval skills, leadership, and technical courses. Malta would like to continue similar training in FY 92 and beyond. Assisting Malta to acquire excess defense equipment, such as 01-E Birddog surveillance aircraft and small arms, would enhance the island's coastal patrols, logistics, airport security, and search and rescue capabilities, and would complement U.S. Coast Guard provided narcotics interdiction training.

MAURITANIA

POLICY CONSIDERATIONS

Mauritania has a military government which has been closely aligned with Iraq. In 1990, the United States froze Mauritania's participation in the coastal surveillance part of the Africa Civic Action program, as an expression of our concerns regarding Mauritania's pro-Iraq sympathies. The U.S. also expressed serious concerns over human rights abuses, and continues to urge the government to take ameliorative steps. We suspended the IMET program in February 1991 on human rights grounds.

IMET is designed to expose future Mauritanian military leaders to U.S. values of civilian control of the military and the role of the military in a democratic society. In recent years, we have provided a variety of equipment and training to help Mauritania to better protect its potentially important coastal fisheries, and support civic action development efforts in this very poor country. Mauritania faces massive social and economic problems, and has one of the highest per capita foreign debt loads in Africa.

PROGRAM DESCRIPTION

If Mauritania significantly improves its human rights practices, a resumed IMET program would provide professional military education and technical training. Emphasis will be placed on command, staff and logistics training.

MAURITIUS

POLICY CONSIDERATIONS

Mauritius' significance to the United States stems from the small island's location in the southwest Indian Ocean, its democratic parliamentary system of government, increasingly open, Western-style economy, and its support on international issues important to the U.S.

The Government of Mauritius has been cooperative on security-related bilateral issues. It welcomes ship visits, accepts P-3 and rest and recreation flights from Diego Garcia, supplies laborers for the U.S. naval facility at Diego Garcia, and has offered fuel storage facilities for the U.S. Navy.

The IMET program is intended to increase the defensive capability of Mauritius' paramilitary organization, the Special Mobile Force (SMF). Primary emphasis is on professional development and coastal patrol training.

PROGRAM DESCRIPTION

The proposed IMET program includes Coast Guard technical training with emphasis on small boat maintenance and coastal patrol.

MEXICO

POLICY CONSIDERATIONS

A secure, stable and friendly Mexico is essential to U. S. national interests. Since coming to office in December 1988, President Salinas has initiated specific programs to highlight the government's commitment to human rights and political reform in this nation of 85 million people. He has also continued programs to privatize some state-owned enterprises, including major airlines and the public telephone company, and to increase the private sector's role in the economy. Mexico is a major oil and natural gas producer and increased its production after Iraq's invasion of Kuwait to assist the United States and Latin American countries. Mexico fully implements U.N. sanctions against Iraq and completely halted sales of defense equipment to Iraq.

Our security assistance relationship is designed to strengthen U.S.-Mexican military-to-military relations, help with military training, and encourage purchase of U.S. equipment for force modernization and expansion. The program also enhances the military's ability to eradicate illegal narcotics, detect and monitor narcotics-laden aircraft transiting Mexico to the United States, and support apprehension of narcotics traffickers.

IMET is the primary avenue for our military cooperation with Mexico. In recent years, much of the training focused on the effective use of military equipment in counter-narcotics operations. While Mexico produces some of its own military equipment, including light aircraft, it still requires some U.S. weapons, communication, and related equipment. In 1990, Mexico leased U.S. UH-1H helicopters and bought excess U.S. army jeeps and light trucks for these operations. The Mexican army has engaged in counter-narcotics operations, primarily eradication, for many years and has a good record of respecting human rights in these operations. We want to encourage the army to expand its efforts and the air force and navy to undertake counter-narcotics operations.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education, management and technical training. Emphasis will be on staff and command courses, maintenance skills and improved counter-narcotics programs. We expect Mexico to continue purchasing U.S. military equipment, especially spare parts for U.S.-origin vehicles, aircraft and ships.

MIDDLE EAST REGIONAL

POLICY CONSIDERATIONS

The unrest in the West Bank and Gaza is a vivid reminder that the future status of the 1.5 million Palestinians who live there is at the center of the Arab-Israeli conflict. The United States has a clear commitment to a just resolution of the Palestinian problem and to the well-being of the Palestinians. The West Bank/Gaza program contributes to a resolution of the conflict by fostering development necessary to give Palestinians a greater economic stake in a peace settlement and encouraging moderate forces in the Palestinian community. This takes on added importance in light of the Gulf crisis.

Science and technology exchanges promote regional cooperation by bringing Israelis and Arabs into direct contact as individuals through counterpart institutions. Its goals are to strengthen ties by demonstrating that peaceful cooperation can yield tangible benefits to all involved.

PROGRAM DESCRIPTION

Objectives

- Improve the economic and social conditions of Palestinians in the West Bank and Gaza
- Support public sector development and help meet basic needs
- Assist in private sector development to improve economic conditions and employment opportunities in the territories
- Encourage Israeli-Arab cooperation through science and technology exchanges

Status

Since 1975, the U.S. has provided over $130 million in assistance to the West Bank and Gaza program which is implemented by private voluntary organizations (PVO's). The program supports health, sanitation, agricultural development, water supply, and community and private sector development projects. Continuing regional cooperation projects between Israel and Egypt include training in arid lands agriculture, technology exchanges in agriculture, study of marine sciences and research on infectious diseases.

FY 1992 REQUEST

The proposed FY 92 ESF program will focus on efforts to maintain economic growth, expand employment and the private sector, improve health and welfare services in the West Bank and Gaza, and to encourage regional cooperation.

MOROCCO

POLICY CONSIDERATIONS

The United States and Morocco have a long history of friendship and cooperation. Located at the Strait of Gibraltar, Morocco shares many U.S. security concerns. The 1982 Transit and Access Agreement facilitates defense of U.S. interests in the Mediterranean, Middle East and Africa, and is used in regular combined exercises. Morocco hosts major Voice of America facilities near Tangier.

Morocco was among the first Arab states to condemn Iraq's invasion of Kuwait, fully enforces U.N. sanctions against Iraq, and sent 1,500 troops to the multinational force in Saudi Arabia and 3,500 troops to the UAE. However, since the January 1991 outbreak of hostilities, there has been widespread popular sympathy and support for Iraq. The King has long advocated moderation in Arab and African fora, actively worked to end the fighting in Lebanon, and urged a moderate Arab approach to achieve an Arab-Israeli peace settlement. Morocco previously sent troops to help defend Zaire against incursions from Angola.

King Hassan II exercises wide-ranging governmental powers, and is the traditional spiritual leader of the country. The constitution gives the National Assembly some powers over legislation and the budget. A national referendum in late 1989 approved the postponement of parliamentary elections from September 1990 until 1992 in the hope that by then, a U.N.-arranged referendum would make the Western Sahara a part of Morocco. King Hassan II has pledged to strengthen democracy, correct human rights deficiencies, and accept the results of a U.N.-arranged referendum on the status of the Western Sahara.

Morocco's private sector grew throughout the 1980s, but remains dependent on phosphates, tourism and remittances from workers abroad. Economic growth has not kept up with the employment needs of a rapidly growing population. The rise in imports and higher oil prices hurt the economy, although the Arab Gulf states have provided much economic assistance. Morocco has continued market-oriented economic reforms and efforts to reduce illegal narcotics trafficking.

The security assistance program strengthens the security and stability of a helpful, steadfast friend in a volatile and critically important region. It contributes to economic and social development, including improved human rights.

PROGRAM DESCRIPTION

Objectives

- Assure continued access to transit, communication, training, and emergency space shuttle landing sites
- Improve force readiness, maintenance and transportation
- Enhance military technical skills and professionalism
- Support market-oriented economic reform, investment, and improve trade opportunities for U.S. business
- Encourage further improvements of human rights, and democratic practices and institutions

Status

Since 1985, the FMF program has focused on sustaining previously provided U.S. weapons systems. Morocco needs to replace aging weaponry and modernize its force structure while supporting its troops in the Gulf. Morocco has already expressed interest in obtaining as excess defense articles F-16A/B aircraft, jeeps, trucks, and engineering and construction equipment. This provides a rare, cost effective opportunity to help modernize Moroccan equipment. Morocco will have to divert national funds from other modernization programs to integrate such equipment and weapons systems.

The ESF program helps Morocco continue a politically and socially sensitive program of economic structural adjustment and liberalization. Morocco has made impressive progress by improving investment incentives, particularly in export industries; liberalizing trade has brought growth and diversified exports. Morocco also began privatizing 112 of some 700 state-owned enterprises, devalued the dirham, and launched a new austerity program to meet IMF budget deficit targets. ESF remains important to Morocco's effort to deal with serious un/underemployment, especially among its youth (62 percent of Moroccans are under 25). Lack of employment opportunity presents major social and political problems.

FY 1992 REQUEST

The proposed FY 92 FMF program will support improved maintenance and logistics for existing U.S.-origin equipment. It will continue to support radio equipment for the navy, and provide spare and repair parts for C-130 and F-5 aircraft, and CH-47 helicopters. The possible acquisition of excess U.S. defense equipment will assist force structure modernization.

ESF will help Morocco to reduce its heavy foreign debt, further liberalize its economy, attract foreign investment, and open its markets to competition and free trade.

IMET will provide professional military education, management and technical training. It will also expose Moroccans to U.S. concepts of democracy, human rights, and a military subordinate to an elected civilian government.

MOROCCO
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	40,000
INTL MIL EDUCATION & TRNG PROG	1,150
ECONOMIC:	
ECONOMIC SUPPORT FUND	12,000
DEVELOPMENTAL ASSISTANCE	23,000
P.L. 480	36,759
PEACE CORPS	1,382
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	114,291
STUDENTS TRAINED UNDER IMET	103

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	42,816	43,000	40,000
TOTAL	42,816	43,000	40,000
ECONOMIC SUPPORT FUND	19,914	20,000	12,000
IMET	1,394	1,050	1,150
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			12,863

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	45,251
DEFENSE ARTICLES/SERVICES	45,251
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	2,671
ESTIMATED FMS AGREEMENTS FY 1991:	100,000
DEFENSE ARTICLES/SERVICES	100,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	14,558
ESTIMATED FMS AGREEMENTS FY 1992:	70,000
DEFENSE ARTICLES/SERVICES	70,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	8,735

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	17,715	20,231	21,924	n/a
PER CAPITA GDP**	780	868	917	n/a
TOTAL BUDGET	5,253	5,662	n/a	n/a
TOTAL DEBT	17,830	20,094	19,923	n/a
FMF DEBT	308	306	318	339
PERCENTAGE OF FMF TO TOTAL DEBT	2%	2%	2%	0%
DEBT SERV RATIO	13%	11%	12%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	346,418	201,448	547,866
FY 1991	35,720	18,787	54,517
FY 1992	27,314	12,399	39,713
FY 1993	28,987	10,001	38,988
FY 1994	22,846	7,737	30,583
FY 1995	24,588	4,400	28,988
FY 1996	26,404	5,530	31,934
FY 1997	17,547	2,413	19,960
FY 1998	10,699	1,210	11,909
FY 1999	6,886	370	7,256
FY 2000	1,600	60	1,660
TOTAL	849,009	264,365	813,374

MOZAMBIQUE

POLICY CONSIDERATIONS

Mozambique, located in southern Africa is noteworthy for its key transport links for several landlocked African countries make. In 1990, the government opened talks with RENAMO guerrillas to negotiate a settlement to its internal conflict and moved in a pro-Western direction. The country also adopted a multi-party system and a revised constitution that provides for basic human rights, though much must still be done to implement these provisions. Earlier in July 1989, the governing FRELIMO party abandoned Marxism at a national party congress, allowed considerably freer public and press debate and improved religious tolerance.

In recent years, Mozambique has supported U.S. regional initiatives in Angola and Namibia and pushed a moderate line in the politically influential grouping of African Front Line States. In other regional fora, it adopted moderate positions on issues of interest to the United States. Mozambique's improved ties with Pretoria have contributed to South Africa's renewed interest in cooperating with its neighbors. Mozambique also supported the U.N. resolutions condemning Iraq's invasion of Kuwait and enforces U.N. sanctions.

Also in 1990, Mozambique expanded economic reforms begun in 1987, significantly devalued the currency in a move toward free market exchange rates, cut budget deficits, and reduced state-ownership in the economy. The economy began to grow noticeably as a result of these reforms, although the civil war hampered development in many areas. We are encouraging the government to follow more private sector oriented policies.

The United States wants to promote and encourage these positive trends, enhance Mozambican military support for the peace process, and lay the groundwork for a post-war professional national army. We allocated a small amount of IMET funds in FY 91 to establish a program that directly furthers these U.S. goals and objectives.

PROGRAM DESCRIPTION

The proposed IMET program would provide professional military education and technical training. Students would also receive English language training. The program will promote professionalism, respect for democratic government, human rights, and focus on post-war national rehabilitation and reconciliation.

NAMIBIA

POLICY CONSIDERATIONS

Namibia became Africa's newest sovereign state in 1990 and is one of the few multi-party democracies on the continent. The United States is strongly identified with the Namibian independence process, having mediated the agreements which made possible implementation of U.N. Security Council Resolution 435/78.

Namibia is largely undeveloped and sparsely populated, but with important natural resources. After seventy years of South African domination, Namibia's economy is closely intertwined with that of its former metropole.

U.S. national interests will be well served by helping Namibia, through economic assistance, to cope with the challenge of independence and to maintain respect for basic human rights as provided in its constitution. Consideration also may be given to providing a modest amouni of FMF assistance for civic action projects through the proposed Africa Regional Military Assistance Program.

PROGRAM DESCRIPTION

Objectives

- Encourage political moderation and equitable social and economic development programs
- Provide training in basic skills, including those leading to food self-sufficiency and improved health care
- Promote stability and market-oriented economic development

Status

The new ESF program has focused on providing sorely needed budgetary support to the new government.

FY 1992 REQUEST

The proposed FY 92 ESF program will respond to pressing needs jointly identified by the U.S. and Namibian governments as priorities. The proposed IMET program will provide technical training in basic seamanship, logistics and engineering skills.

NEPAL

POLICY CONSIDERATIONS

Nepal made dramatic strides during 1990 in shifting from absolute monarchy towards a government emphasizing political freedom and human rights. A new constitution establishing a constitutional monarchy and multi-party parliamentary democracy was promulgated on November 9, and party-based elections are scheduled for the spring of 1991. From the outset, the United States actively supported progress towards democracy with public statements and Democratic Pluralism Initiatives program funding for constitutional reform and election support.

Nepal remains one of the poorest and least developed countries in the world with grim economic prospects. It will need large amounts of outside aid for many years to come; however, the greatly improved political situation should promote trade and the stability needed to develop agriculture and tourism, the latter a key economic resource.

Nepal plays a moderating role in the non-aligned movement, most notably during its recent two year term on the U.N. Security Council. Nepal condemned Iraqi aggression in Kuwait and implemented U.N. sanctions against Iraq. Nepal regularly contributes forces to international peacekeeping operations and has troops with the U.N. Interim Force in Lebanon (UNIFIL).

PROGRAM DESCRIPTION

Objectives

- Encourage further democratic development
- Support Nepal's international peacekeeping activities

Status

The IMET program enhances the Royal Nepalese Army's operational and professional capabilities and supports its peacekeeping role. IMET also exposes students to U.S. traditions of democracy, human rights, and elected government control of the military. The United States and the RNA completed a joint communications exercise in November 1990. The RNA indicated strong interest in future joint exercises.

FY 1992 REQUEST

The proposed FY 92 FMF program would provide spare parts and limited modernization for U.S. origin equipment. IMET will provide well-established command and staff, advanced combat, management and technical training. The Government of Nepal continues to place returning officers as instructors. Former returnees advance well through the Nepalese military.

NEPAL
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	500
INTL MIL EDUCATION & TRNG PROG	185
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	18,000
P.L. 480	0
PEACE CORPS	2,174
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	17,859
STUDENTS TRAINED UNDER IMET	24

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	500
TOTAL	0	0	500
ECONOMIC SUPPORT FUND	0	0	0
IMET	123	125	185
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	284
DEFENSE ARTICLES/SERVICES	284
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	0
ESTIMATED FMS AGREEMENTS FY 1991:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,674
ESTIMATED FMS AGREEMENTS FY 1992:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,004

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	2,379	2,653	2,911	2,752
PER CAPITA GDP**	139	151	162	149
TOTAL BUDGET	446	510	586	642
TOTAL DEBT	741	981	1,154	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	8%	8%	8%	0%

*Less than $500,000 **In dollars n/a-not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	NO FOREIGN MILITARY FINANCING		
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

NETHERLANDS

POLICY CONSIDERATIONS

The United States and the Netherlands have traditionally had a close bilateral relationship. The Dutch participate vigorously in NATO activities. Through the port of Rotterdam, the Netherlands serves as a vital link in the support of U.S. forces in Europe. In November 1985, the Netherlands demonstrated its commitment to NATO by agreeing to the future stationing of cruise missiles on its territory. These missiles were not deployed because of the INF Treaty. The Dutch continue to provide a signal company to the Multinational Force and Observers (MFO) in the Sinai and dispatched a contingent of troops to the U.N. peacekeeping force stationed in Namibia before that country's independence.

In 1990, the Netherlands sent two frigates and one supply ship to the multinational force in the Persian Gulf. In early 1991, it deployed two Patriot missile units to Turkey and one to Israel to augment the defenses of those countries against possible Iraqi aggression. In 1990, the Dutch gave $50 million in direct aid to Turkey, Egypt and Jordan and disbursed $45 million of a $63 million pledge to the Gulf Cooperation Council.

The Netherlands is committed to a strong defense establishment, the transatlantic partnership and NATO as the cornerstone of European security in post-Cold War Europe. The Dutch favor maintaining North Atlantic security ties, particularly through NATO armaments cooperation. The Dutch armed forces are committed to forward defense in NATO's central region and to the defense of Dutch national territory. The Dutch army maintains an armored division headquarters with its support troops and an armored brigade in Germany. In the 1980s, the Netherlands made significant progress in modernizing its armed forces, contributing to the Alliance's conventional defense improvement program.

PROGRAM DESCRIPTION

Objectives

- Enhance NATO interoperability and standardization through modernization and replacement of obsolescent equipment
- Support the purchase of modern air defense systems, various missiles, support equipment and training
- Strengthen defense industrial cooperation and cooperative projects, including coproduction of weapons and ammunition

Status

The security assistance program consists of FMS cash and direct commercial sales to support Dutch defense efforts. The Netherlands is a partner in coproduction programs for the F-16, M-109 howitzer, Stinger missile and 155mm ammunition. In the 1980s, Dutch purchases included: howitzers, radars, torpedoes, various missiles and supporting items. Past programs primarily modernized and replaced obsolescent equipment rather than expanded force structure.

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Future Dutch purchases of major weapons systems will be increasingly influenced by offset participation in coproduction and licensing agreements. The Dutch defense budget fell by 1.4 percent in real terms in 1990 compared to 1989. As the Defense Ministry joins other ministries in significant budgetary cutbacks, its 1991 budget will probably drop by another 2 percent.

FY 1992 REQUEST

The proposed FY 92 program of FMS cash and commercial sales will assist the Netherlands to enhance its armed forces' capabilities through sales of new training systems, upgrading and modernizing of current systems and associated training and support, and co-production of ammunition. The Netherlands will continue to participate in the F-16 aircraft co-production program. Other purchases are expected to include electronic warfare equipment, air defense systems, air-to-air missiles, F-16 pilot training, and participation in full-scale development of F-16 A/B mid-life update modification kits.

NEW ZEALAND

POLICY CONSIDERATIONS

New Zealand has adhered historically to a defense strategy based on collective security through participation in the Australia-New Zealand-United States (ANZUS) Security Treaty of 1951. However, since 1984, New Zealand has adopted policies and passed legislation that require, as a condition for port access by warships, a determination by its government that visiting ships are neither nuclear-powered nor nuclear-armed. This requirement conflicts with the U.S. Government global security policy of neither confirming nor denying the presence or absence of nuclear weapons aboard a specific ship or aircraft, and makes U.S. ship visits to New Zealand ports impossible. The U.S. Government, in consultation with Australia, determined that New Zealand's anti-nuclear policies were incompatible with full military cooperation. United States security obligations to New Zealand, under the terms of the ANZUS Alliance, were suspended in August 1986.

The U.S.-New Zealand defense relationship is now based on New Zealand's current status as a friendly, but non-allied country, with which we share important security interests. We are interested in helping New Zealand to maintain its existing military equipment and regain the capability to play a role in regional security. New Zealand participates in the Five-Power Defense Arrangement for Malaysia and Singapore. New Zealand enforces UN sanctions against Iraq, provided emergency relief to the Middle East, and sent two C-130 transport aircraft and two military medical teams to join the multinational forces.

PROGRAM DESCRIPTION

Objectives

- Help New Zealand to acquire equipment compatible with its non-allied status to sustain a credible defense capability
- Support maintenance of existing U.S.-origin defense systems

Status

New Zealand acquired a significant portion of its defense systems and equipment from the United States. New Zealand participates with Australia in several joint defense programs, including the development and procurement of at least two new light patrol frigates containing U.S.-made/co-produced equipment.

FY 1992 REQUEST

The proposed FMS sales program supports maintenance of New Zealand's U.S.-origin equipment, including A-4, P-3, and C-130 aircraft spare parts, and TOW-2 anti-tank weapons. Purchases of defense systems available to friendly, but non-allied countries, will be given favorable consideration.

NICARAGUA

POLICY CONSIDERATIONS

The February 1990 election victory of Violeta Chamorro and her April inauguration as President put Nicaragua in the ranks of the democratizing countries in Latin America and Eastern Europe. Chamorro's triumph also marked a major step forward for the Central American peace process; all countries in the region now have democratically-elected governments committed to good relations with their neighbors. The Chamorro election immediately improved the climate for peaceful demobilization and resettlement of the Nicaraguan Resistance forces, human rights and freedom of expression in Nicaragua, and Central American talks on demilitarization. But ongoing Sandinista Army (EPS) support for the FMLN in El Salvador violated both Nicaraguan law and the Esquipula Accords.

The newly democratic Nicaraguan Government faces formidable challenges. While many conscripts began informally demobilizing shortly after Chamorro's election victory and the new government gradually reduced the army's size to 28,000 by the end of 1990, the army remains the third largest in the region and imposes a heavy economic burden. The army and large police and security forces remain under Sandinista influence and control. In early January 1991, Sandinista leaders admitted that elements of the armed forces had sold Soviet SA-14 and SA-7 surface-to-air missiles to the FMLN in El Salvador. The Chamorro administration was successful in obtaining the return of 17 SAMs from the FMLN on February 3.

While Contra demobilization was peaceful, resettlement problems continue to give rise to unrest in the countryside. Some resettlement difficulties result from normal competition for scarce farmland in this poverty-stricken country with few rural employment opportunities. But Sandinista police caused some resettlement problems by harassing resistance members and their families. President Chamorro has steadfastly pursued a policy of national reconciliation, but some of her own supporters are critical of what they claim is an overly-conciliatory stance toward the Sandinistas.

In 1990, President Chamorro began market-based economic reforms that greatly enhance Nicaragua's long-term prospects for equitable growth and expanded trade. The new government inherited a shipwrecked economy: basic industries were largely decapitalized; a decade of statist policies and civil war nearly strangled all segments of the economy; and, 300 state enterprises absorbed virtually all of the meager capital made available by the nationalized banking system. The Sandinistas strongly resisted the new economic program, slowing its implementation with two major street demonstrations and strikes in force in June and July 1990.

To strengthen democracy and support free market reforms in Nicaragua, it is critical that we help the new government demonstrate to the Nicaraguan people that democracy brings real political and economic benefits. The security assistance program is designed to support the Chamorro Government's goals of political pluralism, human rights, market-based economic growth, social justice, reintegration of all segments of Nicaraguan society, and demilitarization of the army and security forces.

PROGRAM DESCRIPTION

Objectives

- Bolster democratic processes and institutions
- Foster national reconciliation and human rights
- Strengthen improving U.S.-Nicaraguan political, economic and cultural relations
- Encourage economic liberalization, privatization of state-owned enterprises, and private sector growth

Status

In FY 90, we provided $336 million in ESF to help Nicaragua begin major structural economic reforms, address short-term education, health, and employment needs, and shore up the foundations of Nicaragua's fledgling democratic institutions. In FY 91, we allocated another $150 million in ESF and $50 million in other economic aid to continue the reform and reconstruction process.

The ESF program supports efforts to restore productive capacity to agriculture, industry and commerce, help clear the government's arrears to international financial institutions (IFIs), and support health, democratic initiatives, education and private sector expansion projects. Equally important, it also aims to facilitate reintegration of the Nicaraguan Resistance and refugees into the society and foster their full participation in democracy and economic reform.

FY 1992 REQUEST

The proposed FY 92 ESF program will support major economic structural reforms, such as privatization, recapitalization of the agricultural sector, and enhanced access to vital capital imports, restore credit worthiness with international financial institutions, and strengthen democratic institutions.

NICARAGUA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	0
INTL MIL EDUCATION & TRNG PROG	0
ECONOMIC:	
ECONOMIC SUPPORT FUND	150,000
DEVELOPMENTAL ASSISTANCE	22,000
P.L. 480	32,006
PEACE CORPS	659
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	204,659
STUDENTS TRAINED UNDER IMET	0

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	0
TOTAL	0	0	0
ECONOMIC SUPPORT FUND	295,000	250,000	150,000
IMET	0	0	0

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990 0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	0
DEFENSE ARTICLES/SERVICES	0
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	0
ESTIMATED FMS AGREEMENTS FY 1991:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	5
ESTIMATED FMS AGREEMENTS FY 1992:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	3

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	4,462	6,774	n/a	n/a
PER CAPITA GDP**	1,320	1,935	n/a	n/a
TOTAL BUDGET	2,339	n/a	575	n/a
TOTAL DEBT	6,181	7,322	8,052	11
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	10%	11%	50%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	5,039	789	5,828
FY 1991	375	14	389
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	5,414	803	6,217

NIGER

POLICY CONSIDERATIONS

Niger is an economically and militarily vulnerable state bordering on Libya. President Saibou continues to support United States policies in the region, the U.N. and other international fora. In 1990, Niger sent an infantry battalion to the multinational force in Saudi Arabia opposing Iraq's invasion of Kuwait.

The government recently announced its intention to amend the constitution to permit a multi-party political system. Drought and falling prices for its principal exports, uranium and cotton, have devastated Niger's economy. The government has taken significant steps, supported by the international financial institutions and donor community, towards economic reforms and is in good standing with the IMF.

The security assistance program helps Niger to maintain its stability and pursue moderate domestic and foreign policies. The IMET program provides important access to the military as Niger begins the move toward political pluralism. IMET exposes Nigeriens to U.S. values of democracy, human rights and civilian government control of the military.

PROGRAM DESCRIPTION

Objectives

- Provide materiel to improve readiness and sustainability
- Maintain access to the military government and expose the military to U.S. society and institutions

Status

Niger's army and the air squadron provide a military presence throughout the country to preserve internal and border stability. Security assistance has supported two C-130s, vehicles, and training for pilots, mechanics and ground personnel. In recent years, the program emphasized support for army parachute and other units involved in border protection.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide training aids, C-130 support, physical training equipment and vehicle support. IMET will continue to provide professional military education and technical training.

NIGER

DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	500
INTL MIL EDUCATION & TRNG PROG	300
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	20,000
P.L. 480	0
PEACE CORPS	3,479
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	30,279
STUDENTS TRAINED UNDER IMET	17

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	1,093	500	500
TOTAL	1,093	500	500
ECONOMIC SUPPORT FUND	0	0	0
IMET	309	275	300
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	1,834
DEFENSE ARTICLES/SERVICES	1,834
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	123
ESTIMATED FMS AGREEMENTS FY 1991:	2,000
DEFENSE ARTICLES/SERVICES	2,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	136
ESTIMATED FMS AGREEMENTS FY 1992:	1,500
DEFENSE ARTICLES/SERVICES	1,500
EST VALUE OF COMMERCIAL EXP DELIVERIES	82

*Less than $500.

ECONOMIC DATA

DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	1,699	1,898	2,132	n/a
PER CAPITA GDP**	270	292	319	n/a
TOTAL BUDGET	n/a	n/a	n/a	n/a
TOTAL DEBT	1,647	1,696	1,742	n/a
FMF DEBT	5	5	5	5
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	34%	28%	37%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	1,052	1,634	2,686
FY 1991	866	740	1,606
FY 1992	556	378	934
FY 1993	684	314	998
FY 1994	571	245	816
FY 1995	596	188	784
FY 1996	267	136	403
FY 1997	198	110	308
FY 1998	0	100	100
FY 1999	35	99	134
FY 2000	35	96	131
TOTAL	4,860	4,040	8,900

NIGERIA

POLICY CONSIDERATIONS

With 110 million people, Nigeria is Africa's most populous country, one of its largest economies, and a major oil exporter to the United States and the West. Nigeria's development and political stability significantly influence its important role in regional and international affairs. President Babangida's program to return Nigeria to democratic, civilian rule in 1992 and the viability of the new government will be heavily influenced by the outcome of one of Africa's most significant structural economic adjustment programs. Security assistance helps to sustain economic reform and favorably influence the transition to and viability of restored civilian government. The program parallels our dialogue with Nigeria on political and other issues.

PROGRAM DESCRIPTION

Objectives

- Reinforce the transition to viable civilian rule, including respect for human rights
- Support economic reforms, including the structural adjustment program, and promote private sector development
- Demonstrate to other bilateral and multilateral donors the U.S. commitment to the success of Nigerian reform efforts
- Maintain access to the military establishment guiding Nigeria's political and economic reform

Status

The ESF program has supported major economic structural adjustments and helped to improve primary health care. IMET exposes current and future military leaders to democratic institutions and respect for human rights and augments local training. Nigeria also has used its national funds for FMS cash and commercial purchases of a variety of technical and other training for its three armed forces and to obtain spare and repair parts for its C-130 and other U.S.-origin equipment.

FY 1992 REQUEST

The proposed IMET program would continue to provide appropriate professional military education and management training. Nigeria also is expected to continue purchasing other training, as well as spare parts and maintenance support for its transport aircraft and other U.S.-origin equipment.

NORWAY

POLICY CONSIDERATIONS

Norway is the northern anchor for NATO and shares a sensitive border with the Soviet Union. Our bilateral defense relations complement Norway's NATO membership, enhance Norway's ability to support Alliance objectives in Northern Europe, increase regional stability, and improve interoperability and standardization within NATO. Norway also has an important role in U.N. peacekeeping forces and maintains an infantry battalion plus supporting troops in Lebanon. In 1990, Norway sent a coast guard patrol ship to the multinational naval force in the Persian Gulf, and gave $14 million worth of aircraft fuel to the U.S. Navy. Norway also gave $35 million in economic aid to Turkey, Egypt and other front-line countries to help them cope with dislocations caused by Iraq's invasion of Kuwait, and indicated it would provide further such aid in 1991.

A major defense review to examine Norway's defense needs in light of the changed security situation in Europe is now underway and is expected to be completed in 1992. From 1982 to 1988, Norway increased its defense budget over 3 percent in real terms annually. In 1989 and 1990, this rate dropped to 2.5 and 1.4 percent, respectively. The 1991 budget currently projects no real growth for the defense budget, with little expectation of a significant change through 1993.

PROGRAM DESCRIPTION

Objectives

- Improve overall air defense capabilities through purchase of various radars and missile systems
- Support operation and maintenance of U.S.-origin equipment through follow-on spare parts, supplies and training
- Continue participation in F-16 co-production program
- Support other military modernization efforts

Status

The security assistance program consists of FMS cash and commercial sales of defense equipment, services and training. Norway is a participant in the F-16 co-production program. The U.S.-Norway Memorandum of Understanding provided for prepositioning equipment for a U.S. Marine Expeditionary Brigade, elements of which regularly participated in NATO exercises during the 1980s.

Norway continues to operate a significant inventory of older U.S. equipment provided through the Military Assistance Program in the 1950's and the 1960's. This equipment is currently being modernized or replaced as it approaches the end of its useful life. In the 1980s, FMS sales focused on replacing older weapons systems (mostly MAP), acquiring various aircraft, missile systems and radars, anti-armor systems, and purchasing logistic and training support for U.S. origin equipment. The Royal Norwegian Air Force, the major recipient of U.S. support, obtains over 70 percent of its logistical support and over 80 percent of its training from the U.S.

FY 1992 REQUEST

The proposed FY 92 program will assist Norway to acquire surface-to-air and air-to-air missiles, participate in full-scale development of F-16 mid-life update modification kits and possibly acquire U.S.-origin infantry fighting vehicles and light helicopters. Norway will continue to purchase training and logistic support for U.S. systems at an annual rate of approximately $30 million.

OMAN

POLICY CONSIDERATIONS

Oman's location on the Strait of Hormuz makes it crucial to United States interests in the Persian Gulf. The 1980 Access Agreement with Oman granted the U.S. limited peacetime and contingency use of Omani military facilities. Important to U.S. operations during the Iran-Iraq War, this access is essential to Operation Desert Storm's defense against Iraq's invasion of Kuwait. On December 1, 1990, the U.S. and Oman renewed the agreement for an additional ten years. Oman was a steadfast and helpful friend in dealing with challenges in the Gulf in the 1980s.

Oman's traditional government is headed by the Sultan, an absolute monarch, who formed a State Consultative Council in 1981 to advise on economic and social issues. Omanis have access to local governors and tribal leaders and can petition them for redress of grievances. Islamic law prevails in Oman's very conservative society. Our security assistance program enhances our ability to discuss broad human rights issues with the Omanis.

Almost totally undeveloped before 1970, Oman has developed its limited oil and natural gas resources into a medium-sized petrochemical industry on which the government remains very dependent. Oman also has modernized its small fishing and agriculture industries and is committed to diversifying the economy's private sector. Oman provides many social services for its citizens, but on a less extensive scale than elsewhere in the Gulf. With renewal of the Access Agreement, the U.S. pledged a best effort to provide a significant level of ESF to help Oman diversify its economy and its commercial links with the U.S. Oman maintains a small but effective defense force with a still important British and other expatriate element. Oman is particularly concerned with defending its Gulf coastline and its border with Yemen.

PROGRAM DESCRIPTION

Objectives

- Support the political efforts of an important member of the international coalition opposing Iraqi aggression
- Maintain U.S. access to air, naval and support facilities
- Support military modernization programs to enhance Oman's defense capabilities
- Encourage improved regional defense cooperation
- Maintain and provide training in the use of U.S.-origin military equipment
- Diversify economic development and increase opportunities for U.S. firms to participate in Oman's economy

Status

Oman's small defense forces participate in the Gulf Cooperation Council (GCC) Peninsula Shield Force headquartered at King Khaled Military City in Saudi Arabia. FMS cash sales of M60 tanks, C-130 aircraft, and AIM 9-P Sidewinder missiles, in addition to maintenance and training, strengthened Omani defense capabilities. Oman requested information on the HMMV and the Multiple Launch Rocket System (MLRS). Oman is the least wealthy of the Gulf states and needs U.S. assistance to obtain some modern defense systems as well as excess defense articles required to build a more credible deterrent force.

The ESF program supports water resources development, fisheries, school construction, and teaching, including primary education for girls. This complements Oman's own efforts to diversify its economy, improve social services and build infrastructure in its rugged countryside.

The IMET program provides essential training in the efficient operation and maintenance of U.S.-origin equipment. IMET facilitates the Sultan's policy of replacing expatriates in the defense forces with Omanis.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide support and spare parts for U.S. origin equipment already in Oman's inventory and help it to obtain other weapons systems and equipment for its modernizing defense forces. ESF will promote a more diversified economy, greater participation by the Omani private sector, and U.S.-Omani commercial ties. ESF will be allocated to the development of primary education, water resources, fisheries and agriculture. IMET will provide professional military education, management and technical training.

OMAN
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	5,000
INTL MIL EDUCATION & TRNG PROG	100
ECONOMIC:	
ECONOMIC SUPPORT FUND	15,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	20,100
STUDENTS TRAINED UNDER IMET	17

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	500	5,000
TOTAL	0	500	5,000
ECONOMIC SUPPORT FUND	12,546	15,000	15,000
IMET	178	100	100
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	71,241
DEFENSE ARTICLES/SERVICES	71,241
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	324
ESTIMATED FMS AGREEMENTS FY 1991:	60,000
DEFENSE ARTICLES/SERVICES	60,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	4,431
ESTIMATED FMS AGREEMENTS FY 1992:	10,000
DEFENSE ARTICLES/SERVICES	10,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	2,658

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	7,282	7,900	7,682	n/a
PER CAPITA GDP**	5,645	5,840	5,566	n/a
TOTAL BUDGET	4,127	3,500	3,576	n/a
TOTAL DEBT	2,959	2,850	2,940	n/a
FMF DEBT	114	95	58	30
PERCENTAGE OF FMF TO TOTAL DEBT	4%	3%	2%	0%
DEBT SERV RATIO	11%	14%	0%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	100,691	49,047	157,738
FY 1991	6,853	1,143	7,996
FY 1992	9,220	1,042	10,262
FY 1993	6,552	556	7,108
FY 1994	1,219	63	1,282
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	132,236	51,851	184,086

PAKISTAN

POLICY CONSIDERATIONS

A democratic and stable Pakistan with firm political and economic ties to the United States, is a key element in U.S. regional policy toward South Asia in the post-Cold War era. Our long-standing partnership with Pakistan has been a cornerstone of U.S. South Asia policy. Although U.S. assistance is currently suspended pending certification for Pakistan under Section 620E(e) of the Foreign Assistance Act (the Pressler Amendment), the prospect of a security assistance program is a positive incentive in addressing the nuclear issue, thereby furthering our goals of non-proliferation and stability in a volatile region. U.S. aid bas been, and will continue to be, very important in encouraging democracy, strengthening Pakistan's democratic institutions, fostering market-oriented economic development, and improving Pakistan's effectiveness in fighting illicit narcotics.

Pakistan played a principal role in bringing about the 1989 withdrawal of Soviet troops from Afghanistan. Pakistan's continued cooperation remains essential to our objective of finding an acceptable political solution that ensures an Afghan government at peace with its neighbors and leads to the return of 3.2 million Afghan refugees in Pakistan to their homes. Tensions between India and Pakistan over Kashmir have diminished since their flare-up in early 1990. In January 1991, Pakistan and India exchanged formal ratification instruments to bring into force an agreement signed in 1988 not to attack each other's nuclear facilities, an important confidence building measure to reduce regional tensions.

In 1990 and 1991, Pakistan contributed over 11,000 troops to the multinational force in Saudi Arabia and implemented U.N. sanctions against Iraq for invading Kuwait, despite suffering serious economic hardship as a result of lost expatriate worker remittances and higher oil prices. Its well-trained military, history of defense cooperation with the Saudis, and status as an Islamic, non-Arab country, give Pakistan the potential to play a significantly greater role in ensuring stability and peace in the Gulf region.

Pakistan held parliamentary elections in October 1990. The elections, recognized as generally free and fair, resulted in a government led by the Islamic Democratic Alliance (known as the IJI). The economic policy of IJI meshes with the goals of the current ESF assistance package: liberalization of Pakistan's economy; rationalization of administration and management; and, enhancement of the private sector. Pakistan still faces major national, regional and local political, economic and social problems, some of which have been worsened by the Gulf crisis. U.S. assistance will continue to play a key role in reinforcing progress in these sectors, building on Pakistan's important achievements in the 1980s in the areas of agriculture, rural development, energy resource development, rationalization of prices, and distribution of goods and services.

PROGRAM DESCRIPTION

Objectives

- Promote non-proliferation and regional confidence building measures
- Strengthen democratic institutions
- Contribute to economic development and support economic reform

- **Continue modernization of Pakistan's armed forces**
- **Improve force readiness through military training**

Status

On October 1, 1990, the U.S. suspended economic and military assistance to Pakistan under Section 620E(e) of the Foreign Assistance Act (the Pressler Amendment), pending Presidential certification that Pakistan does not possess a nuclear weapon, and that continued U.S. assistance reduces the risk that it will possess one. This issue remains under discussion between the Administration and the Government of Pakistan. U.S. assistance strengthens the case against nuclear weapons for Pakistan, primarily by helping to strengthen Pakistan's conventional forces.

Pakistan continues to modernize all three of its armed services using national funds. The FMF program has been reduced from forecasts of $290 million when the current six-year program began in FY 88 to an actual level of $229 million in FY 90. In recent years, the army has focused on anti-armor modernization. The navy's eight leased Brooke/Garcia frigates will require long-term technical assistance to maintain their advanced systems. The air force continues to modernize its 37 F-16 fighter aircraft through a logistics support program. Eleven replacement F-16s are scheduled for delivery in the Spring of 1992, and 60 more aircraft are scheduled for delivery between 1993-96.

The ESF program has provided essential help in the key sectors of agriculture, rural development, and energy. There has been significant progress toward rationalizing prices, overcoming distributional barriers, and increasing participation of private enterprises and non-government organizations (NGOs). U.S. programs have also had a growing, positive effect in the areas of health and primary education.

FY 1992 REQUEST

Assuming Pakistan can be certified under the Pressler Amendment requirements, FY 92 would be the fifth year of the mutually agreed FY 88-93 follow-on assistance program. Economic assistance would constitute 60 percent of the program, with the remaining 40 percent in military aid. This balanced approach allows Pakistan to meet its defense needs while simultaneously pursuing economic development and structural adjustment of its economy. FMF would support the F-16 program, assist in mechanizing ground forces, provide new artillery and help to maintain U.S.-origin equipment.

ESF will focus on community-based rural development and counter-narcotics related activities, agriculture sector policy reform, private sector development and agribusiness. ESF will be used extensively in education, training, health and population growth programs to address Pakistan's severe social problems such as illiteracy, low life expectancy and high infant and child mortality rates.

PAKISTAN
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	113,656
INTL MIL EDUCATION & TRNG PROG	915
ECONOMIC:	
ECONOMIC SUPPORT FUND	100,000
DEVELOPMENTAL ASSISTANCE	25,000
P.L. 480	20,000
PEACE CORPS	886
INTERNATIONAL NARCOTICS CNTRL	7,500
TOTAL FOREIGN ASSISTANCE	267,857
STUDENTS TRAINED UNDER IMET	123

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	83,600	6,941
GRANT	229,011	8,400	106,595
TOTAL	229,011	91,900	113,656
ECONOMIC SUPPORT FUND	229,011	100,000	100,000
IMET	860	915	915
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			99,585

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	264,119
DEFENSE ARTICLES/SERVICES	264,119
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	3,535
ESTIMATED FMS AGREEMENTS FY 1991:	100,000
DEFENSE ARTICLES/SERVICES	100,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	843,854
ESTIMATED FMS AGREEMENTS FY 1992:	200,000
DEFENSE ARTICLES/SERVICES	200,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	506,312

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	29,942	32,779	37,222	37,659
PER CAPITA GNP**	350	353	361	362
TOTAL BUDGET	6,983	7,325	8,824	8,758
TOTAL DEBT	14,886	16,692	14,027	n/a
FMF DEBT	1,174	1,428	1,565	827
PERCENTAGE OF FMF TO TOTAL DEBT	8%	9%	11%	0%
DEBT SERV RATIO	16%	17%	18%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	952,269	577,478	1,529,747
FY 1991	32,739	48,325	81,064
FY 1992	70,240	42,657	112,897
FY 1993	98,274	38,225	136,499
FY 1994	105,074	32,202	137,276
FY 1995	96,640	23,920	120,460
FY 1996	113,608	22,172	135,780
FY 1997	105,074	13,741	118,815
FY 1998	94,648	7,522	102,170
FY 1999	55,667	2,991	58,656
FY 2000	22,127	720	22,847
TOTAL	1,746,160	810,053	2,656,213

PANAMA

POLICY CONSIDERATIONS

Panama emerged from a brutal military dictatorship on December 20, 1989, when, as a consequence of Operation Just Cause, the freely-elected President, Guillermo Endara, was at last permitted to take office. One year later, Panama is on the difficult road to political, social and economic recovery. Human rights and freedom of expression are again respected. The new democratic National Assembly is legislating competently and a complete overhaul of the judicial system has begun. Noriega's Panama Defense Forces (PDF) were disbanded and replaced by a police force under civilian authority. The Canal Treaty relationship is again generally cooperative and Panama is moving forward on planning for the 1999 transition. The new government concluded some counter-narcotics agreements with the United States (other agreements remain under negotiation) and showed some interdiction capability.

The United States provided Panama with an unprecedented total of $461 million in various kinds of economic assistance in FY 90 (for use during FY 90-91) to help "jump-start" the country's once robust economy and mitigate the need for large assistance programs later. The United States also made available trade benefits, export guarantees and insurance valued at over $500 million. Thanks to our aid and renewed business confidence brought about by democracy, the economy is recovering. Panama's 1990 GDP growth rate of 4 to 5 percent was the highest in the hemisphere (but has not overcome the 17 percent contraction which occurred in the 1987-89 Noriega crisis). Unemployment fell from over 35 percent to 20 percent, but is still unacceptably high. There was significant capital repatriation, evidenced by a 26 percent rise in bank deposits.

We also worked closely with the new government to help it transform the corrupt PDF into an increasingly honest, effective, respected civilian police force—the Public Force (PF). If this critical effort fails, all of the other impressive strides Panama made in 1990 will be lost. While it allowed many former PDF officers into the PF, the new government showed its resolve to clean up PF ranks by retiring over 142 former PDF personnel. The PF personnel remaining are in need of training in civilian law enforcement methods, investigative techniques and respect for human rights.

The backlog of 17,000 criminal cases shows the court system is still paralyzed by a lack of resources, leadership, and prison guards and antiquated judicial procedures. Public administration and public finance reform are critical to further economic recovery. The government also must begin to address Panama's serious environmental concerns and intensify its fight against narcotics trafficking and smuggling.

PROGRAM DESCRIPTION

Objectives

- Improve and expand civilian police training
- Support judicial reform and modernization
- Accelerate reform of public administration, public sector financial management, and local government institutions
- Improve education with scholarships and vocational training

- Promote protection of the Canal watershed and natural resource management
- Encourage economic diversification and export promotion

Status

In the immediate aftermath of Operation Just Cause, we provided Panama with $41 million in emergency humanitarian assistance to provide food, temporary - and later permanent - housing, and medical care for those displaced by combat; create emergency jobs; fund urgent public works; and aid small businesses ruined by looting. We later provided $420 million in ESF for use in FY 90-91 to support priority public sector investments; revitalize the private sector; establish civilian police training; begin public administration and policy reform projects; launch democratic initiatives; and provide education and training. This aid included funds to help Panama clear its arrears with the international financial institutions (IFIs), making Panama eligible for new IFI loans.

In FY 92, the ESF program will shift from stimulating the economy to developing a civilian, professional police force. In FY 92, we propose that $20 million in Development Assistance replace initial ESF support to improve public administration, strengthen democratic institutions, fund scholarships and education programs, improve protection of the Canal watershed and natural resource management, and promote economic diversification and export development. ESF-started, DA-continued programs include the Administration of Justice program and the Central American Peace Scholarships (CAPS).

FY 1992 REQUEST

The proposed FY 92 ESF program will provide training by the International Criminal Investigative Training Assistance Program (ICITAP) to help develop a civilian, apolitical, professional police force. The funds would be transferred to the U.S. Department of Justice to cover the costs of training and in-kind assistance under the ICITAP program.

PANAMA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	0
INTL MIL EDUCATION & TRNG PROG	0
ECONOMIC:	
ECONOMIC SUPPORT FUND	10,000
DEVELOPMENTAL ASSISTANCE	17,000
P.L. 480	0
PEACE CORPS	838
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	27,838
STUDENTS TRAINED UNDER IMET	0

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	0
TOTAL	0	0	0
ECONOMIC SUPPORT FUND	412,000	0	10,000
IMET	0	0	0
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	6,426
DEFENSE ARTICLES/SERVICES	6,426
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	48
ESTIMATED FMS AGREEMENTS FY 1991:	2,000
DEFENSE ARTICLES/SERVICES	2,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	8,741
ESTIMATED FMS AGREEMENTS FY 1992:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	4,045

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLION

	1986	1987	1988	1989
GDP	5,145	5,309	4,517	n/a
PER CAPITA GDP**	2,307	2,339	1,947	n/a
TOTAL BUDGET	1,725	1,763	n/a	n/a
TOTAL DEBT	4,933	6,302	5,620	n/a
FMF DEBT	17	15	15	15
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	8%	6%	1%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	7,093	6,719	13,812
FY 1991	8,033	3,951	11,984
FY 1992	1,444	550	1,994
FY 1993	1,449	382	1,831
FY 1994	450	223	673
FY 1995	957	179	1,136
FY 1996	957	133	1,090
FY 1997	957	83	1,040
FY 1998	957	36	993
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	22,297	12,256	34,553

PANAMA CANAL AREA MILITARY SCHOOLS (PACAMS)

POLICY CONSIDERATIONS

The Panama Canal Area Military School (PACAMS) now consists only of the U.S. Navy Small Craft Instruction and Technical Training School (SCIATTS) at Rodman Naval Station on the Pacific coast. To date, SCIATTS has trained over 3,200 students from throughout the hemisphere in a program that enhances security, cooperation and inter-American military relationships. SCIATTS a is cost-effective alternative for the participating countries which would either have to duplicate the same training facilities on a smaller, more costly scale, or do without much-needed training with a resulting reduction in their naval and coast guard effectiveness.

SCIATTS provides tactical and technical training, conducted primarily in Spanish, tailored to the unique requirements of the countries of the region. The training helps Latin American countries improve their ability to protect their national interests including combating narcotics and other smuggling, enforcing controls on environmental pollution and poaching by foreign fishing fleets, and conducting search and rescue (SAR) operations. The school enhances cooperation among the Latin American navies and coast guards, and between them and the U.S. Navy and Coast Guard, the key to reducing the ability of narcotics traffickers and other smugglers to evade interdiction efforts. Improved cooperation also complements efforts by DEA and other agencies to help the Latin Americans improve their customs, harbor and other anti-smuggling efforts.

PROGRAM DESCRIPTION

The proposed IMET program is designed to complement and supplement the training provided by the Latin American countries and to help them improve their own training capabilities. The training also helps the participating countries to improve their ability to maintain U.S.-origin equipment. During FY 92, approximately 180 students from 21 countries are expected to be trained in small craft operations, navigation and maintenance skills. The training is essential for these countries to improve their coastal and riverine drug interdiction capabilities.

PAPUA NEW GUINEA

POLICY CONSIDERATIONS

Papua New Guinea, a vigorous democracy with a federal and parliamentary government, is the largest most populous nation in the South Pacific region. The country has a pro-Western foreign policy, and exerts a moderating influence in the region. All four transfers of power since independence in 1975 have been peaceful, in keeping with the constitution.

The country is richly endowed with natural resources, but very rugged terrain and the high cost of building infrastructure hampers development. The market-oriented economy is a mixture of modern, largely foreign-owned extractive industry, some state-owned and many local private sector enterprises, and widespread traditional subsistence farming and fishing. The U.S., Australia and other countries provide essential aid for a variety of development projects.

During the 1980s, the United States developed a wide range of military cooperation programs with Papua New Guinea. In March 1990, we signed a Memorandum of Understanding on joint and combined military activities. Papua New Guinea has in recent years faced serious threats to its internal stability. The military is fully responsive to civilian government control. Military engineer and other units engage in some road repair, construction and other civic action projects.

The IMET program provides command and staff training to the national defense forces at the highest levels, and offers specialty courses not otherwise available. These courses increase the overall effectiveness of the Papua New Guinea military and build strong bonds between our two countries. IMET training also helps to instill respect for democracy and human rights, and opens up valuable opportunities for joint training exercises in a unique physical setting.

PROGRAM DESCRIPTION

The proposed IMET program will provide advanced engineer officer, ranger and basic military tactical intelligence training, as well as the U.S. Army Command and General Staff College and the Internal Defense and Development (IDAD) course.

PARAGUAY

POLICY CONSIDERATIONS

The United States supports the transition to democracy in Paraguay that began on February 2, 1989, when General Andres Rodriguez overthrew the 34 year-old dictatorship of General Alfredo Stroessner. On May 1, 1989, in what observers judged were relatively free and fair elections, President Rodriguez received a mandate to guide Paraguay's transition to democracy, though the military and the ruling Colorado Party continue to dominate the government. The new government took significant steps to improve human rights by allowing political exiles to return home, lifting restrictions on opposition political parties and the press, and allowing the judiciary more freedom. Municipal elections are scheduled for May 1991.

The U.S. wants to encourage further democratic development in Paraguay, greater respect for human rights, and broader private sector-led economic growth to improve the . w standard of living in a country dependent on agriculture and livestock raising. The U.S. also wants to help the new government to develop and implement effective counter-narcotics activities to prevent narcotics production, processing and trafficking from expanding to the scale afflicting Bolivia. The U.S. lifted long-standing prohibitions on sales of military equipment and services to Paraguay as a result of the change in government in 1989 and Paraguay's 1989 ratification of the International Convention on Human Rights. Paraguay's lack of funds has prevented it from purchasing repair parts for its aged military equipment.

The IMET program is designed to further the process of developing professional, non-political armed forces which respect human rights and democratic government. A modest FMF program would help Paraguay maintain the river-patrol boats, light aircraft, helicopters and vehicles needed for counter-narcotics operations in the difficult terrain of this large, sparsely peopled country.

PROGRAM DESCRIPTION

Objectives

- Support democratic processes and institutions and encourage greater respect for human rights
- Enhance counter-narcotics efforts including interdiction, reduction of money laundering and anti-drug education
- Encourage greater professionalism among the officer corps to make it more supportive of civilian authority
- Improve military medical care by providing medical equipment, clothing, and furniture

Status

Paraguay does not have the resources to carry out a significant counter-narcotics effort on its own. The army and police lack such basic equipment as uniforms, boots and radios.. The Paraguayan military medical service, which provides medical services for rural civilians, lacks basic medical supplies and equipment. The air force has antiquated C-47, DC-6 and T-5 aircraft, and UH-1 helicopters. The navy's patrol boats are operable most of the time.

FY 1992 REQUEST

The proposed FY 92 FMF program would provide the basic equipment to outfit and transport a 33-man army counter-narcotics strike team. FMF would also provide some basic medical equipment for the military medical services. IMET would provide training in counter-narcotics, technical and maintenance skills, and command and staff courses for army and air force officers.

PARAGUAY
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	500
INTL MIL EDUCATION & TRNG PROG	175
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	2,061
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	2,736
STUDENTS TRAINED UNDER IMET	18

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	500
TOTAL	0	0	500
ECONOMIC SUPPORT FUND	0	0	0
IMET	217	175	175
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	10
DEFENSE ARTICLES/SERVICES	10
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	0
ESTIMATED FMS AGREEMENTS FY 1991:	1,500
DEFENSE ARTICLES/SERVICES	1,500
EST VALUE OF COMMERCIAL EXP DELIVERIES	543
ESTIMATED FMS AGREEMENTS FY 1992:	1,500
DEFENSE ARTICLES/SERVICES	1,500
EST VALUE OF COMMERCIAL EXP DELIVERIES	326

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	5,404	4,533	6,240	n/a
PER CAPITA GDP**	1,418	1,156	1,545	n/a
TOTAL BUDGET	136	104	113	n/a
TOTAL DEBT	2,092	2,492	2,493	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	28%	22%	20%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	NO FOREIGN MILITARY FINANCIN		
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

PERU

POLICY CONSIDERATIONS

Since 1979, Peru has had a freely elected democratic government with a civilian president. However, Peru produces approximately 60 percent of the world's coca leaf. Violent and terrorist-like insurgencies, narcotics trafficking and economic extremes all threaten democracy. The Sendero Luminoso (Shining Path) and other groups are bankrolling themselves by narcotics activities. Peru has had generally good relations with the United States since the early 1980s. Against this very troubled and troubling backdrop, the United States seeks to help Peru consolidate and extend democracy, eliminate coca production and trafficking, promote economic development and improve the observance of human rights..

As outlined in the President's Andean Strategy and confirmed by the 1990 Declaration of Cartagena, the U.S. supports both law enforcement measures against traffickers and economic measures to develop legal alternatives to narcotics activities for rural and urban Peruvians. We also encourage Peru to commit its armed forces to counter-narcotics efforts in the context of sound economic policies and with greater respect for human rights. Military operations are needed to provide security for law enforcement and economic measures to have a real opportunity to succeed. After his inauguration in late July 1990, President Fujimori rejected our offer of $35.9 million in FY 90 FMF for counter-narcotics operations, as had his predecessor President Garcia earlier in the year. However, President Fujimori expressed his desire to develop an integrated approach to combat narcotics trafficking that includes economic support and law enforcement assistance, in accordance with the Declaration of Cartagena. We continue to discuss with President Fujimori the possibility of a major increase in military counter-narcotics operations.

U.S. support of the Peruvian armed forces is essential to help them protect the democratic process, and to improve government control of the military. While continuing to concentrate their scarce military resources on combatting insurgents, President Fujimori and the military are interested in pursuing counter-narcotics activities, but need substantial assistance to be effective. The armed forces need aircraft, patrol boats and logistic support to interdict illegal air and river traffic into and out of the Upper Huallaga Valley, the major coca-producing area. Peruvian anti-narcotics police forces need equipment and training to combat increasingly heavily armed traffickers and insurgents. Human rights training and judicial reform programs also are needed to reduce serious human rights violations by Peruvian military and police.

PROGRAM DESCRIPTION

Objectives

- Support a democracy threatened by narcotics, terrorism and subversion
- Reduce the major source of coca, from which a high percentage of U.S. cocaine is derived
- Support military operations which provide security for anti-narcotics and counter-terrorist activities conducted by Peruvian law enforcement agencies
- Encourage governmental institutions, particularly the armed forces, to respect democratic norms, including human rights

- Support economic adjustment programs to alleviate the poverty which feeds violence, terrorism and trafficking

- Improve military maintenance, logistics and field mobility including regular food and uniform needs of units stationed in coca-producing areas

Status

Peru's army, navy, and air force are organized primarily for conventional defense and increasingly for counter-insurgency. All branches of the armed forces and the anti-narcotics police have significant equipment deficiencies. FMF would be used to improve maintenance, logistics, field mobility, and combat capabilities against narcotics traffickers and two violent insurgent groups. IMET exposes students to U.S. traditions of democracy, human rights, and civilian control of the military, while improving technical and tactical capabilities.

ESF would provide balance of payments support and necessary funding for alternative economic development and other counter-narcotics activities, as well as other market-oriented economic reforms. Peru would lose considerable amounts of assistance should it not make and fulfill a commitment to reduce narcotics trafficking and illegal coca cultivation. As coca processing accounts for an estimated 20-30 percent of Peru's GDP, the country will need ongoing strong support from the U.S. and other international donors to carry out its alternative development program. ESF also would fund Administration of Justice programs to strengthen the troubled judicial system as it struggles to reduce corruption, and military and police human rights abuses, while coping with terrorist threats from both traffickers and insurgents.

FY 1992 REQUEST

The proposed FY 92 FMF program will provide individual troop equipment, small arms and heavy weapons and ammunition, communications equipment, vehicles, river patrol boats and spare parts for previously-provided aircraft and helicopters. ESF will provide balance of payments support and fund alternative development activities in coca-growing areas and judicial reform activities. IMET will provide professional military education, technical, management, and special police anti-narcotics training, and training to improve military and police human rights practices.

PERU
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	39,000
INTL MIL EDUCATION & TRNG PROG	900
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	15,700
P.L. 480	72,000
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	127,600
STUDENTS TRAINED UNDER IMET	68

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	1,000	34,000	39,000
TOTAL	1,000	34,000	39,000
ECONOMIC SUPPORT FUND	3,286	0	0
IMET	458	900	900
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	208
DEFENSE ARTICLES/SERVICES	208
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	231
ESTIMATED FMS AGREEMENTS FY 1991:	10,000
DEFENSE ARTICLES/SERVICES	10,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	6,905
ESTIMATED FMS AGREEMENTS FY 1992:	10,000
DEFENSE ARTICLES/SERVICES	10,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	4,143

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	26,259	44,286	34,169	n/a
PER CAPITA GDP**	1,299	2,136	1,607	n/a
TOTAL BUDGET	4,173	6,446	4,154	n/a
TOTAL DEBT	15,986	18,118	18,579	n/a
FMF DEBT	39	35	32	29
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	18%	13%	9%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	104,422	41,355	145,777
FY 1991	12,914	6,692	19,606
FY 1992	3,878	1,283	5,161
FY 1993	2,934	963	3,897
FY 1994	2,934	677	3,611
FY 1995	2,934	416	3,350
FY 1996	1,952	185	2,137
FY 1997	1,067	56	1,123
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	133,035	51,627	184,662

PHILIPPINES

POLICY CONSIDERATIONS

A stable, prosperous and democratic Philippines, engaged in a close security relationship with the United States, contributes greatly to the peace and stability of Southeast Asia and to broad U.S. strategic interests. President Aquino is making slow but certain gains against the Communist New People's Army and against right-wing coup plotters, both of which have undermined stability, investor confidence and economic growth. U.S. support remains essential to the Philippine Government's efforts to counter the insurgency, consolidate democratic processes and institutions, promote economic development and generate international investment.

The proposed security assistance program is important to an agreement on new basing arrangements with the Philippines within the framework of the broader Philippine-American Cooperation Talks. U.S. military facilities at Clark Air Base and Subic Naval Base remain important to Philippine security and the stability of the Asia-Pacific region. The bases facilitate U.S. power projection and provide major logistic and training support for our forces in the western Pacific and the Indian Ocean. The Philippines fully supported and enforced the U.N. sanctions against Iraq and sent a government-sponsored 300-person volunteer medical team to support Operation Desert Storm. Government economic policies in recent years have slowly reduced poverty in many areas, developed the agricultural sector, expanded light industry and domestic trade, and addressed foreign debt issues.

PROGRAM DESCRIPTION

Objectives

- Support democracy in the face of an active Communist insurgency and destabilizing activities by right-wing elements
- Demonstrate U.S. reliability as a partner and ally of the Philippines
- Enhance AFP operational and maintenance capabilities to counter the Communist insurgency and right-wing rebels
- Accelerate improvement in AFP professionalism, including respect for the constitutional process and human rights
- Improve living conditions for rural Filipinos, most of whom live in poverty
- Promote free-market-based economic reforms to sustain private sector growth, investment, and expanded trade

Status

The FMF program provides critical assistance to the Armed Forces of the Philippines (AFP) in its efforts to check and reverse an entrenched Communist insurgency. Sustained FMF support significantly enhanced the AFP's counter-insurgency capabilities. The army continues to upgrade its mobility, tactical communications, and counter-insurgency training. The air force is increasing air mobility and further

improving maintenance so it can participate more actively in counter-insurgency operations. The navy has wide-ranging responsibilities for island patrol and anti-smuggling efforts in a nation of 7,000 islands. It has improved its logistic and transport capabilities, but requires extensive support for its continued development.

The ESF program supports reforms designed to reduce the economic deprivation on which the insurgency feeds. It focuses on agriculture and rural development projects which generate employment and sustain growth. This is especially important because of higher prices for imported oil and other heavy burdens imposed by the Gulf crisis on the Philippine economy. In addition, our assistance helps encourage assistance from Japan and other nations.

The IMET program encourages military professionalism, improves operational effectiveness, and promotes respect for human rights and the democratic process. This has increased public confidence and support for the AFP and reduced the potential for coup attempts.

FY 1992 REQUEST

The proposed FY 92 FMF program will help the AFP meet basic requirements. We will continue to require that contracts for materiel be on a government-to-government basis. This ensures JUSMAG participation in a "total package approach"—from planning to post-delivery inspections—directed at countering the insurgency. FMF helps avoid the purchase of costly commercial equipment that may be ill-suited to counter-insurgency efforts and difficult to maintain.

ESF will continue to support projects that promote rural and infrastructure development. It may also continue to be used for financing debt or debt service reduction programs.

IMET will enhance the AFP's tactical mobility (air and ground), tactical communications, troop care and logistic capabilities. IMET will provide professional military education (including military ethics), technical and management training.

PHILIPPINES
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	200,000
INTL MIL EDUCATION & TRNG PROG	2,800
ECONOMIC:	
ECONOMIC SUPPORT FUND	120,000
DEVELOPMENTAL ASSISTANCE	40,000
P.L. 480	33,428
PEACE CORPS	884
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	397,112
STUDENTS TRAINED UNDER IMET	364

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	140,395	200,000	200,000
TOTAL	140,395	200,000	200,000
ECONOMIC SUPPORT FUND	124,020	120,000	120,000
IMET	2,589	2,600	2,800

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	118,535
DEFENSE ARTICLES/SERVICES	118,535
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	737
ESTIMATED FMS AGREEMENTS FY 1991:	130,000
DEFENSE ARTICLES/SERVICES	130,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	51,145
ESTIMATED FMS AGREEMENTS FY 1992:	150,000
DEFENSE ARTICLES/SERVICES	150,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	30,687

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	30,887	34,537	39,286	n/a
PER CAPITA GDP**	552	602	669	n/a
TOTAL BUDGET	4,060	5,290	5,997	7,644
TOTAL DEBT	28,330	30,052	29,448	n/a
FMF DEBT	228	222	224	224
PERCENTAGE OF FMF TO TOTAL DEBT	1%	1%	1%	0%
DEBT SERV RATIO	26%	31%	27%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	181,553	88,370	269,923
FY 1991	30,099	18,773	48,872
FY 1992	28,652	17,109	45,761
FY 1993	26,250	14,580	40,830
FY 1994	32,861	12,038	44,899
FY 1995	34,432	9,047	43,479
FY 1996	23,807	6,327	30,134
FY 1997	24,767	4,221	28,988
FY 1998	16,156	2,303	18,459
FY 1999	7,631	1,255	8,886
FY 2000	7,631	542	8,173
TOTAL	413,839	174,565	588,404

POLAND

POLICY CONSIDERATIONS

Poland made major progress in developing democratic processes and institutions in 1990, culminating in the November election of Lech Walesa as the country's first non-communist President since the 1930s. Poland took steps down the difficult road to a private sector, market economy, although much remains to be done. Higher oil prices brought on by the Gulf crisis and dislocations in the Soviet Union worsened Poland's economic situation. Poland supports U.N. sanctions against Iraq and sent a 200 person military hospital staff and a fully equipped hospital ship to Operation Desert Storm.

The United States has supported Poland's move to democracy since it began. President Bush proposed and Congress passed the SEED Act in 1989 to help the countries of East-Central Europe transition to democracy and market economies. The Polish-American Enterprise Fund is helping the latter effort.

In 1992, a carefully developed IMET program would support the continuing emergence of democracy in Poland by training Ministry of Defense civilians in democratic over-sight of the armed forces. IMET would contribute to the development of democratic institutions and political pluralism characterized by the establishment of non-partisan military, security and police forces. IMET would expose Polish participants to U.S. military professionalism, and democratic values of elected civilian government control of the military, and respect for individual human rights and the rule of law. IMET is timely in view of Poland's changing relationship with the Warsaw Pact, and growing Polish concern for security arrangements and confidence building practices in the broader European sense.

PROGRAM DESCRIPTION

Objectives

- Teach the skills necessary to civilian management and oversight of the military
- Establish friendships and channels of communication with the Polish Ministry of National Defense and military

Status

A small amount of IMET funds was allocated in FY 91 to develop a program for Poland to complement our economic aid.

FY 1992 REQUEST

The proposed IMET program would give defense management and technical training to MOD civilians and armed forces personnel.

PORTUGAL

POLICY CONSIDERATIONS

Portuguese willingness and ability to maintain its close military cooperation with the United States and permit broad access to their military facilities at Lajes Air Base in the Azores, are vital to U.S. global mobility for NATO and out-of-NATO-area activities. Continued U.S. access to Lajes—located in the eastern mid-Atlantic, 900 miles west of the Portuguese mainland—permits Allied control of strategic sea lanes vital to reinforcement of Europe and the Middle East in the event of war or crisis. Lajes's value as a transit point for non-NATO contingencies was demonstrated during Operations Desert Shield and Desert Storm when U.S. forces there conducted crucial refueling operations. Portugal immediately granted blanket permission to use Lajes as well as mainland overflight clearance for the operations. Portugal values its ties to the U.S. and routinely gives strong, public support to U.S. foreign policy initiatives.

In 1983, U.S. base rights at Lajes were extended until February 4, 1991. Portugal has made clear its desire for a continued U.S. military presence at Lajes. Negotiations on a new agreement began in January 1991 and may continue through much of the year. A one-year grace period has extended the validity of the current agreement until February 1992, and the U.S. retains access to Lajes after that 1992 date as long as negotiations continue. In 1988, Portugal requested "special consultations," under the terms of the 1983 base agreement, to discuss security assistance levels. The U.S. and Portugal successfully concluded these consultations in January 1989, agreeing on a military equipment package that will enhance Portugal's anti-submarine warfare and air defense capabilities. This package includes 20 F-16s and radars to be financed through a combination of FMS credits and equipment transfers under the Southern Region Amendment.

Portugal is gradually implementing a program to develop a leaner, more modern armed forces with emphasis on air and sea defense. This is reorienting the military away from their colonial war experience to a more modern force better able to fulfill NATO commitments and national defense requirements. Its emerging partnership with the U.S. will help Portugal to exercise a greater defense role in the eastern Atlantic, the "strategic triangle" between the mainland, Madeira and the Azores, which controls access to the western Mediterranean. Modernization will improve Portugal's tactical air support of maritime operations and establish a limited air defense capability based on one F-16 squadron. The program also will upgrade Portugal's Special Forces brigade into a quick reaction force able to reinforce the Azores and other NATO areas. Portugal is continuing economic restructuring and reforms begun in 1988 to privatize state-owned enterprises, encourage domestic investment, reduce inflation and cut the public sector deficit. In recent years, its market-oriented, mixed economy made a sustained recovery from a mid-1980s recession. Light industry and services are growing, but unemployment remains a problem.

PROGRAM DESCRIPTION

Objectives

- Support the P-3 and MEKO frigate ASW programs
- Support F-16 aircraft and an air defense package
- Upgrade the Special Forces Brigade

- Improve military and professional skills
- Promote Azorean economic development

Status

The FMF program provides essential support to the armed forces' efforts to acquire F-16 fighter and A-7 attack aircraft, sonars for ASW helicopters, Stinger missiles, upgrade P-3B ASW aircraft, mechanize the NATO-committed composite brigade, and support the U.S. content (weapons, propulsion and other equipment) of three MEKO ASW frigates.

The ESF program enhances Portugal's Atlantic orientation, promotes a positive attitude toward the U.S. in the Azores, and fosters U.S.-Portuguese commercial and cultural ties through the Luso-American Development Foundation.

FY 1992 REQUEST

The proposed FY 92 FMF program is consistent with our "best efforts" commitments made in the 1983 negotiations and in the special consultations concluded in January 1989. To do less would hinder Portugal's force modernization efforts and complicate negotiations for a new Lajes base agreement.

FMF will provide follow on support for existing F-16, MEKO frigate, P-3 and ASW and helicopter sonar programs. It also will provide mobility, communications, combat support, anti-armor equipment and program management. IMET will provide professional military education, technical, management and flight training.

ESF will support development programs in the Azores and increase the endowment of the Luso-American Development Foundation, which is well on the way to achieving its goal of a self-sustaining capitalization of $150 million.

PORTUGAL
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	125,000
INTL MIL EDUCATION & TRNG PROG	2,850
ECONOMIC:	
ECONOMIC SUPPORT FUND	40,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	167,850
STUDENTS TRAINED UNDER IMET	62

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	22,000
GRANT	84,635	100,000	103,000
TOTAL	84,635	100,000	125,000
ECONOMIC SUPPORT FUND	40,002	42,000	40,000
IMET	2,390	2,650	2,850
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			1,727

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	36,299
DEFENSE ARTICLES/SERVICES	36,299
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	4,475
ESTIMATED FMS AGREEMENTS FY 1991:	400,000
DEFENSE ARTICLES/SERVICES	400,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	55,524
ESTIMATED FMS AGREEMENTS FY 1992:	20,000
DEFENSE ARTICLES/SERVICES	20,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	33,314

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	29,534	36,755	40,764	n/a
PER CAPITA GDP**	2,893	3,586	3,916	n/a
TOTAL BUDGET	13,651	16,198	n/a	n/a
TOTAL DEBT	16,653	18,346	17,168	n/a
FMF DEBT	241	238	230	215
PERCENTAGE OF FMF TO TOTAL DEBT	1%	1%	1%	0%
DEBT SERV RATIO	31%	31%	25%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	47,501	66,156	113,657
FY 1991	21,233	15,856	37,089
FY 1992	23,466	14,129	37,595
FY 1993	23,633	12,307	35,940
FY 1994	23,799	10,373	34,172
FY 1995	19,140	8,723	27,863
FY 1996	13,716	7,429	21,145
FY 1997	8,949	5,553	14,502
FY 1998	7,949	5,992	13,941
FY 1999	3,483	5,512	8,995
FY 2000	3,483	5,114	8,597
TOTAL	195,352	158,144	353,496

QATAR

POLICY CONSIDERATIONS

Qatar, located on a sparsely populated peninsula in the Persian Gulf, is an important oil and natural gas producer with improving ties to the United States. Qatar joined the other members of the Gulf Cooperation Council (GCC) in opposing the Iraqi invasion and occupation of Kuwait. In August 1990, Qatar welcomed U.S. military deployments for Operation Desert Shield, and later accepted units from other friendly countries contributing to the multinational force. In October 1990, Qatar unilaterally canceled the debts of developing countries.

Qatar's traditional government is headed by the Amir according to the 1970 basic law. He normally consults with an Advisory Council of Notables on major decisions; citizens can petition for redress of grievances. A highly conservative society in which Islamic law prevails and human rights are restricted, Qatar has the highest ratio of foreign workers to citizens of the Gulf States. The economy is the least diversified in the Gulf, based on the state-owned oil industry, though privately-owned retail trade and services are modernizing. Qatar's resources provide extensive social services for its citizens and fund the small defense force.

PROGRAM DESCRIPTION

Objectives

- Support Qatar's participation in the international coalition opposing Iraqi aggression
- Strengthen military cooperation with U.S. armed forces
- Support military modernization programs to enhance Qatar's defense capabilities
- Encourage improved regional defense cooperation

Status

Qatar's small defense force participates in the GCC Peninsula Shield Force headquartered at King Khaled Military City in Saudi Arabia. Qatar's forces have a mixture of generally older West European equipment, which was not upgraded as much as that of the other Gulf states in recent years. Both forces and equipment need further improvement to become a more credible deterrent.

In August 1990, Qatar told us that it had disposed of the Stinger missile equipment which it had earlier obtained from an unknown source. Congress then repealed the ban on the sale of defense articles and services to Qatar; the provision was signed into law on November 5, 1990.

FY 1992 REQUEST

In FY 92 and beyond, Qatar and the U.S. will seek to build on the common experience of Operation Desert Storm and the improvement in our relationship. The Qataris have expressed a need to upgrade their air defense system with FMS cash or commercial purchases of U.S. equipment.

RWANDA

POLICY CONSIDERATIONS

Rwanda is a politically moderate African nation which has recently announced its intentions to move toward democratic pluralism. Rwanda is friendly to the United States, generally supporting U.S. views in international fora. The United States has encouraged Rwanda to allow greater popular participation in the political process and increase respect for basic human rights. The government continues to pursue liberal policies towards trade and investment, but the economy is dependent on a few agricultural commodity exports and limited food production.

The IMET program will be used to continue basic training for Rwandan officers and noncommissioned officers in U.S. military schools to increase their professional skills. IMET also exposes the trainees to U.S. democratic values.

PROGRAM DESCRIPTION

The proposed IMET program will allow four officers to attend professional development courses with emphasis on basic infantry and engineering skills.

SAO TOME AND PRINCIPE

POLICY CONSIDERATIONS

Since 1984, Sao Tome and Principe has taken steps to diversify its relationships away from Cuba and the USSR, free its economy from state-control, and move toward a multi-party political system. Multi-party presidential and legislative elections are scheduled to take place in 1991. The government has also sought closer ties with the West, including seeking assistance for its move toward democratic pluralism. Besides continuing a 1988 IMF/World Bank sponsored economic adjustment program, which included a devaluation of the currency, the government has turned over management of nationalized plantations to private companies.

Two U.S. Navy West Africa Training Cruise (WATC) ship visits in recent years, the signing of an IMET agreement, and accreditation of a nonresident U.S. Defense Attache all indicate Sao Tome's interest in cooperating with the United States. Continuing the IMET program will encourage present and future members of the government to carry on these initiatives. The IMET program helps the small armed forces to better patrol the country's fishing grounds, an important source of food and employment for this impoverished island state. IMET trainees also are exposed to the U.S. democratic system and U.S. civil-military relations.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military and technical training. Emphasis will be placed on coastal patrol and small boat maintenance.

SAUDI ARABIA

POLICY CONSIDERATION

Saudi Arabia is at the center of Operation Desert Storm and the international response to the Gulf crisis caused by Iraq's August 1990 invasion of Kuwait. With Iraqi forces massing on their border, the Saudis turned to the United States and others for help. The Saudi Arabian National Guard (SANG) rushed forces to the border in August, but it was obvious that the Saudi armed forces alone would be unable to prevent Iraq from invading and seizing Saudi and Gulf state assets. The Saudis welcomed U.S forces in 1990. Now they are fighting alongside us to liberate Kuwait.

U.S.-Saudi military relations, which date to the 1940s, have been a pillar of U.S. policy to promote peace and stability in the Gulf region. Although Saudi defense expenditures since 1973 have risen along with its oil revenues, less than 20 percent of its approximately $60 billion in FMS purchases were for weapons. Most purchases were for construction of infrastructure—bases, command and control facilities, maintenance, spare parts and training.

The ongoing Operation Desert Storm demonstrates the important mutual advantages of our longstanding defense relationship. U.S. and Saudi forces are jointly using U.S.-constructed bases, similar U.S. weaponry and U.S. training. The ability of U.S. and Saudi forces to operate together effectively contributes greatly to the success of the operation. Of all their defense forces, the Royal Saudi Air Force (RSAF) and the SANG have had the closest affiliation with us and have been the most combat ready and reliable during the current crisis. Saudi Arabia pledged more than $5 billion in 1990 to support U.S. Operation Desert Shield deployment costs and to assist countries disadvantaged by sanctions compliance. Saudi Arabia announced another $13.5 billion in assistance in January 1991. The Saudis have made it clear that they do not intend to be caught again in the vulnerable position in which they found themselves during August 1990. In coming years, they will modernize and strengthen their armed forces to increase their deterrent capability. The Saudis would prefer to do this in concert with the United States, but if this is not possible, they will seek other partners.

Saudi Arabia traditionally has promoted stability and political moderation in the Middle East. The Saudis actively worked for a settlement of the civil war in Lebanon and played a crucial role in achieving the withdrawal of Soviet forces from Afghanistan. For many years, Saudi Arabia has given large amounts of development and disaster aid to Islamic Asian and African countries. Saudi Arabia retains the traditional monarchy it has had since the country was unified in 1932. The King appoints all senior officials, and the royal family retains its traditional rights and responsibilities. The latter include listening to Saudi citizens express their concerns directly in frequent open door audiences and through petitions for redress of grievances. In November 1990, King Fahd authorized formation of national and regional consultative councils to advise on economic and social issues. Islamic law prevails in this very conservative society. The FMS program enhances our ability to engage the Saudis in a human rights dialogue. We do not associate Saudi armed forces with human rights violations.

Saudi Arabia alone possesses at least 25 percent of proven world oil reserves and over 65 percent of Persian Gulf reserves. In the last two decades, the Saudis used their wealth to diversify the economy, which is largely privately owned. A middle class of technocrats and businessmen has developed, accompanied by rapid urbanization with millions of foreign workers doing most unskilled and many skilled jobs. Saudi Arabia provides an extensive array of social services, housing and education for its citizens.

PROGRAM DESCRIPTION

Objectives

- Strengthen and modernize all branches of the Saudi forces to improve deterrence and interoperability with U.S. forces
- Improve U.S. military access to the less accessible Royal Saudi Air Defense Forces (RSADF), Royal Saudi Land Forces (RSLF), and the Royal Saudi Naval Forces (RSNF)
- Encourage improved regional defense cooperation to deter aggression in the post-Kuwait invasion crisis period

Status

After Iraq's invasion of Kuwait, the United States quickly sold Saudi Arabia a package that included F-15 aircraft, M60 tanks, depleted uranium tank ammunition and Stinger missiles. A larger, follow-on package was divided in two parts: phase I completed the Congressional notification process in late October 1990; notification of phase II has been delayed until the current crisis is resolved. Phase I included M1 tanks and other armored vehicles, Apache helicopters, TOW II and Patriot missiles and launchers, Multiple Launch Rocket Systems (MLRS), UH-60 Medical Evacuation helicopters and about 10,000 trucks. The composition of the phase II package remains to be determined.

Earlier in 1990, the Saudis purchased a package of 315 M1A2 tanks and the Congress approved the sale of 1,117 Light Armored Vehicles (LAVs) for the SANG through FMS. In recent years, Saudi Arabia purchased a large variety of U.S. equipment including HAWK, Redeye and Stinger air defense missiles, M60 tanks, F-5 and F-15 fighters, RF-5E reconnaissance aircraft, E-3A AWACs, KE-3 tankers, and C-130 transport aircraft.

FY 1992 REQUEST

The proposed FY 92 security assistance program consists entirely of FMS and commercial sales on a cash basis. Saudi purchases, even for new systems, build on past programs.

SENEGAL

POLICY CONSIDERATIONS

Senegal continues its moderate foreign policy, with an influence in international fora disproportionate to its population or resource base. The security assistance program supports this pluralist, pro-Western democracy by encouraging the preservation of the strictly military role of the Senegalese armed forces and greater respect for human rights.

Senegal played an important role in supporting the U.S. naval force deployed to Liberia in mid-1990, welcoming U.S. ships and aircraft visits on short notice. Also in 1990, Senegal sent an infantry battalion to the multinational force deployed in defense of Saudi Arabia. Senegal has for years provided a space shuttle emergency landing site, a staging area for Chad airlifts, and a stopover point for supply, surveillance and research operations.

PROGRAM DESCRIPTION

Objectives

- Ensure continued access to port and airfield facilities
- Maintain pro-U.S. orientation of armed forces
- Promote economic recovery and market-oriented development

Status

The Senegalese armed forces include a well-trained army, a small navy that concentrates on defense of territorial waters and control of the offshore economic zone, as well as an air force that concentrates on transport, reconnaissance and ground support. FMF provides basic military needs, such as troop clothing, equipment, and motor transport. ESF provides critical support to Senegal's economic reform program, which is designed to promote domestic stability by supporting employment generating development. IMET exposes Senegalese students to U.S. values of democracy, human rights, and civilian government control of the military.

FY 1992 REQUEST

The proposed FY 92 ESF program will support continued economic reform. FMF would support previously supplied U.S. equipment and provide some new basic troop equipment. IMET will provide professional military education and technical training to approximately 25 personnel.

SENEGAL
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	1,000
INTL MIL EDUCATION & TRNG PROG	525
ECONOMIC:	
ECONOMIC SUPPORT FUND	3,000
DEVELOPMENTAL ASSISTANCE	20,000
P.L. 480	8,200
PEACE CORPS	2,542
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	35,267
STUDENTS TRAINED UNDER IMET	31

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	1,853	0	1,000
TOTAL	1,853	0	1,000
ECONOMIC SUPPORT FUND	0	1,000	3,000
IMET	529	525	525
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	202
DEFENSE ARTICLES/SERVICES	103
CONSTRUCTION/DESIGN	99
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	4
ESTIMATED FMS AGREEMENTS FY 1991:	1,000
DEFENSE ARTICLES/SERVICES	1,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	63
ESTIMATED FMS AGREEMENTS FY 1992:	800
DEFENSE ARTICLES/SERVICES	800
EST VALUE OF COMMERCIAL EXP DELIVERIES	38

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	3,737	4,598	4,979	n/a
PER CAPITA GDP**	565	677	700	n/a
TOTAL BUDGET	635	772	819	777
TOTAL DEBT	3,005	3,711	3,617	n/a
FMF DEBT	9	9	8	8
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	16%	19%	19%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	2,803	5,238	8,041
FY 1991	1,629	857	2,486
FY 1992	943	653	1,596
FY 1993	760	581	1,341
FY 1994	645	523	1,168
FY 1995	412	473	885
FY 1996	412	441	853
FY 1997	254	403	657
FY 1998	97	388	485
FY 1999	97	380	477
FY 2000	97	372	469
TOTAL	8,149	10,309	18,458

SEYCHELLES

POLICY CONSIDERATIONS

Seychelles is important to the United States because it continues to permit unhindered operation of the U.S. Air Force tracking station on Mahe Island. The station has played an important role in U.S. national security for twenty-seven years. Victoria port welcomes visits by our naval ships as part of our security strategy in the Indian Ocean.

Although Seychelles is a socialist one-party state, its enforcement of economic policies has been pragmatic, and it has a mixed economy. We want to continue to encourage the Seychellois to move toward a greater reliance on market forces, private initiative, democratic pluralism, and increased respect for human rights.

PROGRAM DESCRIPTION

Objectives

- Preserve continued operation of the USAF tracking station
- Strengthen Seychelles Government links to the West
- Assist infrastructure development and private enterprise oriented economic reforms
- Encourage greater popular participation in the political process and greater respect for human rights

Status

The ESF program supplements the lease agreement with the Defense Department for the tracking station and supplies hard currency for petroleum imports essential for the local economy. Local currency derived from this program is used for infrastructure development. Projects have included the upgrading of roads and water systems on less-developed islands. IMET trainees are exposed to the U.S. democratic system where they observe civil-military relations at work.

FY 1992 REQUEST

The proposed FY 92 ESF program would continue to be used for petroleum imports and to generate local currency for modest development projects. IMET would provide professional military education, management and technical training with emphasis on developing a cadre of professional officers.

SEYCHELLES
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	0
INTL MIL EDUCATION & TRNG PROG	100
ECONOMIC:	
ECONOMIC SUPPORT FUND	3,300
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	351
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	3,751
STUDENTS TRAINED UNDER IMET	14

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	65	0	0
TOTAL	65	0	0
ECONOMIC SUPPORT FUND	1,991	3,300	3,300
IMET	23	100	100
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	225
DEFENSE ARTICLES/SERVICES	225
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	0
ESTIMATED FMS AGREEMENTS FY 1991:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	0
ESTIMATED FMS AGREEMENTS FY 1992:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	0

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	200	236	266	n/a
PER CAPITA GDP**	2,864	3,375	3,797	n/a
TOTAL BUDGET	n/a	n/a	n/a	n/a
TOTAL DEBT	139	161	159	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	7%	6%	7%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

SIERRA LEONE

POLICY CONSIDERATIONS

Sierra Leone has supported United States views in the region and in various international fora. Moreover, the government facilitated U.S. naval operations off the Liberian coast during the 1990 civil war in that country. Public discussion of political pluralism and constitutional reform is ongoing in Sierra Leone. The military acts as a stabilizing influence in an environment marked by widespread economic hardship and dislocations caused by the civil war in neighboring Liberia.

The IMET program promotes military professionalism and enhances the small navy's ability to protect the country's economically important fishing resources. IMET also serves to familiarize future Sierra Leonean military leaders with U.S. society and democratic institutions, and the role of the military in a pluralistic political system.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education and technical training with emphasis on seamanship skills to support coastal security missions.

SINGAPORE

POLICY CONSIDERATIONS

Singapore is a staunch supporter of the United States presence in Asia and of our policies in the region. Singapore's location at the crossroads of major shipping and air routes gives it great importance to U.S. global interests. In November 1990, the United States and Singapore signed a Memorandum of Understanding to enhance access to the island's airfields and port facilities by U.S. military aircraft and ships. This is a vital contribution to the effectiveness of our military commitments in Southeast Asia and the Indian Ocean. We will not pay rent or make reimbursement for improvements to the facilities we use.

Singapore has a stable parliamentary government. Its vibrant free-market economy has raised its people's living standards. Singapore welcomes U.S. investment and trade. The country passed a milestone in November 1990 when Lee Kuan Yew retired after serving as Prime Minister since 1959. A fellow People's Action Party member, his deputy Goh Chok Tong, succeeded him. Singapore strongly supports U.N. resolutions on the crisis in the Persian Gulf, enforced sanctions against Iraq, and provided some assistance to refugees in Jordan.

Singapore values highly the professional military training obtained through the IMET program, and desires its continued availability. By providing such training, the U.S. maintains continued contact with Singapore's military officers, helping to ensure that U.S. interests in the region are understood.

PROGRAM DESCRIPTION

Objectives

- Enhance the capability of Singapore's armed forces to deter external threats and protect vital regional sea lanes
- Support recent upgrades of major weapons systems

Status

FMS sales helped Singapore obtain U.S., rather than European, high-tech weapons such as F-16 fighter aircraft, E-2C airborne warning and control aircraft, and Harpoon and I-Hawk missiles. IMET exposes students to U.S. traditions of democracy, human rights and civilian control of the military.

FY 1992 REQUEST

The proposed IMET program will provide professional military education and technical training to increase military professionalism, enhance interoperability with the U.S., and sustain technical capabilities to support U.S. equipment.

SOLOMON ISLANDS

POLICY CONSIDERATIONS

The Solomon Islands is a parliamentary democracy with a constitution adopted at independence in 1978 under which it has held three national elections. The country, situated in the southwestern Pacific, has a pro-Western foreign policy and plays an influential role in regional affairs.

The Solomon Islands are rich in undeveloped mineral natural resources. The private sector economy is based on subsistence farming, fishing, forestry, and local trade. The country is still suffering from a long-term decline of the copra and fishing industries, growing foreign debt, and rapid population increase. The United States, U.K., Australia and other countries provide essential aid for a variety of development projects.

The IMET program complements other assistance to a friendly democratic nation which supports a U.S. presence in the region and accepts U.S. naval ship visits. The country's British-model national Police Force is responsible for defense issues and has important search and rescue, rural patrol, and riot and hostage responsibilities. The government and police share our armed services' view that the program has been a success in training present and future leaders in a range of technical and management skills. Recent IMET graduates are having a significant impact in this small island nation in such diverse areas as disaster preparedness and fire-fighting capability.

PROGRAM DESCRIPTION

The proposed IMET program would continue to provide leadership, logistics and management training.

SOMALIA

POLICY CONSIDERATIONS

Somalia's location along the Horn of Africa makes it important to the United States. Prior to the civil war, ended by a January 1991 coup, we urged the Siad Barre government to improve human rights, undertake political reform and promote national reconciliation. We made it clear that the government must demonstrate real progress in these areas before we could resume the security assistance program.

Despite the adverse impact of the civil war and coup on U.S.-Somali relations, our interests in the region remain the same. The new Somali government has expressed an interest in resuming bilateral relations, and may be willing to undertake several democratic reforms which we support.

If relations can be resumed, the proposed IMET program would again bring up-and-coming Somali officers to the United States for training to improve their professionalism and military skills. It would also expose them to U.S. values of democracy, human rights and civilian government control of the military.

PROGRAM DESCRIPTION

If an IMET program can be resumed, it would provide English language training in the U.S. to prepare for follow-on courses stressing basic technical skills and professional military education for officers at all grade levels.

SOUTH PACIFIC TUNA TREATY

POLICY CONSIDERATIONS

Frustration with United States tuna policy in the 1980's threatened vital U.S. security interests in the region, and prompted island states to look at issues such as ship access and support for U.S. positions in international fora as a means of expressing their discontent with the U.S. position. The 1987 Regional Fisheries Treaty successfully removed this major irritant in our relations with the sixteen island nations of the South Pacific Forum. We enjoy friendly relations with all of the countries of the region, as demonstrated during the President's successful Summit with Pacific Island leaders in Hawaii in October 1990

The treaty provides access for the U.S. tuna fleet to the region's fisheries and lays the foundation for a long-term positive fisheries relationship. This promotes economic and environmental cooperation on issues such as drift-net fishing and fisheries resources management. The ESF program developed in conjunction with the Treaty supports the participating island nations' efforts to improve regional self-sufficiency and reduce their long-term dependence on foreign aid. Increasing government reliance on market-led growth, and increasing private sector income from agro-marine development are key objectives in the region.

PROGRAM DESCRIPTION

Objectives

- Promote private sector, market-oriented economic development
- Maintain U.S. presence, influence, and access

Status

Full funding of the ESF program is a prerequisite for the issuance of licenses to U.S. tuna vessels under the Treaty, which, if abrogated, would not only affect U.S. access to fishing grounds but would also strain U.S. relations and jeopardize U.S. strategic interests in the region. The Treaty improved U.S.- Pacific island nation relations. It continues to reduce the island governments' tendency to view relations with us mainly in the context of their past dissatisfaction over U.S. tuna policy.

FY 1992 REQUEST

The proposed FY 92 ESF program will be the fifth and final year under the current treaty. The reauthorization of the Magnuson Fisheries Conservation and Management Act, signed into law on November 29, 1990, sets forth the intent of Congress that the treaty be extended an additional 10 years.

SPAIN

POLICY CONSIDERATIONS

Spain hosts a substantial U.S. Navy and Air Force presence at the crossroads of the Atlantic and the Mediterranean, an area vital to Alliance defense. A vibrant parliamentary democracy, Spain has made great progress in modernizing its mixed economy since joining the EC in 1986. Spain gave major help to combatting Iraq's invasion of Kuwait by granting overflight and landing clearances to U.S. forces deploying to the Gulf. Spain sent one frigate and two corvettes to the multinational force in the Persian Gulf and is contributing to the European Community's $2 billion exceptional aid programs for Turkey, Egypt and Jordan.

The 1989 U.S.-Spain defense agreement, which runs until 1997, promotes mutually beneficial bilateral defense relations based on Spain's political and economic progress and growing role in NATO. Spanish defense policy is rapidly adjusting to its evolving role in Europe. Weapons systems modernization and force restructuring will continue in the mid-1990s to improve its support for NATO and regional defense. FMS cash and commercial sales of U.S. defense equipment and services and the IMET program promote a more comprehensive, viable, mature defense relationship. They also promote receptivity and responsiveness to U.S. foreign policy and defense concerns. IMET promotes information exchange essential to the U.S.'s adjustment to Europe's changing security environment.

PROGRAM DESCRIPTION

Objectives

- Ensure a cooperative bilateral defense relationship adapted to the new strategic equation in Europe
- Contribute to military professionalism essential to vitality of Spain's democratic government

Status

The IMET program supports Spain's defense modernization with training in the most efficient use and maintenance of U.S. origin defense systems. IMET also exposes the Spanish military to modern American life and U.S. traditions of democracy, human rights, and civilian government control of the military.

FY 1992 REQUEST

The proposed IMET program would provide professional military education, management, pilot and technical training. Spain is expected to purchase spare parts for its F-5 and C-130 aircraft, communications and other equipment.

SRI LANKA

POLICY CONSIDERATIONS

Sri Lanka is a constitutional, multi-party democracy that achieved considerable economic development until the late 1970s. In the 1980s, increasing ethnic strife between the majority Sinhalese and minority Tamils culminated in a violent Tamil separatist movement in the northeast. Later, a Maoist-oriented Sinhalese youth group in the southeast began terrorist attacks against the government and the general public. To deal with the insurgencies, India sent about 50,000 troops to Sri Lanka beginning in 1984, and Sri Lanka greatly expanded its army and police. In July 1987, India and Sri Lanka concluded a peace accord to end the Tamil conflict. India began a troop withdrawal in 1988 which was completed in 1990. Although the government defeated the violent Maoist insurgency in the south in 1989, hostilities erupted again between government and Tamil insurgents in June 1990. However, Sri Lanka held generally free and fair elections for president in December 1988 and for parliament in February 1989.

Sri Lanka's economy remains based on sugar, rubber, tea and other crops, textiles, and light industry, all of which have been hurt seriously by the insurgencies. We have encouraged Sri Lanka to promote private sector oriented economic growth to provide employment for both ethnic groups. Sri Lanka strictly complied with U.N. sanctions against Iraq, although Iraq was a major market for Sri Lankan agricultural products. Higher oil prices and the loss of remittances from Sri Lankan workers in Iraq and Kuwait will further hurt the country's economy. In December 1990, the U.N. and the World Bank acknowledged the country's special economic hardship.

The United States and Sri Lanka have enjoyed cordial relations for many years. The U.S. continues to support Sri Lanka's unity and territorial integrity, while urging all parties to the ethnic strife to pay greater respect to human rights and humanitarian concerns. The IMET program is designed to help Sri Lanka build a more effective and disciplined armed forces as it struggles with insurgents. IMET also fosters greater respect for civilian control of the military, and exposes the students to U.S. traditions of democratic pluralism and respect for minority rights.

PROGRAM DESCRIPTION

The proposed IMET program will provide professional military education, management and technical training for 17 officers. Emphasis will be on staff, advanced military and professional courses. There is also provision for a small language laboratory for in-country training of IMET students.

SUDAN

POLICY CONSIDERATIONS

The Sudanese military traditionally has favored a moderate and pro-Western Sudan. However, human rights abuses by the current military regime have been the cause of repeated expressions of concern by the United States. We suspended all military aid in 1989 because of our concerns with government actions associated with the civil war.

Military assistance is currently prohibited by Section 513 of the Foreign Operations Appropriations Act of 1990, which forbids such assistance when the military overthrows a democratically-elected government. The current government, while professing neutrality in the Gulf war, is demonstrably pro-Iraq and increasingly critical of the U.S. role in the Middle East.

Sudanese government intransigence on the eight year civil war and its unwillingness to address an impending famine which could place as many as nine million Sudanese at the risk of starvation have pushed U.S.-Sudanese relations to their lowest point since the rupture of relations in 1967. Anti-Israeli sentiment and increasing Islamic fundamentalism, including the implementation of Sharia law, also preclude a quick resumption of military aid. In default on debts owed to the U.S., Sudan is now subject to Brooke Amendment restrictions on aid.

The IMET program would only be resumed if Sudan is able to meet conditions allowing the waiver of Section 513. These conditions require improvements in the internal situation, including respect for human rights, cooperation with the United States and other donor governments to alleviate famine and to move toward a resolution of the civil war.

PROGRAM DESCRIPTION

If Sudan is able to meet the requirements for the lifting of Section 513 and Brooke restrictions, the IMET program would provide professional military education to a broad segment of the Sudanese officer corps, preserving U.S. influence within this crucial elite.

SWAZILAND

POLICY CONSIDERATIONS

Since its independence from the British in 1968, Swaziland has enjoyed good relations with the United States. It has supported U.S. efforts toward the peaceful resolution of conflicts in southern Africa. The country's free market economy is dependent on subsistence agriculture and the exports of largely foreign-owned firms.

Our security assistance relationship serves as a symbol to both friends and potential adversaries of continued U.S. willingness to play an active and constructive role in southern Africa. The IMET program encourages the Swazi government to allow greater participation in the political process and increase respect for basic human rights. The military answers to civilian authorities.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education and technical training. Emphasis will continue to be placed on building a core of professional junior and middle grade officers who will benefit from exposure to U.S. democratic systems and civil-military relations at work.

SWEDEN

POLICY CONSIDERATIONS

Sweden follows a policy of armed neutrality. The United States maintains an active dialogue with Sweden that aims to preserve a militarily strong, Western-oriented nation and gain support for bilateral and global U.S. objectives. Our relationship is becoming increasingly important as the Nordic region takes on greater importance in overall European security. Sweden plays an important role in U.N. peacekeeping efforts, maintains an infantry battalion and medical team in Lebanon, and contributed armed police to serve in the 1990 Namibia peacekeeping operation. In 1990, Sweden gave economic aid to help Turkey, Egypt and other front-line countries cope with the dislocations caused by Iraq's invasion of Kuwait.

Swedish public opinion and political leaders have begun to debate how Sweden's traditional neutrality policy should be applied in today's greatly altered East-West climate, including possible EC membership. Sweden's long-term defense goals and force structure are under review in light of the dramatic changes in the European security environment. Domestic economic pressures also have increased the importance of U.S. ties for Sweden's defense industrial base.

PROGRAM DESCRIPTION

Objectives

- Preserve an independent, militarily strong Sweden which can contribute to security on NATO's northern flank while remaining outside the Alliance structure
- Maintain contact with Swedish military leaders and close rapport with a broad cross-section of the Swedish military
- Facilitate equipment purchases and training to maintain and improve the military's credibility as an anti-invasion force

Status

The Swedish-U.S. security assistance relationship consists of FMS cash and commercial sales of missiles, anti-tank weapons, coast defense weapons, spares and aircraft technology.

FY 1992 REQUEST

Possible acquisitions during the next few years include further technical assistance for the JAS-39 Gripen aircraft and technical data on various weapons systems. The Swedes may also request components and technology for electronic countermeasures and electronic counter-countermeasures.

SWITZERLAND

POLICY CONSIDERATIONS

Switzerland protects its traditional neutrality with a high degree of military self-sufficiency and a strong, credible defense force. United States policy is to enhance Swiss defense capabilities, thereby promoting stability in Central Europe. Switzerland uses its economic strength to exert a constructive Western influence in international affairs. While remaining neutral, the Swiss in 1990 joined the international embargo against Iraq and committed to providing $110 million in economic aid to the front-line countries affected by Iraq's invasion of Kuwait.

The U.S. and Switzerland enjoy a longstanding, cooperative military assistance relationship. In recent years, the Swiss intensified their collaboration with us, especially in technical areas. The Swiss government is reviewing whether and how to proceed with the acquisition of a new fighter aircraft in light of the sweeping changes in East-West relations. It is considering purchasing state-of-the-art missiles and electronic warfare systems. U.S. sales of modern defense articles and services enhance the effectiveness and sustainability of Switzerland's highly motivated and capable armed forces.

PROGRAM DESCRIPTION

Objectives

- Assist Switzerland to acquire modern conventional weapons
- Support F/A-18 fighter and air-to-air missiles projects
- Support upgrades for artillery and new anti-armor weapons
- Facilitate acquisition of a modern air defense system

Status

Switzerland participated in the engine management program to support its F-5 aircraft and co-produced TOW II and Dragon missiles. It is modernizing its U.S.-designed howitzers, purchasing additional howitzers, as well as co-producing Stinger missiles. When the time comes (perhaps in 1992), government approval to purchase the F/A-18 would represent a transaction of up to $2 billion in aircraft, extra engines and other sustainability items into the late 1990s.

FY 1992 REQUEST

The proposed FY 92 program provides support to modernize air defense, artillery and anti-armor equipment. Future Swiss purchases are expected to include anti-tank weapons, air defense missiles, other munitions, and spare parts.

TAIWAN

POLICY CONSIDERATIONS

United States policy seeks to maintain Taiwan's self-defense capability, thereby contributing to stability in the region. Since the U.S. does not have diplomatic relations with Taiwan, the American Institute in Taiwan (AIT), a private instrumentality, handles security assistance programs.

All military sales to Taiwan are made on a cash basis. Because Taiwan has a favorable balance of payments, budget allocations for the purchase of U.S. equipment will not hinder economic growth.

PROGRAM DESCRIPTION

Objectives

- Enable Taiwan's defense forces to operate and maintain U.S.-supplied military equipment
- Enable Taiwan to obtain logistics support for on-hand equipment

Status

Taiwan has purchased a variety of defensive U.S. military hardware, with past security assistance programs consisting primarily of acquisitions of equipment, spare parts, and consumables required to maintain its ground, naval and air force.

FY 1992 REQUEST

In FY 92, Taiwan may acquire a variety of equipment on a cash basis in order to maintain its air, ground, and naval defense capabilities. Taiwan may also seek technical training for personnel responsible for the operation and maintenance of U.S.-supplied military hardware.

TANZANIA

POLICY CONSIDERATIONS

Tanzania is important to stability in eastern and southern Africa as a prominent front line state. The government continues to address longstanding problems with its primarily agricultural economy, in collaboration with the IMF and the World Bank. Under President Ali Hassan Mwinyi, Tanzania is adopting a less strident and doctrinaire stance. The economic reforms begun in 1986 increased payments to farmers, began repairs to the infrastructure, and increased production overall. Nevertheless, the country remains very poor, with one of the world's highest population growth rates. In 1990, the single party political system was widely criticized and debated. The government recently undertook a review of its policies, a step which may lead to pluralism and democracy in the not too distant future.

The IMET program supports U.S. interests by fostering an appreciation of Western values among Tanzania's military leadership through exposure to U.S. civil-military relations and the democratic system. Continued assistance would encourage Tanzania on the path toward political pluralism and genuine non-alignment. The armed forces traditionally have not caused human rights abuses.

PROGRAM DESCRIPTION

The proposed IMET program would provide professional military education with emphasis on command, staff and advanced officer training.

THAILAND

POLICY CONSIDERATIONS

Thailand, a treaty ally, remains the cornerstone of stability in Southeast Asia, which is crucial to U.S. interests in the region. Thai-U.S. military cooperation includes exercises and logistics programs, intelligence exchange, and Thai support for U.S. military forces' access to Thai facilities. While withdrawal of Vietnamese military forces from Cambodia reduced the primary perceived threat to Thai security, a settlement in Cambodia has not been achieved and regional instability remains. The security assistance program serves our interests by supporting Thailand's efforts to modernize its armed forces, enhance its defense capabilities, and protect refugees and displaced persons along its extensive borders with Cambodia and Laos. Since 1975, Thailand has provided first asylum to over a million people fleeing the Indo-Chinese states. A middle-income developing country with a prosperous free-enterprise economy, Thailand's citizens enjoy a wide range of civil and political liberties.

On February 23, 1991, the Thai armed forces staged a bloodless coup and overthrew the elected civilian government. We immediately suspended the security assistance program and urged the return to constitutional rule.

PROGRAM DESCRIPTION

Objectives

- Ensure the continued stability, independence and territorial integrity of Thailand
- Maintain bilateral security cooperation, including U.S. access to Thai airfields and ports for U.S. military forces
- Encourage improved Thai counter-narcotics efforts
- Support Thailand's provision of first asylum to and humane treatment of refugees and displaced persons
- Enhance logistics interoperability between U.S. and Thai forces

Status

The FMF program helped the Royal Thai Armed Forces to defend against internal and external aggression, and support rural development. Recent FMF levels were insufficient to support Thai purchases of new U.S.-equipment. FMF facilitated purchases of spare and repair parts for existing equipment. The Thai appreciate the quality of U.S. military equipment and generally prefer to purchase from U.S. sources. However, foreign assistance and equipment pricing are important elements in purchase decisions. The ESF program supports the Royal Thai Army's Affected Thai Villages Program (ATV) of direct assistance to border villages adversely affected by the presence of over 300,000 refugees and displaced persons.

FY 1992 REQUEST

We are hopeful that the Thai armed forces and political leaders will resolve the situation soon, and the country can return to elected civilian government. In the meantime, the FY 92 ESF program for the Affected Thai Villages must be held in abeyance. When IMET can be resumed, it will provide professional military education and training. Thailand will continue FMS and commercial purchases of spare parts for U.S. equipment.

THAILAND
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	0
INTL MIL EDUCATION & TRNG PROG	2,500
ECONOMIC:	
ECONOMIC SUPPORT FUND	2,500
DEVELOPMENTAL ASSISTANCE	12,300
P.L. 480	0
PEACE CORPS	3,583
INTERNATIONAL NARCOTICS CNTRL	5,000
TOTAL FOREIGN ASSISTANCE	25,883
STUDENTS TRAINED UNDER IMET	340

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	3,038	0	0
TOTAL	3,038	0	0
ECONOMIC SUPPORT FUND	2,839	2,500	2,500
IMET	2,629	2,400	2,500
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	170,463
DEFENSE ARTICLES/SERVICES	170,463
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	13,864
ESTIMATED FMS AGREEMENTS FY 1991:	50,000
DEFENSE ARTICLES/SERVICES	50,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	223,759
ESTIMATED FMS AGREEMENTS FY 1992:	60,000
DEFENSE ARTICLES/SERVICES	60,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	134,255

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	41,756	48,016	58,135	n/a
PER CAPITA GDP**	793	896	1,066	n/a
TOTAL BUDGET	8,428	8,836	9,357	n/a
TOTAL DEBT	18,554	20,707	20,530	n/a
FMF DEBT	498	478	364	259
PERCENTAGE OF FMF TO TOTAL DEBT	3%	2%	2%	0%
DEBT SERV RATIO	25%	18%	19%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	505,733	232,582	738,315
FY 1991	8,076	10,493	18,569
FY 1992	11,408	9,968	21,376
FY 1993	19,190	9,032	28,222
FY 1994	20,757	7,665	28,422
FY 1995	20,757	6,260	27,017
FY 1996	16,857	4,940	21,797
FY 1997	10,290	3,980	14,270
FY 1998	10,290	3,414	13,704
FY 1999	5,199	2,934	8,133
FY 2000	5,199	2,625	7,824
TOTAL	633,756	293,893	927,649

TOGO

POLICY CONSIDERATIONS

Togo is a moderate, pro-Western country with a positive record of support for United States positions in international fora. The government has played a constructive role in promoting peace and stability in West Africa. Togo also has stayed within its World Bank-supported structural adjustment program to promote growth and investment in an economy dependent upon cocoa, cotton, some phosphate mining, subsistence agriculture and coastal trade.

Specialized and advanced military training in the U.S. complements what is primarily a French training program. The IMET program enables the government to diversify its relations and gain a different perspective. It also enables the military to gain first hand exposure to democratic values and civil-military relations.

PROGRAM DESCRIPTION

The IMET program will include training in infantry and airborne techniques and English language skills. It will also allow for medical training, which should assist the Togolese military in upgrading the quality of medical services provided to its personnel.

TONGA

POLICY CONSIDERATIONS

Tonga, a constitutional monarchy which respects human rights, is one of our most steadfast friends in the South Pacific. Tonga actively supports a United States presence in the region and welcomes U.S. ship visits.

Our IMET program allows us to provide needed assistance to a reliable, friendly nation whose economy is dependent on agriculture and fishing, tourism and remittances from workers abroad. IMET is designed to enhance the military and professional skills of Defense Force personnel at both the officer and enlisted levels. It also exposes Defense Force members to the democratic values of our military and to modern American society. Tonga has been declared eligible to procure U.S. defense articles, and to receive excess defense equipment (EDA) through the FMS system, using national funds.

PROGRAM DESCRIPTION

The proposed IMET program will provide professional military education and technical training for officers and enlisted personnel. Courses of instruction are expected to include basic Marine Corps and engineer officer courses, U.S. Naval Staff College, watercraft engineer and data systems training, all important to the people living on this country's widely scattered islands.

TRINIDAD AND TOBAGO

POLICY CONSIDERATIONS

Trinidad and Tobago (T&T) has maintained the good relations with the United States that developed after the National Alliance for Reconstruction (NAR) won the 1986 election. Since T&T was considered a regional model of well-functioning democratic rule, Trinidadians and the Caribbean were stunned in July 1990, when a small band of heavily armed Muslim extremists stormed the television station and parliament building, taking the Prime Minister, several ministers and others hostage. The crisis ended five days later with the hostages' release and the hostage-takers' surrender, but not before the PM and others were beaten and wounded. During the crisis, spontaneous looting paralyzed the capital and resulted in an estimated $47 million in damages and lost property. The crisis focused attention on the police and defense forces' lack of transportation and communications equipment.

The T&T Government is keenly interested in improving narcotics interdiction. Only seven miles from South America, with regular sea and air links to the United States and Europe, Trinidad and Tobago could play a key role in Caribbean basin counter-narcotics operations. The government also has worked to enhance military cooperation between its Defense Force (TTDF) and the Eastern Caribbean's Regional Security System (RSS). The T&T Coast Guard is the principal regional maritime force conducting extensive narcotics interdiction.

The FMF program helps to upgrade the Defense Force's transportation and communications equipment, improve its narcotics interdiction capability, and enhance TTDF ability to protect the country's democratic institutions and natural resources. FMF also supports the Coast Guard's small patrol boats and a few light aircraft, which actively patrol the coast and interdict vessels from South America. The IMET program provides technical training required for enhanced interdiction operations, and maintains a close relationship with the future leaders of the TTDF.

PROGRAM DESCRIPTION

Objectives

- Upgrade TTDF capability to protect democratic institutions
- Expand cooperation in the war on drugs
- Enhance already good relations with a strategically important Caribbean country
- Provide spare parts and maintenance for essential TTDF and Coast Guard equipment

Status

Despite a decade-long recession which forced it to adopt austerity measures to secure an IMF standby loan, T&T was again subject to "high income" restrictions on IMET funds in FY 90. Due to limited funds to pay per diem and transportation costs for the IMET program, T&T was unable to take advantage of much of the proposed training. We continue to recommend that T&T be removed from the "high income" list. Given the shock of the coup attempt, we believe the government will focus new attention

on improving the capability and professionalism of the Defense Force and Coast Guard. These services will also continue to be actively engaged in the war on drugs.

FY 1992 REQUEST

The proposed FY 92 FMF program would help fund operation and maintenance of the equipment of the Defense Force and Coast Guard, including drug interdiction equipment. IMET will provide professional military education and technical training, including specialized counter-narcotics programs.

TRINIDAD & TOBAGO

DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	500
INTL MIL EDUCATION & TRNG PROG	95
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	595
STUDENTS TRAINED UNDER IMET	9

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	650	250	500
TOTAL	650	250	500
ECONOMIC SUPPORT FUND	0	0	0
IMET	43	95	95
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	100
DEFENSE ARTICLES/SERVICES	100
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	23
ESTIMATED FMS AGREEMENTS FY 1991:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	494
ESTIMATED FMS AGREEMENTS FY 1992:	0
DEFENSE ARTICLES/SERVICES	0
EST VALUE OF COMMERCIAL EXP DELIVERIES	296

*Less than $500.

ECONOMIC DATA

DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	4,789	7,734	7,943	n/a
PER CAPITA GDP**	3,991	3,712	n/a	n/a
TOTAL BUDGET	1,819	1,719	1,545	n/a
TOTAL DEBT	1,858	1,805	1,717	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	18%	24%	10%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

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TUNISIA

POLICY CONSIDERATIONS

The United States and Tunisia traditionally enjoyed close relations. Historically a voice of moderation in the Arab world, Tunisia has supported peace with Israel and hosted the U.S.-PLO dialogue until its June 1990 suspension. However, when Tunisia did not provide diplomatic, military or economic support for Operation Desert Storm, we eliminated FY 91 FMF for Tunisia and drastically reduced ESF in order to increase aid to countries opposing Iraqi aggression. Tunisia allows the Sixth Fleet to use its naval facilities, and supports our joint military exercises and consultations. Tunisia continues to view Libya as its principal threat.

The United States supports Tunisia's ongoing program of political and economic liberalization. President Ben Ali has pledged to increase political pluralism in the face of a challenge by Tunisia's indigenous Islamic movement. Despite a severe drought in 1990, Tunisia adhered to the targets of its IMF-supported structural adjustment program and made substantial progress toward a market-based, export-oriented economy.

PROGRAM DESCRIPTION

Objectives

- Encourage continued democratization, moderation in foreign policy and support for U.S. policies in the Gulf
- Improve Tunisian anti-armor, surveillance and air defense to deter Libyan subversion and aggression
- Support the economic structural adjustment program

Status

Tunisia's small army, navy and air force must try to deter larger, heavily-armed Libyan forces. The Libyan-backed raid on Gafsa in 1980 and Israel's 1985 raid on PLO headquarters in Tunis highlighted Tunisian air defense, anti-armor and surveillance weaknesses. The FMF program enabled Tunisia to acquire and support 12 F-5 aircraft, 30 M60A1 tanks and aircraft radar. The ESF program supports Tunisia's economic adjustment program. IMET exposes Tunisians to U.S. concepts of democracy, human rights and civilian control of the military.

FY 1992 REQUEST

The proposed FY 92 FMF program would support maintenance of U.S-origin aircraft, tanks and other systems. ESF will support the economic reforms. IMET will provide professional military education, management, flight and technical training.

TUNISIA
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	10,000
INTL MIL EDUCATION & TRNG PROG	1,250
ECONOMIC:	
ECONOMIC SUPPORT FUND	3,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	10,000
PEACE CORPS	1,008
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	25,258
STUDENTS TRAINED UNDER IMET	132

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	29,871	0	10,000
TOTAL	29,871	0	10,000
ECONOMIC SUPPORT FUND	12,446	3,000	3,000
IMET	1,492	1,450	1,250
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			1,500

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	35,554
DEFENSE ARTICLES/SERVICES	35,554
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	397
ESTIMATED FMS AGREEMENTS FY 1991:	10,000
DEFENSE ARTICLES/SERVICES	10,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,056
ESTIMATED FMS AGREEMENTS FY 1992:	40,000
DEFENSE ARTICLES/SERVICES	40,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	834

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	8,866	9,706	10,124	10,103
PER CAPITA GDP**	1,188	1,272	1,296	n/a
TOTAL BUDGET	3,434	3,420	n/a	n/a
TOTAL DEBT	5,918	6,747	6,672	n/a
FMF DEBT	342	314	289	39
PERCENTAGE OF FMF TO TOTAL DEBT	6%	5%	4%	0%
DEBT SERV RATIO	27%	28%	23%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	450,460	222,136	672,596
FY 1991	36,857	15,314	52,171
FY 1992	38,580	12,683	51,263
FY 1993	38,580	9,444	48,024
FY 1994	38,580	6,207	44,787
FY 1995	8,684	3,639	12,303
FY 1996	8,669	3,120	11,789
FY 1997	7,998	2,612	10,610
FY 1998	4,665	2,191	6,856
FY 1999	1,220	1,942	3,162
FY 2000	1,220	1,800	3,020
TOTAL	635,493	281,088	916,581

TURKEY

POLICY CONSIDERATION

A key ally, Turkey provides essential, multifaceted support for U.S. strategic interests in Europe, Southwest Asia and the Middle East. Turkey remains strongly committed to NATO, and determined to meet all potential threats. Turkey guards the southeastern flank of NATO and the critical passage from the Black Sea into the Mediterranean. Even after completion of a CFE agreement, the Soviet Union will remain the dominant military threat to Turkey. The Armenian-Azerbaijani conflict, and Iraq's invasion of Kuwait highlight potential dangers from growing regional instability. Internally, a continued guerrilla insurgency in the southeast and low-level terrorist activity require increased vigilance as this parliamentary government moves to further enhance democratic processes and institutions and improve human rights.

Turkey's approval of allied use of Incirlik Air Base and other facilities gave vital support to U.S. and allied forces fighting Iraqi aggression in Operation Desert Storm. The United States strongly supported NATO's commitment of three fighter squadrons from Allied Command Europe's (ACE) Mobile Force to help defend Turkey against Iraqi threats. In 1990, Turkey promptly imposed U.N. sanctions against Iraq, a major trading partner and source of low-priced oil, despite a potential economic loss of $2 billion annually.

The current Defense and Economic Cooperation Agreement (DECA) with Turkey provides the United States with access to airfields and intelligence and communications facilities which are vital to American and NATO security interests. Under the DECA, we pledged to exert a major and determined effort to obtain defense support for Turkey. From FY 87 through FY 90, FMF levels stagnated and Turkey's FMS debt repayments virtually matched new FMF infusions. While insufficient to meet all of Turkey's modernization requirements, FMF is a significant factor in strengthening Turkey's defense capabilities.

Although the poorest country in NATO, with serious and growing foreign debt problems, Turkey fields the Alliance's second largest army and devotes a high percentage of its budget to defense. Turkey is gradually implementing a program to improve defense capabilities and force readiness. U.S. aid is essential to Turkish modernization efforts and to help it more effectively support mutual efforts to deter aggression. Modernization's key elements are F-16 co-production; upgrading armor and artillery; and improving naval forces, maintenance and communications. In the 1980s, our aid fell far short of the level needed to bring the Turkish armed forces to NATO standards for full performance of their assigned roles and missions, and to enhance standardization and interoperability.

In the 1980s, with important though modest ESF program support, Turkey liberalized its mixed economy, giving it a strong, free market, export orientation. Industry and services expanded, but agriculture remains the most important sector. Inflation, unemployment, interest rates and public sector debt remain high. After several years of strong growth, the economy stalled in 1989. In 1990, the Gulf crisis caused higher oil prices; lost trade with Iraq severely hurt the economy. While Germany, Saudi Arabia, the Arab Gulf states and other countries gave large amounts of aid in 1990 and pledged more in 1991, Turkey's economy will suffer until the war ends, and trade and prices return to more normal levels.

PROGRAM DESCRIPTION

Objectives

- Support F-16 co-production
- Continue armored force modernization
- Support ongoing frigate weapons suite program
- Provides spare parts for older equipment
- Modernize short-range air defense capabilities
- Support artillery modernization to NATO standards
- Support ongoing private sector-oriented economic reforms

Status

The FMF program provides equipment, training and support to Turkish armed force units including those committed to NATO. Of highest priority are F-16 co-production; upgrading tanks to the M48A5 configuration; equipping modern frigates with U.S. weapons suites, engines and combat information centers; and obtaining aircraft equipment, spares and munitions. The IMET program helps the Turkish military to further improve professional military and technical skills so they can move closer to NATO standards. IMET also exposes students to U.S. traditions of democracy, human rights and elected civilian government control of the military. The ESF program provides budget support to private sector-oriented economic reforms.

FY 1992 REQUEST

The proposed FY 92 FMF program will fund major ongoing modernization projects, and a modest amount of operating and maintenance costs. ESF will provide budget support to maintain economic reforms while Turkey copes with the drastic economic impact of the Gulf crisis. IMET will provide professional military education, and management and technical training.

TURKEY

DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	625,000
INTL MIL EDUCATION & TRNG PROG	3,500
ECONOMIC:	
ECONOMIC SUPPORT FUND	75,000
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	0
INTERNATIONAL NARCOTICS CNTRL	400
TOTAL FOREIGN ASSISTANCE	703,900
STUDENTS TRAINED UNDER IMET	195

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	85,630	0	0
GRANT	412,220	500,000	625,000
TOTAL	497,850	500,000	625,000
ECONOMIC SUPPORT FUND	14,263	60,000	75,000
IMET	3,449	3,400	3,500
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			42,320

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	465,916
DEFENSE ARTICLES/SERVICES	465,916
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	65,581
ESTIMATED FMS AGREEMENTS FY 1991:	350,000
DEFENSE ARTICLES/SERVICES	350,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	374,884
ESTIMATED FMS AGREEMENTS FY 1992:	200,000
DEFENSE ARTICLES/SERVICES	200,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	224,931

*Less than $500.

ECONOMIC DATA

DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	58,240	68,011	70,598	n/a
PER CAPITA GDP**	1,127	1,277	1,303	n/a
TOTAL BUDGET	12,295	14,900	15,062	n/a
TOTAL DEBT	32,789	40,932	39,592	n/a
FMF DEBT	3,164	3,249	3,272	1,722
PERCENTAGE OF FMF TO TOTAL DEBT	10%	8%	8%	0%
DEBT SERV RATIO	28%	30%	32%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT.90	2,408,346	1,706,718	4,115,064
FY 1991	87,682	101,142	188,824
FY 1992	109,913	98,712	208,625
FY 1993	112,947	94,496	207,443
FY 1994	152,508	88,055	240,563
FY 1995	164,231	79,380	243,611
FY 1996	171,874	70,258	242,132
FY 1997	173,807	60,318	234,125
FY 1998	140,474	51,231	191,705
FY 1999	96,452	43,710	140,162
FY 2000	72,726	38,357	111,083
TOTAL	3,700,960	2,432,377	6,133,337

UGANDA

POLICY CONSIDERATIONS

The present Ugandan Government continued its efforts to bring political and economic stability to a country torn by fifteen years of civil strife. We recognize the Ugandan government's increasingly responsible actions, illustrated by its ongoing economic and political reforms.

Uganda has participated in an IMF-supported structural adjustment program since 1987. In 1989, the government affirmed its goal of privatizing a number of state enterprises and promoting the private sector to develop the country's substantial natural resources and largely agricultural economy, dependent on coffee exports and hurt by high inflation.

The IMET program reinforces our primary goals of seeking greater stability and security for Uganda, as well as encouraging the government to move toward democratic pluralism and a greater respect for basic human rights. U.S. training is designed to help the Ugandan military meet basic needs, promote professionalism as it converts from a guerrilla force to a conventional military, and increase respect for human rights. IMET also exposes trainees to U.S. civil-military relations and the democratic system.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education and management and technical training. Emphasis will be on command, staff, and infantry officer courses, and medical and vehicle maintenance training.

UNITED ARAB EMIRATES

POLICY CONSIDERATIONS

The United Arab Emirates (UAE), a federation of seven emirates of diverse wealth and small population, is a major oil-producing country on the southwestern coast of the Persian Gulf. The United States has enjoyed friendly relations and close economic ties with the UAE since they became independent in 1971. The UAE's most pressing security concern is defense of its long coastline. Iraq's August 1990 invasion of Kuwait heightened the UAE's previous interest in a long-term security relationship with the United States that would be mutually beneficial.

The UAE actively assisted U.S. and allied deployments for Operation Desert Storm, and gave substantial economic aid to help with the Operation's costs. The UAE also gave large amounts of economic aid to offset the front line states' economic burdens and helped countries hurt by lost trade from the enforcement of sanctions against Iraq.

With about ten percent of the world's proven oil reserves, and large financial resources, the UAE plays an active role in OPEC and the Gulf Cooperation Council (GCC). Its generous foreign aid and efforts to mediate in regional conflicts give it considerable influence in Gulf and Arab League councils.

The UAE's 1971 constitution governs federal defense, foreign and economic affairs. The seven Amirs' traditional governments have extensive control of local affairs. The Amirs and their families are accessible in varying degrees to citizens who express concerns in numerous "majlis" or private assemblies and can petition for redress of grievances. The emirates are a mixture of conservative and more progressive societies, with some nearly as open to diverse social and cultural elements as in Bahrain, though human rights are limited. The UAE shares the wealth of its richer emirates among those with few oil or natural gas resources. The UAE's open economy is based on oil and gas, although it has recently diversified into finance, light industry and other services. The UAE's resources provide extensive social services to its citizens and a small defense force.

PROGRAM DESCRIPTION

Objectives

- Support the UAE's participation in the international coalition opposing Iraqi aggression
- Maintain bilateral military relations and access to UAE facilities
- Support military modernization programs to enhance the UAE's defense capabilities
- Encourage improved regional defense cooperation

Status

The small UAE Defense Force participates in the GCC Peninsula Shield Force headquartered at King Khaled Military City in Saudi Arabia. UAE forces are equipped largely with modern, but somewhat older French and British equipment. The UAE wants to upgrade and expand its army and air forces into a more credible deterrent force. There is an ongoing U.S. program for I-Hawk surface-to-air batteries for which UAE has purchased the PIP III upgrade. Congress was notified in January 1991 of the planned sale of AH-64 Apache helicopters and Hellfire missiles. The UAE also has requested price information on the Bradley Fighting Vehicle, M1A1 and M1A2 tanks, and electronics capability.

FY 1992 REQUEST

We expect that the UAE will continue to be interested in enhancing its defense capabilities, particularly in the air. Purchases would be on either an FMS or commercial sales basis.

UNITED KINGDOM

POLICY CONSIDERATIONS

The United Kingdom makes a strong, wide-ranging contribution to western security. The U.K.'s political stability, support for the Alliance, diverse industrial base, and geographic position make it a key NATO member. Britain shares our commitment to a flexible, relevant NATO as the cornerstone of its defense, and a continuing North American military presence in Europe. The British Army of the Rhine's 55,000 well equipped soldiers and the 10,000 RAF personnel in Germany play a vital role in maintaining NATO deterrence. The United States supports U.K. retention of its independent nuclear deterrent. The U.K. also cooperates closely with us on security matters outside the NATO area, including in the Regional Security System (RSS) for the Eastern Caribbean which enhances stability and counter-narcotics operations there.

The U.K. made the most substantial European contribution - approximately 33,000 troops, 100 aircraft, 200 main battle tanks and nearly 20 ships - to the multinational force assembled in the Gulf region to counter Iraqi aggression. Britain was the first European nation to commit its forces to the military effort to free Kuwait. In Saudi Arabia, the United Kingdom deployed an armored division with ground troops, tanks, heavy artillery and helicopters. Six squadrons of fighters and fighter/bombers are operating from several locations in the region. Several British destroyers, frigates and minesweepers are patrolling the Gulf. The British regard their primary contribution to the Gulf effort as military and do not plan to make a major financial contribution. In 1990, the U.K. did give $5 million for refugee assistance and $123 million through the EC to Turkey, Egypt and other frontline states.

The United Kingdom, like the United States, is adapting to new realities in Europe and coping with domestic budgetary pressures. Britain is assessing its post-CFE defense posture and is likely to make significant cuts in equipment and forces, subject to consultations within the Alliance and implementation of the CFE Treaty. We want to continue our close defense cooperation with the U.K. to promote NATO rationalization, standardization and interoperability. We also want the U.K. to maintain major army and RAF units in Germany, albeit somewhat smaller units than at present, until after the Soviet Union completes its announced army and air force withdrawal from Germany at the end of 1994. We intend to continue our close, productive, cost-effective defense production and R&D programs with Britain for ground, air and naval weapons systems and supporting equipment.

PROGRAM DESCRIPTION

Objectives

- Support modernization of the U.K.'s nuclear and conventional military capabilities to adapt to new circumstances in Europe and outside the NATO area
- Provide advanced defense weapons such as air-to-air missiles and airborne warning systems
- Continue acquisition of Trident submarine system
- Modernize anti-armor capability with anti-tank missiles, artillery ammunition, and Multiple Launch Rocket System

Status

The United States and United Kingdom have long enjoyed a strong cooperative military assistance relationship. The U.K. obtains a variety of defense articles, services and spares through FMS cash and commercial purchases. These sales include C-130 aircraft and parts, TOW anti-tank missiles, surface-to-air missiles, Harpoon and Sidewinder missiles, and support equipment. Britain participates in several bilateral and NATO co-production programs including the MLRS program. Our defense sales ensure that the U.K. has a reliable source of modern weapons for its NATO and out-of-area readiness efforts. The sales are an important means of promoting greater Alliance standardization and interoperability. The sales also facilitate U.S. access to British weapons and technology, such as the Harrier jet, which well serve the U.S. armed services.

FY 1992 REQUEST

The proposed FY 92 program continues support for the U.K. modernization program. Purchases of missile systems, ammunition, spare parts and support equipment will improve U.K. defensive capabilities and help deter aggression.

URUGUAY

POLICY CONSIDERATIONS

The March 1, 1990, inauguration of President Lacalle as the elected successor of President Sanguinetti completed Uruguay's return to its democratic tradition. Lacalle's ambitious economic reform program, based on free market principles and fiscal austerity, has had a significant adverse effect on Uruguay's military. Likewise, Uruguay has implemented U.N. sanctions on trade with Iraq despite the resulting substantial increase in fuel prices, loss of a large market for its mutton and beef and a sharp acceleration in its rate of inflation. The security assistance program is designed to help with necessary modernization and further professional development of the armed forces while the government continues its important economic reform program.

PROGRAM DESCRIPTION

Objectives

- Support continued professionalism in the armed forces, including respect for civilian control of the military
- Provide needed spare parts and supplies to maintain, overhaul or replace U.S.-origin equipment
- Enhance the capability of the armed forces to detect and intercept narcotics trafficking

Status

Prior to the aid cut-off which followed the institution of military rule, the U.S. provided most of Uruguay's military equipment. In 1982, a limited IMET program was restored and small amounts of FMS funds were provided in FY 87 and FY 89. The armed forces' continuing lack of spare parts has limited their ability to maintain aged U.S. equipment and participate in yearly joint regional exercises. A modest FMF program would help to refurbish and modernize essential equipment and encourage the armed forces to engage in counter-narcotics operations. The IMET program is designed to help the professional development of future military leaders and to expose them to U.S. traditions of democracy, civilian control of the military and human rights.

FY 1992 REQUEST

The proposed FY 92 FMF program would provide spare parts for existing equipment and help to acquire new equipment to maintain the armed forces operational and logistics capabilities. IMET would provide training for approximately 45 students in technical and managerial courses.

URUGUAY
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	1,000
INTL MIL EDUCATION & TRNG PRO^	325
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	0
P.L. 480	0
PEACE CORPS	647
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	1,972
STUDENTS TRAINED UNDER IMET	24

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	0	0	1,000
TOTAL	0	0	1,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	198	200	325

FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990 0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	1,524
DEFENSE ARTICLES/SERVICES	1,524
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	517
ESTIMATED FMS AGREEMENTS FY 1991:	2,000
DEFENSE ARTICLES/SERVICES	2,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	1,539
ESTIMATED FMS AGREEMENTS FY 1992:	2,000
DEFENSE ARTICLES/SERVICES	2,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	923

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	6,454	7,734	7,943	n/a
PER CAPITA GDP**	2,130	2,544	2,596	n/a
TOTAL BUDGET	150	424	445	n/a
TOTAL DEBT	3,906	4,271	3,825	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	23%	26%	30%	0%

*Less than $500,000 **In dollars n/a-not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/D 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	NO FOREIGN MILITARY FINANCING		
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

VANUATU

POLICY CONSIDERATIONS

Vanuatu, a small democratic country, has followed a rigorously non-aligned policy in the past which has entailed maintaining arms-length relations with the United States and flirtations with radical "non-aligned" countries such as Libya and Cuba. More recently, however, it has assumed a more Western-oriented stance, showing interest in developing closer ties and in receiving training from the United States The first Peace Corps volunteers arrived in Vanuatu in January 1990 and a U.S. Presidential delegation attended Vanuatu's 10th anniversary celebrations in July. Human rights are generally unrestricted. The economy is based on tourism, fishing and agriculture.

In June 1990, Vanuatu formally accepted a Memorandum of Understanding (MOU) committing it to abide by the requirements of U.S. law related to IMET training. The introduction of IMET training would help instill professional values in the small Vanuatu security forces, and expose them to U.S. society and institutions.

PROGRAM DESCRIPTION

The proposed IMET program for Vanuatu will provide professional military education, management and technical training.

VENEZUELA

POLICY CONSIDERATIONS

Venezuela has a tradition of strong, stable democracy and shares our goal of strengthening representative government throughout the hemisphere. Venezuela is an important petroleum products supplier to the world market and it increased production after Iraq's invasion of Kuwait. Venezuela provides petroleum at discounted rates and other economic aid to Central America, complementing U.S. efforts. Since President Carlos Andres Perez again took office in February 1989, the government has pursued a major economic restructuring to liberalize the economy, open up its private sector, and reduce its dependence on oil export revenues.

The United States and Venezuela have long enjoyed close and friendly relations. The IMET program helps the military address mutual concerns. U.S.-Venezuelan military-to-military relations are a long-standing model of mutually beneficial cooperation for Latin American countries. Recently, we have focused on reducing narcotics transiting Venezuela to the United States, and reducing smuggling of Venezuelan chemicals used to process cocaine in Colombia, Bolivia and Peru.

PROGRAM DESCRIPTION

Objectives

- Assist further military professional development and continue Venezuelan exposure to U.S. military doctrine
- Help improve Venezuelan counter-narcotics operations and maintain its excellent human rights practices
- Support equipment modernization and military logistics

Status

The United States maintains a high level of military-to-military contact with Venezuela through FMS cash and commercial sales. Venezuela purchases advanced avionics and weapons systems for its F-16 and other aircraft. After President Perez expressed concern about narcotics, the Air Force increased its counter-narcotics operations using OV-10 light aircraft for border patrols and surveillance. The army is purchasing communications equipment, individual weapons and vehicles. Navy purchases will enhance its coastal patrol capabilities and aviation support.

FY 1992 REQUEST

The proposed IMET program will provide professional military education and technical and management training.

YEMEN

POLICY CONSIDERATIONS

The Republic of Yemen (ROY), formed by merger of the Yemen Arab Republic (YAR) and the Peoples' Democratic Republic of Yemen (PDRY) on May 22, 1990, borders Saudi Arabia and Oman and commands the Bab al-Mandeb Strait, between the Arabian Peninsula and the Horn of Africa. A stable, economically progressing Yemen would contribute to stability in a volatile area of the world vital to United States interests.

Although Yemen is now an oil-producing nation, oil revenues have not been sufficient to offset dramatic declines in official remittances particularly following the mass exodus of Yemenis from Saudi Arabia since September 1990. The ROY relies on outside assistance, which has diminished significantly as a result of the Gulf crisis. Yemen's current pro-Iraq stance has resulted in the cessation of our military assistance program.

The highly-regarded U.S. equipment in Yemen's military inventory requires continued maintenance and training support. Our support had reinforced the westward orientation and U.S. credibility with the military, from which all (YAR) Yemeni presidents since 1962 have come. It is likely that the influence we had built up with this crucial institution will end with the termination of our military programs.

PROGRAM DESCRIPTION

The program was terminated for political reasons. Yemen's general political stance since the onset of the Gulf crisis, exemplified by its negative vote on a key UNSC resolution (resolution 678) caused us to cut out military and other assistance programs.

Status

The former YAR requested U.S. assistance when it was attacked by the former PDRY in 1979. With Saudi support, the U.S. delivered $400 million worth of F-5s, M-60 tanks and other military hardware which will likely deteriorate rapidly.

YUGOSLAVIA

POLICY CONSIDERATIONS

Yugoslavia is trying to make the difficult transition to democracy and a free market economy, both of which would be of immeasurable value to all of its ethnic groups. Yugoslavia's importance to the United States and NATO declined in the post-Cold War Europe, but remains significant. However, traditional ethnic tensions in Yugoslavia, aggravated by continuing economic problems, revived in recent years and could trigger regional instability in the event of a breakdown of the political process. A leader of the non-aligned movement (NAM), Yugoslavia played a key role in ensuring NAM support for UNSC resolutions against Iraq's aggression against Kuwait.

The United States firmly supports Yugoslavia's unity, and peaceful democratic change, improved respect for human rights, and more private sector-led, free market-oriented economic reform. The IMET program is an important vehicle for exposing current and future Yugoslav military leaders to American life and values, including a professional, non-political military subordinate to elected civilian government and respectful of human rights. Yugoslav defense procurement policies emphasize domestic production of all but the most sophisticated equipment, and import diversification. The Soviet Union long was Yugoslavia's prime supplier of imported equipment. In the 1980s, Yugoslavia turned gradually to the Western suppliers, including the United States. We continue to review each sales request on a case by case basis to ensure it serves U.S. interests.

PROGRAM DESCRIPTION

Objectives

- Promote peaceful change in Yugoslavia and greater respect for the human rights of all Yugoslavs by the military
- Enhance U.S.-Yugoslav defense cooperation
- Diversify Yugoslavia's sources of defense supply

Status

In the past five years, IMET helped to broadened some aspects of our relations with Yugoslavia and encouraged it to purchase publications and spare parts for U.S. equipment.

FY 1992 REQUEST

The proposed IMET program will provide professional military education and technical training to promote a better mutual understanding between the U.S. and Yugoslav military. Yugoslavia is expected to make only modest defense purchases.

ZAIRE

POLICY CONSIDERATIONS

Zaire has been a staunch supporter of United States and Western policies for over two decades. It contributed troops in 1981 and 1984 to African peacekeeping efforts to counter Libyan aggression in Chad, and more recently played a role in mediating a cease-fire in Angola. Zaire's size, population, economic importance, resources and location make it a focus of U.S. interests in the region. But Zaire has a record of serious human rights abuses and economic mismanagement.

In 1990, the Zairian government began a process that it announced would lead to a new constitution and a transition to new government reforms. During 1990, press freedom improved significantly, aspiring political parties sprang up, a leading opposition figure was released from house arrest, and the ability of workers to form independent unions was enhanced. However, the President retains dominant political power.

The U.S. is interested in a stable and responsible government in Zaire which favorably influences the stability and foreign and domestic policies of its nine bordering states. We continue to encourage Zaire to increase respect for human rights, promote the rule of law, and adopt humane internal practices. We actively encourage Zaire's announced plans to open its political system to multi-party activity and process. We supported Zaire's previous IMF and World Bank supported structural adjustment program. We hope the government will return to an economic reform program and will continue free market oriented policies to expand the private sector and create the basis for future development.

PROGRAM DESCRIPTION

Objectives

- Support C-130 transport aircraft by providing contractor technical services and sustaining spare parts inventories
- Enhance military mobility through supply of vehicle spare parts and communications equipment
- Support private sector, market-oriented economic reform
- Encourage political pluralism and respect for human rights

Status

Congress mandated the suspension of security assistance to Zaire in FY 91 in response to questions raised concerning reported corruption and human rights violations. In recent years, FMF has provided maintenance support for C-130 aircraft and spare parts for vehicles. IMET has provided professional military and technical training.

FY 1992 REQUEST

If Zaire takes sufficient action to permit resumption of security assistance, the FY 92 FMF program would resume support for its current inventory of C-130 aircraft and provide spare parts and maintenance for U.S. provided small patrol boats, jeeps and trucks. IMET would provide professional military education and technical training to improve professionalism and technical capabilities.

HAITI

DOLLARS IN THOUSAND

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	3,000
INTL MIL EDUCATION & TRNG PROG	300
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	23,000
P.L. 480	10,600
PEACE CORPS	3,245
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	40,145
STUDENTS TRAINED UNDER IMET	12

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	2,987	0	3,000
TOTAL	2,987	0	3,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	644	5	300
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	2,561
DEFENSE ARTICLES/SERVICES	2,561
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	44
ESTIMATED FMS AGREEMENTS FY 1991:	2,000
DEFENSE ARTICLES/SERVICES	2,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	62
ESTIMATED FMS AGREEMENTS FY 1992:	1,000
DEFENSE ARTICLES/SERVICES	1,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	37

*Less than $500.

ECONOMIC DATA

DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	3,412	2,909	2,425	n/a
PER CAPITA GDP**	108	90	72	n/a
TOTAL BUDGET	n/a	n/a	n/a	n/a
TOTAL DEBT	6,999	8,571	8,475	n/a
FMF DEBT	128	131	133	141
PERCENTAGE OF FMF TO TOTAL DEBT	2%	2%	2%	0%
DEBT SERV RATIO	18%	15%	14%	0%

*Less than $500,000 **In dollars n/a-not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	44,605	35,678	80,283
FY 1991	30,269	23,111	53,380
FY 1992	18,363	12,337	30,700
FY 1993	17,721	10,706	28,427
FY 1994	18,497	9,179	27,676
FY 1995	16,301	7,314	23,615
FY 1996	7,828	6,468	14,296
FY 1997	2,816	6,808	8,624
FY 1998	2,816	6,524	8,340
FY 1999	2,816	6,284	8,100
FY 2000	2,816	6,024	7,840
TOTAL	164,848	126,433	291,281

ZIMBABWE

POLICY CONSIDERATIONS

The Mugabe government recently decided to discontinue its efforts to change Zimbabwe into a *de jure* one-party state. A Zimbabwe which remains democratic, racially harmonious, and economically successful, while increasing its respect for basic human rights, can contribute to the stability of southern Africa and serve as an example to the other states in the region. Zimbabwe has strong economic ties with the West. The government recently announced a program to reduce state economic controls and encourage investment, although land ownership problems persist.

The IMET program is an important military-to-military relationship that strengthens U.S.-Zimbabwe contacts. Zimbabwe has made excellent use of all of the IMET funding made available each year and continues to graduate students at or near the top of their U.S. classes. It is in the U.S. interest to maintain some measure of influence with the Zimbabwe military, a key element in the power structure of the country. IMET also exposes trainees to U.S. civil-military relations and the democratic system. U.S. assistance complements the training provided by Great Britain.

PROGRAM DESCRIPTION

The proposed IMET program includes professional military education, management, and technical training. Emphasis will be placed on command and staff courses, basic and advanced army officer training, and air force logistics and technical training.

SELECTED COMPONENTS OF
PROPOSED FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE

(DOLLARS IN THOUSANDS)

	DA	ESF	PL480-I	PL480-II, & III	INTL NARC	PEACE CORPS	PKO	FMF CONCESS.	FMF GRANT	IMET	TOTAL
AFRICA:											
AFRICA ECON POLICY REFORM	60,000	0	0	0	0	0	0	0	0	0	60,000
AFRICA REGIONAL	116,960	10,000	0	0	0	0	0	0	10,000	0	136,960
BENIN	8,000	0	0	1,274	0	1,656	0	0	0	125	11,055
BOTSWANA	7,000	0	0	0	0	3,198	0	0	1,000	400	11,598
BURKINA FASO	3,000	0	0	5,501	0	0	0	0	0	100	8,601
BURUNDI	18,000	0	0	0	0	851	0	0	0	200	19,051
CAMEROON	24,000	0	0	0	0	3,854	0	0	0	325	28,179
CAPE VERDE	3,000	0	0	0	0	0	0	0	0	100	3,100
CENTRAL AFRICAN REPUBLIC	4,000	0	0	0	0	2,341	0	0	0	255	6,596
CHAD	15,000	0	0	1,400	0	1,518	0	0	2,000	380	20,298
COMOROS	700	0	0	0	0	480	0	0	0	75	1,255
CONGO	1,000	0	2,000	0	0	639	0	0	0	105	3,744
COTE D'IVOIRE	7,000	4,000	10,000	0	0	1,224	0	0	0	200	22,424
DJIBOUTI	0	3,000	0	0	0	0	0	0	2,000	175	5,175
EQUATORIAL GUINEA	1,000	0	0	0	0	640	0	0	0	100	1,740
ETHIOPIA	0	0	0	11,200	0	0	0	0	0	0	11,200
GABON	0	0	0	0	0	2,464	0	0	0	150	2,614
GAMBIA	8,000	0	0	1,157	0	1,030	0	0	0	125	10,312
GHANA	28,000	0	0	10,152	0	1,942	0	0	0	175	40,269
GUINEA	26,000	0	0	7,000	0	1,252	0	0	0	175	34,427
GUINEA-BISSAU	5,000	0	0	562	0	1,682	0	0	0	150	7,394
KENYA	26,000	0	0	8,018	0	2,416	0	0	4,000	1,100	41,534
LESOTHO	7,000	0	0	0	0	1,749	0	0	0	75	8,824
LIBERIA	0	0	0	0	0	0	0	0	0	100	100
MADAGASCAR	28,000	0	0	7,220	0	0	0	0	0	100	35,320
MALAWI	34,000	0	0	7,095	0	1,829	0	0	1,000	250	44,174
MALI	30,000	0	0	2,238	0	3,664	0	0	0	175	36,077
MAURITANIA	0	0	0	3,060	0	2,035	0	0	0	0	5,095

SELECTED COMPONENTS OF
PROPOSED FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE (CONTINUED)

(DOLLARS IN THOUSANDS)

	DA	ESF	PL480-I	PL480-II & III	INTL NARC	PEACE CORPS	PKO	FMF CONCESS.	FMF GRANT	IMET	TOTAL
AFRICA (CONT):											
MAURITIUS	1,500	0	0	0	0	0	0	0	0	100	1,600
MOZAMBIQUE	36,000	0	0	21,499	0	0	0	0	0	100	57,599
NAMIBIA	7,000	5,000	0	0	0	1,590	0	0	0	180	13,770
NIGER	26,000	0	0	0	0	3,479	0	0	500	300	30,279
NIGERIA	11,000	0	0	0	0	804	0	0	0	500	12,304
RWANDA	20,000	0	0	0	0	811	0	0	0	100	20,911
SAO TOME & PRINCIPE	300	0	0	0	0	418	0	0	0	125	843
SENEGAL	20,000	3,000	0	8,200	0	2,542	0	0	1,000	525	35,267
SEYCHELLES	0	3,300	0	0	0	351	0	0	0	100	3,751
SIERRA LEONE	540	0	5,000	1,805	0	2,185	0	0	0	200	9,730
SOMALIA	0	0	0	0	0	0	0	0	0	300	300
SOUTH AFRICA REPUBLIC	40,000	0	0	0	0	0	0	0	0	0	40,000
SOUTHERN AFRICA REGIONAL	50,000	0	0	0	0	0	0	0	0	0	50,000
SUDAN	0	0	0	1,015	0	0	0	0	0	300	1,315
SWAZILAND	6,000	0	0	0	0	1,345	0	0	0	100	7,445
TANZANIA	30,000	0	0	2,800	0	1,094	0	0	0	150	34,044
TOGO	10,000	0	0	2,687	0	2,442	0	0	0	150	15,279
UGANDA	38,000	0	0	8,900	0	644	0	0	0	200	47,744
ZAIRE	23,000	0	0	10,600	0	3,245	0	0	3,000	300	40,145
ZAMBIA	10,000	0	0	6,600	0	0	0	0	0	0	16,600
ZIMBABWE	10,000	0	0	0	0	631	0	0	0	300	10,931
REGIONAL TOTAL	800,000	28,300	17,000	129,983	0	58,045	0	0	24,500	9,145	1,066,973
AMERICAN REPUBLICS:											
ANDEAN NARCOTICS INITVE	0	250,000 a/	0	0	0	0	0	0	0	0	250,000
ANTIGUA-BARBUDA*	0	0	0	0	0	0	0	0	900	100	1,000

SELECTED COMPONENTS OF
PROPOSED FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE (CONTINUED)

(DOLLARS IN THOUSANDS)

	DA	ESF	PL480-I	PL480-II & III	INTL NARC	PEACE CORPS	PKO	FMF CONCESS.	FMF GRANT	IMET	TOTAL
AMERICAN REPUBLICS (CONT):											
ARGENTINA	0	0	0	0	0	0	0	0	1,000	200	1,200
BAHAMAS	0	0	0	0	1,200	0	0	0	0	125	1,325
BARBADOS*	0	0	0	0	0	0	0	0	1,000	100	1,100
BELIZE	7,500	0	0	0	0	1,632	0	0	500	125	9,757
BOLIVIA	22,500	25,000	0	33,295	15,700	1,262	0	0	40,000	900	138,657
BRAZIL	0	0	0	0	3,500	0	0	0	0	150	3,650
CHILE	400	0	0	0	0	700	0	0	1,000	150	2,250
COLOMBIA	0	0	0	0	20,000	0	0	0	58,000	2,300	80,300
COSTA RICA	8,000	20,000	10,000	0	0	2,187	0	0	2,360	230	42,777
DOMINICA*	0	0	0	0	0	0	0	0	400	100	500
DOMINICAN REPUBLIC	13,000	5,000	10,000	4,306	0	2,213	0	0	2,000	900	37,419
EASTERN CARIBBEAN	20,800	3,000	0	0	0	2,651	0	0	0	0	26,451
ECUADOR	15,000	0	0	0	3,000	2,486	0	0	5,000	800	26,286
EL SALVADOR	55,000	120,000	30,000	2,812	0	0	0	0	85,000	1,400	294,212
GRENADA*	0	0	0	0	0	0	0	0	545	100	645
GUATEMALA	28,225	30,000	15,000	8,909	0	2,560	0	0	2,000	400	87,094
GUYANA	0	2,000	5,000	0	0	638	0	0	0	50	7,688
HAITI	38,750	24,000	0	25,810	0	1,428	0	0	2,200	665	92,853
HONDURAS	41,000	50,000	0	17,432	0	3,645	0	0	19,100	1,100	132,277
JAMAICA	16,500	15,000	30,000	3,600	1,500	2,346	0	0	3,000	450	72,396
LATIN AMERICA REGIONAL	66,825	9,900	0	0	27,000	0	0	0	0	0	103,725
MEXICO	0	0	0	0	26,000	0	0	0	0	430	26,430
NICARAGUA	22,000	150,000	25,000	7,000	0	659	0	0	0	0	204,659
PACAMS	0	0	0	0	0	0	0	0	0	1,000	1,000
PANAMA	17,000	10,000	0	0	0	838	0	0	0	0	27,838
PARAGUAY	0	0	0	0	0	2,061	0	0	500	175	2,736
PERU	15,700	0	0	72,000	0	0	0	0	39,000	900	127,600
ROCAP	18,000	0	0	0	0	0	0	0	0	0	18,000

SELECTED COMPONENTS OF PROPOSED FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE (CONTINUED)

(DOLLARS IN THOUSANDS)

	DA	ESF	PL480-I	PL480-II & III	INTL NARC	PEACE CORPS	PKO	FMF CONCESS.	FMF GRANT	IMET	TOTAL
AMERICAN REPUBLICS (CONT):											
ST. KITTS AND NEVIS*	0	0	0	0	0	0	0	0	500	100	600
ST. LUCIA*	0	0	0	0	0	0	0	0	500	100	600
ST. VINCENT & GRENADINES*	0	0	0	0	0	0	0	0	400	100	500
TRINIDAD & TOBAGO	0	0	0	0	0	0	0	0	500	95	595
URUGUAY	0	0	0	0	0	647	0	0	1,000	325	1,972
VENEZUELA	0	0	0	0	2,000	0	0	0	0	175	2,175
REGIONAL TOTAL	406,200	713,900	125,900	175,164	99,900	27,953	0	0	266,405	13,745	1,828,267
EAST ASIA & PACIFIC:											
APRE REGIONAL	13,712	0	0	0	0	0	0	0	0	0	13,712
ASSN S.E. ASIAN NATIONS	3,300	0	0	0	0	0	0	0	0	0	3,300
CAMBODIA	20,000	0	0	2,531	0	0	0	0	0	0	22,531
CAMBODIAN RESISTANCE	0	5,000	0	0	0	0	0	0	0	0	5,000
FIJI	0	300	0	0	0	1,579	0	0	300	50	2,229
INDONESIA	45,250	5,000	0	5,792	0	0	0	0	0	2,300	58,342
KOREA	0	0	0	0	0	0	0	0	0	800	800
LAOS	0	0	0	0	2,000	626	0	0	0	0	2,626
MALAYSIA	0	0	0	0	0	0	0	0	0	1,100	1,100
MICRONESIA	0	0	0	0	0	1,873	0	0	0	0	1,873
MONGOLIA	4,000	0	0	0	0	610	0	0	0	0	4,610
PAPUA NEW GUINEA	0	0	0	0	0	1,942	0	0	0	80	2,022
PHILIPPINES	40,000	120,000	20,000	13,428	0	884	0	0	200,000	2,800	397,112
S. PACIFIC TUNA TREATY	0	10,000	0	0	0	0	0	0	0	0	10,000
SINGAPORE	0	0	0	0	0	0	0	0	0	15	15
SOLOMON ISLANDS	0	0	0	0	0	929	0	0	0	50	979
SOUTH PACIFIC REGIONAL	9,250	0	0	0	0	1,359	0	0	0	0	10,609

SELECTED COMPONENTS OF PROPOSED FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE (CONTINUED)

(DOLLARS IN THOUSANDS)

	DA	ESF	PL480-I	PL480-II & III	INTL NARC	PEACE CORPS	PKO	FMF CONCESS.	FMF GRANT	INET	TOTAL
EAST ASIA & PACIFIC (CONT):											
THAILAND	12,300	2,500	0	0	5,000	3,583	0	0	0	2,500	25,883
TONGA	0	0	0	0	0	716	0	0	0	50	766
TUVALU	0	0	0	0	0	95	0	0	0	0	95
VANUATU	0	0	0	0	0	134	0	0	0	50	184
WESTERN SAMOA	0	0	0	0	0	1,019	0	0	0	0	1,019
REGIONAL TOTAL	147,812	142,800	20,000	21,751	7,000	15,349	0	0	200,300	9,795	564,807
EUROPE & CANADA:											
BULGARIA	0	0	0	0	0	936	0	0	0	0	936
CYPRUS	0	3,000	0	0	0	0	0	0	0	0	3,000
CZECHOSLOVAKIA	0	0	0	0	0	1,478	0	0	0	75	1,553
GREECE	0	0	0	0	0	0	0	285,000	65,000	500	350,500
HUNGARY	0	0	0	0	0	1,902	0	0	0	75	1,977
MALTA	0	0	0	0	0	77	0	0	0	65	142
POLAND	0	0	0	0	0	1,933	0	0	0	75	2,008
PORTUGAL	0	40,000	0	0	0	0	0	22,000	103,000	2,850	167,850
ROMANIA	0	0	0	0	0	669	0	0	0	0	669
SPAIN	0	0	0	0	0	0	0	0	0	1,200	1,200
TURKEY	0	75,000	0	0	400	0	0	0	625,000	3,500	703,900
YUGOSLAVIA	0	0	0	0	0	0	0	0	0	100	100
REGIONAL TOTAL	0	118,000	0	0	400	6,995	0	307,000	793,000	8,440	1,233,835
NEAR EAST & SOUTH ASIA:											
AFGHAN HUMANITARIAN	30,000	30,000	0	19,365	0	0	0	0	0	0	79,365

SELECTED COMPONENTS OF PROPOSED FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE (CONTINUED)

(DOLLARS IN THOUSANDS)

	DA	ESF	PL480-I	PL480-II & III	INTL NARC	PEACE CORPS	PKO	FMF CONCESS.	FMF GRANT	IMET	TOTAL
NEAR EAST & SOUTH ASIA (CONT):											
ALGERIA	0	0	0	0	0	0	0	0	0	150	150
BANGLADESH	62,000	0	0	74,524	0	0	0	0	0	350	136,874
EGYPT	0	815,000	150,000	0	0	0	0	0	1,300,000	1,800	2,266,800
INDIA	22,000	0	0	77,583	0	0	0	0	0	345	99,928
ISRAEL	0	1,200,000	0	0	0	0	0	0	1,800,000	0	3,000,000
JORDAN	0	30,000	0	0	0	0	0	0	25,000	2,000	57,000
LEBANON	4,000	2,000	0	10,766	0	0	0	0	0	400	17,166
MALDIVES	0	0	0	0	0	0	0	0	0	70	70
MIDDLE EAST REGIONAL	19,209	6,000	0	0	2,000	0	0	0	0	0	27,209
MOROCCO	23,000	12,000	35,000	1,759	0	1,382	0	0	40,000	1,150	114,291
NEPAL	15,000	0	0	0	0	2,174	0	0	500	185	17,859
OMAN	0	15,000	0	0	0	0	0	0	5,000	100	20,100
PAKISTAN	25,000	100,000	20,000	0	7,500	886	0	6,961	106,595	915	267,857
SRI LANKA	19,300	0	5,000	21,600	0	671	0	0	0	200	46,771
TUNISIA	0	3,000	10,000	0	0	1,008	0	0	10,000	1,250	25,258
WEST BANK/GAZA	0	12,000	0	2,065	0	0	0	0	0	0	14,065
YEMEN	3,000	0	0	0	0	740	0	0	0	0	3,740
REGIONAL TOTAL	222,509	2,225,000	220,000	207,682	9,500	6,861	0	6,961	3,287,095	8,915	6,194,523
TOTAL COUNTRY PROGRAMS	1,578,521	3,228,000	382,000	534,580	116,800	115,203	0	313,961	4,571,300	50,040	10,888,405
NON-REGIONAL:											
ADMINISTRATIVE COSTS	0	0	0	0	0	0	0	200	28,700	0	28,900
CENTRAL BUREAUS	720,696 b/	0	0	0	0	0	0	0	0	0	720,696

SELECTED COMPONENTS OF
PROPOSED FY 1992 U.S. ECONOMIC AND MILITARY ASSISTANCE (CONTINUED)

(DOLLARS IN THOUSANDS)

	DA	ESF	PL480-I	PL480-II & III	INTL NARC	PEACE CORPS	PKO	FMF CONCESS.	FMF GRANT	INET	TOTAL
GENERAL COSTS	0	0	0	0	0	0	0	0	0	2,460	2,460
MULTINATL FORCE & OBSERV	0	0	0	0	0	0	19,500	0	0	0	19,500
NON-COUNTRY PROGRAMS	0	0	83,647	401,620	0	0	0	0	0	0	485,267
OFF FOREIGN DISASTER ASST	5,500	0	0	0	0	0	0	0	0	0	5,500
OTHER	0	0	0	0	54,700	86,388	0	0	0	0	141,088
REAPPROPRIATION	36,000	12,000	0	0	0	0	0	0	10,000	0	58,000
UN FORCE IN CYPRUS	0	0	0	0	0	0	8,500	0	0	0	8,500
NON-REGIONAL TOTAL	762,196	12,000	83,647	401,620	54,700	86,388	28,000	200	38,700	2,460	1,469,911
TOTAL PROGRAM	2,338,717	3,240,000	465,647	936,200	171,500	201,591	28,000	314,161	4,610,000	52,500	12,358,316
ADJUSTMENT FOR NON-SUBSIDY ELEMENT OF CONCESS. LOANS	0	0	-100,594	0	0	0	0	-274,161	0	0	-374,755
TOTAL BUDGET AUTHORITY	2,338,717	3,240,000	365,053	936,200	171,500	201,591	28,000	40,000	4,610,000	52,500	11,983,561

Note: Totals may not add due to rounding.

*These countries comprise the Eastern Caribbean.

a/ Provisional allocation as follows: Bolivia $100 million, Colombia $50 million, Peru $100 million. Final allocations will depend on each country's performance in meeting drug program objectives.

b/ Includes Central Bureaus, AID Operating Expenses, American Schools and Hospitals Abroad, International Disaster Assistance, Operating Expenses for the AID Inspector General, Miscellaneous Trust Funds, and Trust Fund Receipts.

c/ Non-Country Programs represent reserves, ocean freight costs and receipts.

International Financial Institutions and the Enterprise for the Americas Initiative

Justification for Appropriations
FISCAL YEAR 1992

JUSTIFICATIONS FOR THE ADMINISTRATION'S REQUEST FOR FY 1992 FUNDING FOR THE INTERNATIONAL FINANCIAL INSTITUTIONS (IFIs)

The United States is a member of each of the institutions or funding agencies described in the tabs which follow.

The summary tab on the Multilateral Development Banks (MDBs) identifies three U.S. policy objectives and three U.S. cost-efficient objectives. Strong United States support for the Multilateral Development Banks helps the United States to achieve these objectives.

Examples of MDB loans illustrate the three major types of MDB lending -- project, adjustment and technical assistance -- and MDB contributions to self-sustaining economic growth.

The tabs for each MDB loan window, President Bush's Enterprise for the Americas Initiative (EAI), the International Monetary Fund (IMF), and the IMF's Enhanced Structural Adjustment Facility (ESAF), present a justification for the Administration's FY 1992 request. Each tab contains, where appropriate, the results (or status) of the most recent replenishment negotiations, an overview of the institution, and a summary (followed by a table) of Congressional authorizations and appropriations for the institution.

Contents

	Tab	
Table: IFI request for FY 1992	SUMMARY	
IFI Appropriations in FY 1990 & FY 1991		
Justification of the FY 1992 request for MDB Funding:		
-- policy objectives		
-- cost-effective/operational objectives		
Overview of types of MDB lending:		
-- project lending		
-- adjustment lending		
-- technical assistance lending		
The World Bank Group		
The International Bank for Reconstruction and Development (the World Bank)	IBRD	*
The International Development Association	IDA	@
The International Finance Corporation	IFC	#
The Multilateral Investment Guarantee Agency	MIGA	
The Inter-American Bank Gro		
The Inter-American Development Bank	IDB	*
The Special Operations	FSO	@
The Inter-American Investment Corporation	IIC	#
The Asian Bank Group		
The Asian Development Bank	ADB	*
The Asian Development Fund	ADF	@
The African Bank Group		
The African Development Bank	AFDB	*
The African Development Fund	AFDF	@
The European Bank for Reconstruction and Development		
The European Bank for Reconstruction and Development	EBRD	#*
The International Monetary Fund		
International Monetary Fund	IMF	*
The Enhanced Structural Adjustment Facility	ESAF	@
Enterprise for the Americas Initiative		
Enterprise for the Americas Initiative (EAI)	EAI	
EAI Debt Reduction	EAI/Debt	
EAI Multilateral Investment Facility	EAI/MIF	@

* makes market-related loans
@ makes concessional, soft loans
\# makes private sector related loans

INTERNATIONAL FINANCIAL INSTITUTIONS 1992 CONGRESSIONAL SUBMISSION

Summary of Request (to nearest dollar)

	FY 1990 Appropriation*	FY 1991 Appropriation**	FY 1992 Request
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT			
Paid-in	49,785,792	110,592,409	70,126,332
Callable	< 0 >	< 2,899,610,241 >	< 2,267,418,063 >
TOTAL IBRD	49,785,792	3,010,202,650	2,337,544,395
INTERNATIONAL DEVELOPMENT ASSOCIATION	960,850,500	1,064,149,500	1,060,000,000
INTERNATIONAL FINANCE CORPORATION	74,606,500	40,330,972	0
INTER-AMERICAN DEVELOPMENT BANK			
Paid-in	31,482,026	57,449,324	57,313,367
Callable	< 0 >	< 2,235,076,561 >	< 2,235,076,561 >
Subtotal	31,482,026	2,292,525,885	2,292,389,928
FUND FOR SPECIAL OPERATIONS	63,450,613	20,850,016	20,576,000
INTER-AMERICAN INVESTMENT CORPORATION	0	13,000,000	12,500,000
TOTAL IDB	94,932,639	2,326,375,901	2,325,465,928
ASIAN DEVELOPMENT BANK			
Paid-in	0	0	25,526,366
Callable	< 0 >	< 0 >	< 186,972,187 >
Subtotal	0	0	212,498,553
ASIAN DEVELOPMENT FUND	174,972,914	126,854,000	174,955,050
TOTAL ADB	174,972,914	126,854,000	387,453,603
AFRICAN DEVELOPMENT BANK			
Paid-in	9,492,850	10,135,766	8,987,307
Callable	< 134,229,932 >	< 135,389,294 >	< 134,809,612 >
TOTAL AFDB	143,722,782	145,525,060	143,796,919
AFRICAN DEVELOPMENT FUND	104,548,500	105,451,500	0
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT			
Paid-in	0	70,020,600	70,020,600
Callable	< 0 >	< 163,381,400 >	< 163,381,400 >
TOTAL EBRD	0	233,402,000	233,402,000
MDB Other			
Paid-in	0	0	185,000,000
Callable	< 0 >	< 0 >	< 0 >
Subtotal	0	0	185,000,000
TOTAL MDBs	1,603,419,627	7,052,291,583	6,672,662,845
Budget Authority	*1,469,189,695*	*1,618,834,087*	*1,685,005,022*
Program Limitation (Callable Capital)	*< 134,229,932 >*	*< 5,433,457,496 >*	*< 4,987,657,823 >*
INTERNATIONAL MONETARY FUND			
ENHANCED STRUCTURAL ADJUSTMENT FACILITY	139,398,000	10,602,000	0
QUOTA INCREASE	0	0	12,000,000,000
ENTERPRISE FOR THE AMERICAS (EAI)			
MULTILATERAL INVESTMENT FUND	0	0	100,000,000
DEBT REDUCTION	0	0	309,700,000

* Post-Sequestration. ** Assumes 1.9% sequester is restored.

February 4, 1991 (USI_FR2.W.2)

JUSTIFICATION FOR FY 1992 MDB REQUEST

The Multilateral Development Banks (MDBs) -- the World Bank and the regional development banks, Inter-American, Asian, African, and most recently, the European Bank for Reconstruction and Development -- are important foreign policy instruments for enhancing U.S. security, economic, humanitarian, and other interests. The basic long-term, systemic goal of these institutions is to build and to maintain an international economic framework that is open, market-oriented, growing, and characterized by increased efficiency and output.

The MDBs encourage the participation of the developing countries in an open international system on a permanent and self-sustaining basis. An open international economic system encourages the development of democratic, pluralistic, and private enterprise oriented societies similar to ours. The establishment of the European Bank for Reconstruction and Development seeks to achieve these goals in Eastern Europe. Also, improvements in the quality of life for very poor people stemming from economic growth contribute toward a more humane international environment. United States interests are thus furthered by strong support for the MDBs.

Policy objectives

The United States has pursued a number of broad policy objectives through its participation in the MDBs. The first of these is political/strategic. Since the end of World War II, the United States has sought to exercise international leadership to improve economic conditions in other countries and to help manage international economic issues more effectively. The fulfillment of this leadership role has several specific dimensions as it relates to U.S. participation in the MDBs.

By promoting steady economic growth, the MDBs contribute to a more secure and politically stable world with less likelihood of conflict over economic disparities. The fact that the actual country allocation of MDB lending is generally compatible with U.S. foreign policy preferences means that friendly governments are receiving development assistance far greater than the United States alone could supply. The MDBs can also, on a limited scale, marshall economic support for key countries which are in need of relatively fast-disbursing, immediate assistance. This is extremely important as part of the U.S. response to specific international situations that may arise.

A second, and closely related, broad policy objective has to do with the preservation and growth of a free, open, and market-oriented economic and financial system through the promotion of economic and social development. The MDBs work to achieve this objective by strengthening the ability of developing countries to participate more fully in an international system based on liberalized trade and capital flows. The MDBs do this by acting as a catalyst for private investment and other private capital flows, as well as trade and technology flows, and by mobilizing through aid consortia other government-backed capital for developing countries.

The MDBs encourage rational developing country economic policies based on free market concepts and global economic efficiency. The MDBs can more effectively promote rational economic policies than can individual donors because of the MDBs' substantial resources and also because of their international character. As international organizations, the MDBs can mobilize expertise and resources from many different countries and can offer policy assistance that might not be acceptable to developing countries if offered bilaterally.

A third broad policy objective has to do with our humanitarian concern with alleviating poverty and improving the material well-being of people in developing countries. The MDBs are able to assist in the achievement of this objective by promoting overall economic growth, productivity, and environmental protection in developing countries. By pursuing programs targeted directly on the poor, such as nutrition, education, agriculture, rural development, and sewerage and clean water supply projects, the MDBs can assist countries in attempting to meet their people's basic needs while at the same time helping them develop the ability to achieve minimum standards of living and promote long-term economic growth. The soft loan windows of the MDBs (the World Bank's International Development Association, the African Development Fund, the Asian Development Fund, and the Inter-American Development Bank's Fund for Special Operations) which make loans on concessional terms are particularly effective in advancing U.S. humanitarian interests in the poorest developing countries. The banks can also provide emergency relief and/or reconstruction assistance.

Another important policy issue that has received increased attention in recent years is the environment. This issue has emerged at the center of our international relations and affects many aspects of our bilateral and multilateral activities. Within the MDBs the United States has taken the lead in urging integration of environmental considerations into on-going lending activities. We have emphasized the need for environmental impact assessment, greater protection of tropical forests and more reliance on energy efficiency and conservation in MDB programs. As a result of our efforts, the MDBs have taken more effective

action in these specific areas and have agreed to work generally to improve environmental quality in borrowing countries.

Cost-effective objectives

In the interest of maximizing the relative cost effectiveness of the MDBs as a policy instrument, the United States has been concerned with the economic returns to the United States and the financial impact on the U.S. taxpayer of U.S. participation in the banks. The United States has pursued three cost-effective or operational objectives through its participation in the MDBs.

The first operational objective is budgetary or cost-effectiveness. The goal is to minimize direct U.S. budget outlays for foreign assistance, and to carry out U.S. foreign policy objectives at the lowest possible cost to the United States taxpayer. This is done through leveraging contributions to the MDBs in two different ways: 1) cost sharing arrangements with other donors, and 2) through MDB borrowings from the private financial markets.

The budgetary efficiency of cost-sharing is easily illustrated for the MDB soft loan windows. Loans are made on concessional terms -- extended repayment periods and only nominal service charges and commitment fees -- to the world's poorest countries. The cost of this concessional, soft window lending is shared among the governments of the developed countries. Hence, France, Britain, Germany, Japan, Canada, and Italy, as well as other "donor" countries, share the cost of supporting development and humanitarian assistance to countries important to the United States.

The financing of MDB hard loan development assistance is a bit more complicated. MDB hard loan windows have two types of capital -- "paid-in" and "callable". In contrast to the soft loan windows, where donor countries share the financial burden, the loans from the MDB hard loan windows are largely financed by MDB borrowings from the private capital markets. Loan repayments and accumulated net income are other sources of funds. These borrowings are backed by the capital subscriptions of the member governments of the banks. World Bank borrowings have an "AAA" rating, which is the highest possible. Only a small fraction of this capital backing is actually paid in to the MDBs. The rest is in the form of "callable" capital.

Callable capital is a pledge or a contingent liability of member governments to meet a call if an MDB were to become unable to adequately service its financial market borrowings. It has never been necessary to call on member governments for their callable capital subscriptions, nor is any call envisioned in the future. Therefore, United States' participation in the MDB hard-loan windows is very cost-effective. Only very small budgetary

outlays for paid-in capital from the United States leverage or support very substantial amounts of development assistance.

The 1988 General Capital Increase (GCI) of the World Bank Group's International Bank for Reconstruction and Development (IBRD) illustrates how very cost-effective the Bank's hard loan window is for the American taxpayer. Only three percent of this increase will be paid-in capital, as the Bank's strong financial condition permits 97 percent of the GCI to be callable capital. Each dollar of U.S. paid-in capital to the GCI, plus reflows from earlier loans, will support $268 of new IBRD loan commitments.

The second operational objective is institutional efficiency. MDB capability to administer programs productively and efficiently maximizes the use of scarce development resources. The ability of the MDBs to design and implement high quality development projects contributes to economic growth and social development in recipient countries.

The third relates to advancing U.S. commercial interests, and the benefits which accrue to such interests from MDB efforts to promote economic and social development. By promoting economic and social development and the adoption of market-oriented policies in developing countries, the operations of the MDBs are clearly beneficial for U.S. commercial interests.

U.S. exports to developing countries can increase from an expansion of developing country markets for U.S. goods and services. An improved investment climate in the developing countries, fostered by MDB supported market-oriented policies, can benefit U.S. investors. MDB projects can also lead to increased supplies of raw materials and other products needed by the U.S. economy.

U.S. exports also increase from MDB financed purchases of American goods and services for MDB projects. For example, U.S. firms received $1.7 billion or 14.3 percent of World Bank and IDA foreign disbursements for procurement in World Bank FY 1990. In addition to U.S. firms winning procurement contracts for the supply of goods and services for projects funded by the MDBs, broad use of international competitive bidding practices followed by the MDBs can more generally improve access of U.S. firms to export opportunities in developing countries.

Overview of types of MDB lending and contributions to self-sustaining economic growth.

Project lending

Project lending has been and continues to be the predominant form of MDB lending. MDB loans have provided part of the financing for many basic infrastructure and service projects that have contributed to improved living conditions for many people in developing countries. Loans from the World Bank and from the regional development banks and funds have financed rural electricity, basic health care, agricultural extension, primary and technical education, water and sewerage, environmental and resource management, microenterprise, telecommunications, private sector investment, and public sector reform projects. In many instances there has been continued support over a number of years to a particular sector, e.g. a sixth power project in Ghana, a second community health and nutrition project in Indonesia, or a third water project in Senegal.

Loans to Zimbabwe from the African Development Bank and Fund for $20.9 million and $14.4 million financed all of the foreign exchange cost of a rural electricity supply project in Eastern and Northern Zimbabwe. The project is to extend the national transmission and distribution networks to nine rural centers in a rich agricultural area. Irrigation projects, which rely upon a stable electricity supply, could be implemented, and the waiting list of customers and secondary demand created by the implementation of earlier project could be satisfied. A survey has indicated that a number of hospitals, clinics, primary and secondary schools, water supply systems, commercial and small industrial concerns and domestic consumers are already awaiting connection to the electricity network.

Developing countries have also benefitted from improved basic health care services through MDB loans and technical assistance. Health care infrastructure in rural Niger is being strengthened by an African Development Fund loan of $8.5 million and a technical assistance grant of $3.4 million. The project entails hydrological studies and construction of 19 water borehole wells, construction of 19 dispensaries and 6 medical laboratories, purchase of medical equipment, and provision of essential drugs in 66 rural dispensaries. Overseas and local training will upgrade the levels of competence of local health staff. In addition, technical assistance will be provided to support project implementation.

Raising the incomes of rural farmers has been the goal of many MDB agricultural projects. A recent example is the World Bank's $63 million loan for a Second Agricultural Extension and Applied Research Project in Turkey. The project would strengthen the

extension services in 860 village centers in 19 provinces, support 14 research institutes to backstop the project area extension services, initiate pilot programs to train women engaged in agriculture, support the introduction of integrated pest management procedures, and introduce mobile veterinary clinics to improve the availability of animal health services in the villages. The upgrading of extension services takes considerable time, and up to 15 years of financial, technical and supervisory support may be required eventually to bring to fruition the institutional changes required so that the extensions services can effectively assist farmers in upgrading their technology. The project forms an integral part of the Bank's agricultural sector development strategy and expands the Bank's ongoing program of assistance to agricultural extension and other technical support services.

Access to primary education has been improved in developing countries through MDB loans. An Asian Development Fund loan to Pakistan for $64.2 million will support the Government's plan to improve the quality and access of primary education for girls in rural areas, where only 5.1 percent of the females are literate. Equity of access to primary education in the rural areas is to be promoted through the establishment of community model schools. Around 200,000 students in 800 community model schools will benefit from the project annually. In addition, about 22,000 primary teachers, master teacher trainers, primary supervisors and administrators will receive in-service training locally while 63 master teacher trainers and administrators will be trained overseas. The project will also provide equipment to 22 training colleges for elementary teachers. Better management and supervision of instruction, more relevant instructional materials and effective teaching methods, and improved teacher-training programs are expected to reduce dropout rates, motivate students and teachers, and increase student participation.

Technical education has also received MDB support. Egypt received a $30.5 million loan from the World Bank for an engineering education development program. The program will support the upgrading, strengthening and redesign of programs in existing university faculties of engineering to improve the quality and occupational relevance of engineering education and the job prospects of graduates. The project is to reorient the development of secondary and post-secondary technical education and increase the supply of well-qualified technical teachers. Appropriate reforms in the technical education system will be implemented to move existing university engineering faculties toward a more applied orientation through stronger linkages with industry and more relevant curricula. The project is expected to yield significant economic benefits. It will make a major contribution to Egypt's manpower training efforts aimed at increasing productivity in the economy and expanding export-oriented industries. Technologically-intensive companies would

benefit greatly from better quality engineering graduates with appropriate industrial knowledge and practical experience. Better technical teachers would improve the technical system's ability to produce well-trained skilled technicians and workers.

Many water and sewerage projects have been designed and implemented with MDB loans. For example, a $325 million Inter-American Development Bank loan to Mexico provided part of the finance for the Fourth Stage of the Monterrey Water Supply and Sewerage project. The $650 million project will increase the supply of water to the metropolitan area of Monterrey through construction of a storage dam at El Cuchillo, a water supply treatment plant at San Roque, and extension to the primary and secondary water distribution networks. Sanitary sewerage services to approximately 54,300 sites, the expansion of main and secondary intercepting sewers, and three wastewater treatment plants are to be financed in the project's sanitation component. Technical training would also be provided under the loan for the staff of the wastewater treatment plants.

Concern for the environment and the efficient management of energy resources have been important features of MDB lending. A recent $250 million World Bank loan to Poland supported an Energy Resource Development Project. Through support for energy price reform, the project will improve the energy-related convertible currency earnings of Poland by increasing domestic production of natural gas and encouraging energy conservation for all forms of energy and fuel substitution. It will also contribute to a reduction of environmental pollution related to energy use and improve the competitive, regulatory and financial framework of the sector entities by supporting the implementation of appropriate restructuring programs for the coal, gas, power and heat sectors. The project would finance installation of gas treatment and desulfurization units and technical assistance to enhance management and production efficiency within the gas sector.

The project would result in a substantial increase in gas production, most of which will be low in sulfur. The project would also have major environmental benefits since it would encourage increased use of gas; the switch from coal to gas will significantly reduce total emissions of carbon and sulfur dioxide and particulates. On an annual basis, the project would reduce air pollution in Poland by a minimum of 240,000 tons of ash, 50,000 tons of sulfur dioxide, 8,000 tons of carbon monoxide, 20,000 tons of nitrogen oxide and 3,100,000 tons of carbon dioxide during 1994-2014. Additional benefits would arise from the project's transmission and technical assistance components.

Over the past two years, the World Bank has assisted Mauritius to develop an overall national strategy which integrates environmental concerns into the development process. Through a

$12.4 million loan for an Environmental Monitoring and Development Project, the World Bank will finance core elements of the Mauritius Environmental Investment Program. The program includes establishment of environmental laboratories, design and engineering studies of an industrial park for polluting industries, design and implementation of a sanitary landfill site and rehabilitation of present sites, integrated pest management and research, marine conservation, and establishment of the Black River Gorges National Park. Successful program implementation is considered crucial to the economy. Failure to implement the program would result in substantial economic costs from destruction of the growth of the tourist industry and losses in potential development in industry and agriculture.

Inter-American Development Bank loans of $20 million from the Bank's ordinary capital resources and up to the equivalent of $20 million in Colombian pesos from the Fund for Special Operations have provided partial finance for the Upper Bogota River Environmental Rehabilitation Program. The social costs of pollution of the Bogota river is high in terms of its impact on public health, water treatment costs of Bogota, the constraints it imposes on farming activities, the destruction of wetlands, and limits on public recreation areas. A comprehensive approach was required to adequately address these interdependent problems. The proposed solution is based on the sanitary rehabilitation of the river. The IDB project will finance the construction of 23 waste water plants, 9 pre-treatment systems for slaughterhouse waste, and 25 sanitary infills for final disposal of solid waste from municipalities on the upper course of the river. Expansion of irrigated zones and management of swamps, lagoons, and wetlands will also be undertaken. Forestation and land reclamation are to control erosion and sedimentation in lakes and wetlands. These actions will be complemented with a program to support natural-resource management and a plan to monitor the overall impact of program works.

Small and medium scale private enterprises in developing countries have been assisted by loans from the MDBs. Uruguay has approximately 168,000 microenterprises and small businesses, of which less than 20 percent are served by formal credit and technical assistance mechanisms. An Inter-American Development Bank loan to Uruguay provided funds for a global credit program for small business and microenterprise establishments. The $7 million loan will finance the acquisition of fixed assets, working capital and advisory services by microentrepreneurs working in production, services and merchandising. An associated $2.2 million technical cooperation grant from the Fund for Special Operations is providing institutional strengthening for the institutions taking part in the program and for training and technical assistance for small businessmen and microentrepreneurs. The program will permit support mechanisms for small businessmen and micro-producers to be developed,

provide service for low-income sectors, promote women's participation in the development process, and devalop an environmental protection system in the context of small business operations.

Good telecommunications systems are essential to economic development. In Togo, the lack of telecommunications investments in the country over the past ten years has led to an accumulation of unsatisfied demand that is 130 percent greater that the total number of current subscribers. A telecommunications sector development and modernization project will improve the quality of telecommunications, double the number of direct lines connected and meet future demand. Through cofinancing from the International Development Association, the European Investment Bank, Canada, France, and the United Nations Development Program, telephone equipment will be upgraded, worn-out equipment replaced, rural phone networks extended, and institutional development and management will be improved with technical assistance. In addition, a $6.8 million loan from the African Development Fund is assisting Togo in financing the foreign exchange costs of the microlink transmission component which will link northern Togo with Lome and will form part of the PANAFTEL link with neighboring Burkina Faso and Mali.

The International Finance Corporation (IFC) provides assistance to the private seotor. In Chile, a newly privatized telephone company, Compania de Telefonos de Chile, was the benficiary of an IFC investment which combined a senicr loan of $60 million, a second senior loan of up to $50 million from participants, a subordinated loan of $20 million, and an IFC underwriting commitment and a placement of up to $22.1 million. The investment program consists of the installation of approximately 685,000 new phone lines, installation of fiber optic cable and satellite hook-ups for domestic long-distance transmissions, and the expansion of other services including public and cellular phone service.

In Yugoslavia, a $7 million IFC loan to Salonit Anhovo, enabled that company to diversify into glass reinforced plastic pipes to replace its current production of asbestos-cement pipes. The project is to enable Salonit to produce a technically superior, environmentally safe product for domestic markets and to recapture export markets, particularly in Northern Italy.

Another IFC investment was in the Shin Ho Paper (Thailand) Co., Ltd. The IFC made available $22 million for its own account and up to $30 million in a cofinancing loan from other participants, plus a $5.2 million equity stake in the company. Shin Ho will establish the first newsprint paper mill in Thailand. Since there is no domestic source of wood pulp, and a newsprint industry based solely on imported virgin pulp is uneconomical,

the plant will recycle imported newsprint from the United States. Production will efficiently substitute for imports of newsprint.

Private electricity companies in India have also been recipients of IFC investments. The Tata Electric Companies (TEC), which supply electricity in the city and suburbs of Bombay, received an IFC loan of SwF 60 million ($75.6 million) to improve three substations, increase the capacity of transmission lines, and make efficient use of a new thermal unit so as to meet projected load growth for the next 20 years.

The MDBs have also supported Build-Operate-Transfer (BOT) projects in developing countries. The BOT project design was used in an Asian Development Bank private sector highway project in Thailand. Total project costs are estimated at $1.0 billion. The Asian Bank provided, without a government guarantee, a $30 million loan and an equity investment of $10 million to a private firm, Bangkok Expressway Company Ltd. The project entailed the construction of a 25-mile elevated multi-lane toll expressway in Bangkok. The company is to build and operate the toll road under a 30-year concession agreement and then transfer ownership to the Rapid Transit Authority of Thailand.

MDB loans for public enterprise (PE) reform have attempted to increase economic efficiency by introducing greater reliance on economic incentives and reducing direct controls on the economy. For example, the World Bank made a $130 million loan to Tunisia for public enterprise reform. The action program supported by the loan is a combination of measures to define overall PE reform objectives and to identify priority measures to be undertaken in the near-term. The program targets system-wide issues such as legal and institutional reforms, performance contracts, public enterprise management improvements, and budgetary and financial reforms. The second aspect of the program involves divestiture, restructuring of priority PEs in the public sector, and associated social costs.

The overall objective of this is to improve the efficiency of scarce public and private resource use. The Tunisian government's stated objective is to disengage itself from all PEs in competitive areas of the economy. Viable PEs are being transferred to the private sector as quickly as feasible while non-viable PEs are being liquidated. Public service monopolies and other PEs that require public sector regulation will progressively introduce performance contracts which specify both technical, financial and managerial performance targets and the associated tariff, pricing or other support to be assured by the Government. The reform program is designed to enable all enterprises to adapt to new competitive conditions by rationalizing state/enterprise institutional and financial relations and by divesting, restructuring or liquidating public enterprises as warranted.

Adjustment lending

Recognizing that project viability is determined not only by the rate of return on a specific project, but also is dependent upon the environment in which a particular project exists, in 1979-1980 the World Bank adapted its lending instruments and introduced adjustment lending.

Adjustment lending supports economic reforms to improve the domestic policy and institutional environment with the goal of moving a national economy toward self-sustaining economic growth. Adjustment lending addresses both sectoral and macroeconomic policy issues and requires particular policy modifications to be implemented within a specific time frame. In contrast to disbursements for project lending, which often occur over a long period of construction or project implementation, adjustment lending is disbursed more quickly. In general, adjustment lending has been concerned with providing incentives for restructuring the productive base of an economy, increasing domestic output, and reducing dependence upon limited export commodities.

Several loans illustrate the types of issues addressed in adjustment lending. For example, an International Development Association (IDA) credit to Togo for $55 million is continuing to support Togo's adjustment efforts. Under its Fourth Structural Adjustment Program (1990-1992), the Government of Togo will seek to increase real GDP growth to more than 4 percent, limit the rate of inflation to 3 percent or less, reduce the external current account deficit to 7.7 percent of GDP, and improve the provision of social services, with particular emphasis on access by the most vulnerable groups.

The program targets improvements in public finance, reinforcement of three major economic ministries, continued divestiture of public enterprises, and implementation of the legal framework increasing the autonomy of public firms remaining in the government's portfolio. More efficient agricultural extension services, an adequate budget for road maintenance and for the health and education sectors, and an action program of targeted interventions to improve the standards of living of the poorest segments of the population are integral parts of the IDA credit agreement with Togo. The structural measures of IDA's adjustment program are fully reflected in the IMF-IDA Policy Framework Paper for this country. The macroeconomic framework underlying the program is consistent with the IMF's $67 million three-year ESAF arrangement with Togo.

Adjustment lending has also focused on improvements in specific sectors of a country's economy. The Inter-American Development Bank's $50 million loan to Jamaica for Agricultural Sector Adjustment extends a policy reform process that was started in

the early 1980s. The main objectives of this IDB program are to improve the sector's incentives framework through rationalization of the import regime for agricultural commodities, reduction of generalized food subsidies, deregulation of the citrus and cocoa industries and improvements in the interest rate policy as well as related aspects of directed agricultural credit.

The program continues the process of divestment of public assets. Jamaica is to also establish the institutional framework for agricultural use of insecticides and pesticides in an environmentally sound context. The loan addresses four major policy areas: 1) rural credit reform, 2) agricultural pricing, 3) divestment of public lands and agro-enterprises, and 4) control of chemical pesticides. The anticipated benefits of this program are multiple. The program includes a concerted effort to modify the policy framework for agricultural pricing with the anticipation that the reforms, supported by the proposed program, would improve prospects and foster the basis for more efficient growth and modification of the relative stagnation which has discouraged overall growth in the sector during the last 20 years.

The proposed reduction of tariffs on agricultural products and generalized food subsidies should bring domestic relative producer prices of tradable products closer to relative border prices, thereby achieving more efficient allocation of production resources within the agriculture sector, and between agriculture and other sectors. The Dutch government, OECF/Japan, the World Bank, and KFW of Germany are cofinancing this commitment by Jamaica to a program of agricultural sector reform.

Economic reform in Eastern Europe, which would improve prospects for economic growth and rising living standards in the medium term, has been fostered through World Bank lending. A $200 million Structural Adjustment Loan (SAL) to Hungary is to support a medium-term reform program to establish the foundations of a competitive market economy in Hungary. The SAL will promote ownership reform to introduce real ownership interest and facilitate orderly privatization. It will support import liberalization, price decontrol, deregulation, and measures to promote the development of small and medium enterprises and the private sector.

The SAL will require strengthened financial discipline in enterprises and banks, reduction in budget subsidies and taxes, and measures to ensure the living standards of those most adversely affected by reforms do not decline too precipitously. The quality of, and equity of access to, essential social goods and services is to be improved. Hungary should benefit from the improvement in productivity that a competitive market economy will generate and from access to external capital and western technology and management skills. Markets will be strengthened

by improved external creditworthiness and macroeconomic stability.

Technical assistance lending

Closely related to both project and adjustment lending are technical assistance loans, which, although representing a very small percentage of MDB loan commitments, are often crucial either for the design or implementation of specific projects or for policy discussions concerning alternatives in proposed reforms in particular sectors or in macroeconomic policies.

For example, in 1990, the Inter-American Development Bank agreed to finance a road rehabilitation study in Costa Rica. A contingent recovery financing of $552,000 from the Fund for Special Operations is to be used by the Ministry of Public Works for technical, economic, and environmental studies needed to program the rehabilitation and maintenance of the country's network of community roads.

World Bank's Role in the Debt Strategy

The World Bank, in conjunction with the International Monetary Fund, has a central role to play in the international debt strategy, both through its promotion of policy reforms and its mobilization of financial resources for the debtor nations. It is crucially important that countries experiencing serious balance of payments problems pursue sound macroeconomic and structural adjustment policies conducive to strong growth. To complement fiscal discipline measures and realistic exchange and interest rates negotiated with the IMF, the World Bank assists debtor countries in the development of key structural reforms such as trade liberalization, privatization and reform of parastatal enterprises, more open financial markets, tax reforms and market-oriented pricing policies to enhance efficiency. Efforts to encourage new investment and the repatriation of flight capital are of particular importance as alternative sources of foreign capital. The World Bank and the IMF have built impressive expertise in these areas and have made significant contributions to reforms in many indebted countries.

Within the international debt strategy, both institutions have also agreed to use a portion of their loans to encourage the reduction of debt and debt service obligations to commercial banks. This includes setting aside a portion of policy-based loans to collateralize debt reduction instruments negotiated with commercial banks or to support the purchase of debt at substantial discounts. Both the World Bank and the IMF have also agreed to make available limited interest support for transactions involving significant debt or debt service reduction. These measures will help provide an impetus to growth

and promote an earlier return to creditworthiness for debtor nations.

Since releasing its guidelines for debt and debt service reduction support in May 1989, the World Bank has approved almost $2.7 billion in support for debt and debt service reduction for Mexico, the Philippines, Uruguay and Venezuela. This includes nearly $2 billion in set aside and interest support for Mexico; $150 million for the Philippine debt buyback completed in January 1990; a proposed $65 million in support for Uruguay; and an estimated $402 million in support for Venezuela. Additional support is expected to be made available to other debtor nations, in conjunction with their reform programs, once negotiations on new bank financing packages are completed.

These packages will provide significant benefits for debtor countries. The Mexican agreement reduces annual interest payments by $1.5 billion, cuts bank debt by the equivalent of $18 billion, and removes a burden of $42 billion in principal payments. The Philippine agreement reduced bank debt by $1.3 billion (20 percent) and permits subsequent debt and debt service reduction which is under discussion with the banks. The Venezuelan agreement is expected to reduce the annual debt service payments to the banks by 30 percent, while the Uruguayan agreement effectively cuts Uruguay's debt to the banks by 44 percent.

Through its numerous market-oriented agreements with the banks, including its recent buyback agreement, Chile has been successful in retiring $10 billion in external debt during the 1985-90 period. Morocco and Costa Rica have also negotiated packages with their commercial banks, and they may make use of World Bank support in the future.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
JUSTIFICATION FOR
FY 1992

Budget Authority Request: $70,126,332 paid-in capital

$2,267,418,063 callable capital

The International Bank for Reconstruction and Development (IBRD), known as the World Bank, was established largely under U.S. leadership in 1945 through the Bretton Woods Agreement, to make or guarantee loans for productive reconstruction and development projects. The IBRD, whose capital is subscribed by its 152 member countries, finances its lending operations primarily from its own borrowings in the world capital markets. A substantial contribution to the IBRD's resources also comes from its retained earnings and the flow of repayments on its loans.

The Bank's principal role today is making loans at near-market interest rates for productive purposes and stimulating economic growth in the developing country borrowers to which it lends. Bank loans are directed toward developing countries at more advanced stages of economic and social growth. The Bank provides project finance, policy advice, and technical assistance and serves as a financial catalyst and institution builder. The Bank also lends in support of adjustment and policy reform and debt and debt service reduction. This adjustment lending supports specific policy changes and institutional and sectoral reforms in developing countries designed to achieve a more efficient use of resources and thereby contribute to a more sustainable balance of payments and a return to and maintenance of reasonable growth in the medium and long term.

Third General Capital Increase

-- On April 27, 1988, the IBRD's Board of Governors agreed to the resolutions for a General Capital Increase of $74.8 billion. A 75 percent affirmative vote was necessary for the GCI to become effective. The United States voted after Congress enacted authorizing legislation in September, 1988.

-- Subscriptions for this increase are 3 percent paid-in and 97 percent callable capital.

-- The U.S. subscription over a six-year period is 18.75 percent of total subscriptions:

The annual appropriation request for the paid-in portion of the GCI normally would be $70.1 million

annually for six years, and the annual callable capital authorization request under program limitations normally would be $2,267 million annually for six years.

-- U.S. voting power in the IBRD resulting from the GCI will be 18.19 percent when all shares are purchased and all callable capital is authorized. (U.S. voting power is slightly less than the 18.75 percent U.S. subscription to the GCI because of the existence of "membership votes" and previous minimum share allocations for all member countries.)

- The actual U.S. voting share as of December 31, 1990, was 17.63 percent. It is important that the United States purchase its shares in a timely fashion because the U.S. will lose its veto over amendments to the Articles of Agreement if voting power falls below 15 percent.

The United States was successful in attaining agreement and explicit language in the GCI report on Bank lending policies that are important to the United States.

-- The Bank will seek to ensure that its financing is complemented by flows from other sources -- including private capital flows.

-- Policy based lending operations have undergone a thorough review and will be re-evaluated regularly.

-- The Bank will continue to place a high priority in assisting governments to alleviate poverty. Increased lending will aim at improving the access of the poor to better food, shelter, health care and schooling, while at the same time enhancing the poor's productive potential.

-- The Bank will take steps to ensure that environmental protection becomes a permanent priority in the institution. Specific efforts will be made to integrate environmental work into country development strategies, policies, and programs. The Bank will support national and regional programs designed to improve natural resource management.

-- Private sector investment and private enterprise development will be given special attention through improvements in the framework of national policy incentives. The Bank will also encourage the efficient mobilization of funds in the public sector.

-- The Bank will support production of primary commodities only where such production is efficient. All operations for primary commodities must be competitive and provide satisfactory rates of return without subsidies. In large operations, systematic analysis will be made of the impact of production on the global market.

-- Assisting heavily indebted countries to grow out of debt and recession will be a Bank priority. The Bank will increase efforts to help design and implement adjustment programs and to assemble debt restructuring and financing packages.

U.S. Veto over Amendments to the Articles of Agreement

The Governors approved an amendment to the Articles of Agreement, effective in February, 1989, raising the veto threshold for amendments to the Articles to 85 percent, thus preserving the U.S. veto power over such amendments.

Lending Program

The IBRD's FY 1989 lending program from July 1, 1989 to June 30, 1990 included 121 loan commitments totaling $15.2 billion to 38 countries. Of the Bank's new loan commitments in FY 1990, Latin America and the Caribbean received 38 percent, the Middle East and North Africa received 27 percent, Asia received 27 percent, and Sub-Saharan Africa received 8 percent. Sectors which received greatest emphasis in the Bank's FY 1990 lending program were power, non-project lending, and agriculture and rural development. Cumulative IBRD lending since 1945 totaled $187 billion as of June 30, 1990.

Background

U.S. subscriptions were $21.7 billion, or 18.2 percent of the total capital subscribed as of June 30, 1990. The initial authorized capital of the Bank was $10 billion, divided into 100,000 shares having a par value of $100,000 each. U.S. membership in the IBRD and an original capital subscription of $3,175 million -- 34 percent of the total -- were authorized in 1945 (PL 79-171). A total of $7,670 million of this authorized capital was subscribed by June 30, 1946.

On September 1, 1959, the authorized capital of the Bank was increased to $21 billion. This was the first General Capital Increase. Of the $11 billion increase in authorized capital, $10 billion was provided to permit a doubling of all existing subscriptions, including that of the United States, and $1 billion was provided in the form of callable capital to accommodate the subscriptions of new members and members

taking special increases in their subscriptions. Further additions to capital to cover new admissions and individual increases were authorized on December 31, 1963, in the amount of $1 billion, and again on August 25, 1965, in the amount of $2 billion. In 1970, the Bank's authorized capital was increased by $3 billion. After obtaining authorizing legislation (PL 91-599) and appropriations (PL 92-242), the United States subscribed to $123.05 million of capital in 1972.

A selective Capital Increase (SCI) of the Bank's resources of $8.4 billion was approved in 1977. The U.S. share was $1.6 billion, or 18.7 percent of the increase (of which 10 percent was paid-in capital and 90 percent callable). Authorization for the increased U.S. share was obtained in 1977 (PL 95-118), and appropriations totaled $380 million of a requested $523 million in FY 1978 (PL 95-148) and $163 million ($16.3 million paid-in and $146.8 million callable) of a requested $666 million in FY 1979 (PL 95-481). In FY 1980, appropriation of $16.3 million for paid-in capital and $146.7 million for subscription to callable capital was enacted under a Continuing Resolution (PL 96-123). The FY 1981 appropriation -- also under a Continuing Resolution (PL 96-536) -- provided $32.8 million for paid-in capital. In addition, authority was also granted for a program limitation of $295.1 million for subscription to callable capital. In FY 1982, Congress appropriated $37.2 million in paid-in capital and $334.5 million under a program limitation for callable capital (PL 97-121). In FY 1983, an appropriation of $16.3 million was obtained for paid-in capital to complete subscription in the 1977 SCI under a Continuing Resolution (PL 97-276). In addition, the appropriation act provided a program limitation of $146.9 million to cover subscriptions to callable capital.

In January 1980, the IBRD Board of Governors approved a General Capital Increase (GCI) (the second) of the Bank's resources of $40 billion and an associated increase of $4 billion which was for the purpose of preventing an unintended dilution of the relative voting positions of the smaller and less developed IBRD members. The U.S. share of the increases was 20 percent or $658.3 million for subscriptions to paid-in capital and $8,149.3 million for subscriptions to callable capital.

In August 1981, Congress authorized (PL 97-35) the U.S. Governor to vote for the capital increases and subscribe to $8,807.6 million of capital. In FY 1982 (PL 97-121), Congress appropriated $109.7 million in paid-in capital and enacted a program limitation of $1,353.2 million for callable capital subscriptions to the GCI. In FY 1983, Congress appropriated a second "tranche" consisting of $109.7 million of paid-in and $1,383.4 million in program limitations to

provide for callable capital subscriptions to the separat increase in voting shares.

For FY 1984, the Administration sought a third "tranche" of $109.7 million in paid-in capital and $1,353.2 million in a program limitation for callable capital. Congress appropriated $79.7 million paid-in capital and $983.2 million in a program limitation for callable capital under a Continuing Resolution (PL 98-151). In FY 1985, Congress appropriated $109.7 million for paid-in capital and established a program limitation of $1,353.2 million for callable capital subscriptions (PL 98-473). A shortfall from the amounts originally requested in FY 1984, ($30 million in paid-in capital and $370.0 million for callable capital) was also provided in response to an FY 1985 Supplemental Request (PL 99-88).

For FY 1986, the Administration sought a fifth "tranche" of $109.7 million in paid-in capital and $1,353.2 million (PL 99-190). In 1986, $4.7 million of paid-in capital was sequestered (PL 99-177). In 1987, the sixth "tranche" of $55.8 million of paid-in capital and $688.2 million in a program limitation of callable capital for subscription to the GCI which was provided under the provision of a Continuing Resolution (PL 99-591).

In 1984, the Board of Directors recommended an $8.4 billion **Selective Capital Increase (SCI)** to adjust members' relative shares to reflect their relative position in the world economy and also to parallel their relative positions in the International Monetary Fund. The Administration sought and received authorization (PL 99-190) to subscribe to $1,502.3 million as the U.S. share of the increase. Of this subscription, $131.4 million (8.75 percent) was to be paid-in and $1,370.8 million was to be callable capital.

In FY 1988, Congress appropriated in a Continuing Resolution (PL 100-202) paid-in subscriptions of $40.2 million to the General and Selective Capital increases and $437.3 million to callable capital stock. This appropriation completed the U.S. payments to the 1980 GCI.

In 1988, the Board of Directors recommended a $74.8 billion **General Capital Increase (GCI)**. In September 1988, Congress authorized U.S. participation in this (the third) GCI. The subscriptions would be spread over a six-year period resulting in annual paid-in amounts of $70.1 million and annual callable capital amounts of $2,267 million.

In FY 1989, Congress appropriated $50 million of paid-in capital and $2,293 million for subscription of callable capital under program limitations (PL 100-461). This

resulted in a shortfall of $20.1 million on paid-in capital and an over-subscription of $26 million on the callable capital.

In FY 1990, Congress appropriated $49.8 million (post-sequestration) for paid-in capital and nothing for callable capital (PL 101-167). This resulted in an additional shortfall of $20.3 million for paid-in capital for a total shortfall of $40.5 million for paid-in capital and a shortfall of $2,241.9 million for callable capital.

In FY 1991, the Administration requested appropriation of $110.6 million for paid-in capital and $2,000 million for callable capital subscriptions for the General Capital Increase. The request included $40.5 million for arrears on paid-in capital from FY 1989. The total request was appropriated (PL 101-513).

In FY 1992, the Administration is requesting an appropriation of $70.1 million for paid-in capital and $2,267 million for callable capital subscriptions for the GCI. All arrears were cleared in FY 1990.

U.S. TREASURY DEPARTMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 79-171 1/:			
Paid-In Capital	635,000		
Callable Capital	2,540,000		
	3,175,000		
Public Law 86-48 1/:			
Public Debt Authorization	3,175,000		
Public Law 91-599:			
Paid-In Capital	24,610	For'n Ass. & Rel'd Prog's Approp's Act 1972 (PL 92-242):	
Callable Capital	221,490	Paid-In Capital	12,305
	246,100	Callable Capital	110,745
Public Law 95-118:			
Paid-In Capital	156,886	For'n Ass. & Rel'd Prog's Approp's Act 1978 (PL 95-148):	
Callable Capital	1,411,971	Paid-In Capital	38,000
		Callable Capital	342,000
		For'n Ass. & Rel'd Prog's Approp's Act 1979 (PL 95-481):	
		Paid-In Capital	16,308
		Callable Capital	146,771
		1980 Continuing Resolution (PL 96-123):	
		Paid-In Capital	16,300
		Callable Capital	146,697
		1981 Continuing Resolution (PL 96-536):	
		Paid-In Capital	32,789
		Callable Capital	< 295,097 >
		For'n Ass. & Rel'd Prog's Approp's Act 1982 (PL 97-121):	
		Paid-In Capital	37,168
		Callable Capital	< 334,508 >
		1983 Continuing Resolution (PL 97-276):	
		Paid-In Capital	16,321
		Callable Capital	< 146,897 >
	1,568,856		1,568,856

(Dollars in Thousands)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (Con't)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 97-35:		For'n Ass. & Rel'd Prog's Approp's Act 1982 (PL 97-121):	
Paid-In Capital	658,305	Paid-In Capital	109,721
Callable Capital	8,149,256	Callable Capital	<1,353,220 >
	8,807,561	1983 Continuing Resolution (PL 97-276):	
		Paid-In Capital	109,721
		Callable Capital	<1,383,379 >
		1984 Continuing Resolution (PL 98-151):	
		Paid-In Capital	79,721
		Callable Capital	< 983,220 >
		For'n Ass. & Rel'd Prog's Approp's Act 1985 (PL 98-473):	
		Paid-In Capital	109,722
		Callable Capital	<1,353,220 >
		Supplemental Appropriations Act, 1985 (PL 99-88):	
		Paid-In Capital	30,001
		Callable Capital	< 370,026 >
		For'n Ass. & Rel'd Prog's Approp's Act 1986 (PL 99-190):	
		Paid-In Capital	109,721
		Callable Capital	<1,353,220 >
		1986 Sequestration (PL 99-177):	
		Paid-In Capital	-4,718
		1987 Continuing Resolution (PL 99-591):	
		Paid-In Capital	55,805
		Callable Capital	< 688,262 >
		1988 Continuing Resolution (PL 100-202):	
		Paid-In Capital	40,176
		Callable Capital	< 437,320 >
Public Law 99-190:			
Paid-In Capital	131,448		
Callable Capital	1,370,819		
	1,502,267		
Public Law 100-461:		For'n Ass. & Rel'd Prog's Approp's Act 1989 (PL 100-461):	
Paid-In Capital	420,758	Paid-In Capital	50,001
Callable Capital	13,604,508	Callable Capital	<2,292,973 >
	14,025,266		2,342,974

(Dollars in Thousands)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (Con't)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
		For'n Ass. & Rel'd Prog's Approp's Act 1990 (PL 101-167):	
		Paid-In Capital	49,786
		Callable Capital	< 0 >
			49,786
		For'n Ass. & Rel'd Prog's Approp's Act 1991 (PL 101-513):	
		Paid-In Capital	110,592
		Callable Capital	<2,899,610 >
			3,010,202
		1991 Sequestration (PLs 99-177, 100-119, 101-508)	-2,101
		1992 REQUEST:	
		Paid-In Capital	70,126
		Callable Capital	<2,267,418 >
			2,337,544

Amounts in "< >" indicate callable capital subscriptions provided under program limitations.

_1/ Public Debt Authorization

February 4, 1991

INTERNATIONAL DEVELOPMENT ASSOCIATION
JUSTIFICATION FOR
FY 1992 APPROPRIATIONS

Budget Authority Request: $1,060,000,000 contribution

The International Development Association, known as IDA, is an affiliate of the International Bank for Reconstruction and Development (IBRD). It was established in 1960 to provide assistance for the same purposes as the IBRD, to make or guarantee loans for productive development, but to the poorer developing country members and on more lenient terms. IDA lends to countries which are not creditworthy for non-concessional lending, such as IBRD loans which charge market-related interest rates. Only countries with an annual per capita income of $650 or less (in 1988 dollars) are currently eligible to borrow from IDA. However, the majority of IDA lending goes to countries with annual per capita incomes of less than $450.

Membership in IDA is open to all members of the IBRD. There are currently 138 members, more than 30 of which are contributing members. The funds used by IDA, called credits to distinguish them from IBRD loans, come from subscriptions, general replenishments from IDA's more industrialized and developed members. The terms of IDA credits, which are made only to governments, are ten-year grace periods, thirty-five and forty year maturities, no interest, and a small service charge.

IDA is the world's single largest source of multilateral development assistance for concessional lending to the world's poorest countries. IDA plays a pivotal role in alleviating poverty, enhancing development, and encouraging economic reform in the poorest nations. IDA makes an important contribution to the process of economic development in these countries by assisting in institution building, infrastructure development, human capital formation and policy dialogue. Because most of the poorest countries have limited access to capital markets, IDA together with other official flows, provides a significant portion of investment funds and is an important supplement to domestic savings.

IDA is a significant lender to the "poverty-oriented sectors" (e.g., rural and urban development, education, and health) and to other sectors (e.g., agriculture) where significant benefits go to the poor. Given IDA's low-income country focus, IDA is at the forefront of the World Bank's poverty reduction program, which includes determined and sustained action on major fronts:

-- securing economic growth;

-- combatting hunger;

-- investing in education; and,

-- protecting the interest of the poor during economic adjustment.

Ninth Replenishment of IDA Resources

By June 30, 1990, IDA had committed most of the resources made available to it during the eighth replenishment period (July 1, 1987 to June 30, 1990). In anticipation of this, negotiations on the ninth replenishment of IDA resources (IDA-9) began in early 1989. The ninth replenishment will provide resources for IDA for the three year period July 1, 1990 to June 30, 1993, (World Bank FYs 1991-93). These negotiations were completed in December 1989. IDA's Board of Governors is approved the replenishment in 1990.

IDA-9 will total SDR 11,679 million, approximately $15 billion. An important goal of the replenishment was to maintain the size of IDA in real terms. This goal was achieved with the assistance of the United States, which agreed to maintain the amount of its IDA-8 contribution in real terms for IDA-9. The U.S. contribution to IDA-8 was $2,875 million. The U.S. commitment to IDA-9 is $3,180 million. The U.S. had a 23.2 percent share of IDA-8. That share will drop to 21.6 percent of IDA-9. The tight U.S. budget and efforts to reduce the U.S. deficit played a role in the U.S. decision to reduce our share of the replenishment.

Donor contributions combined with advance commitments from reflows will support lending program of over $5.5 billion annually.

In the IDA-9 negotiations, the United States succeeded in ensuring that IDA's resources are used in the most effective and efficient manner. In this regard, the United States achieved three major policy objectives:

-- A borrowing country's economic performance, including efforts to alleviate poverty, will receive greater weight as criteria for allocation of resources.

-- New measures to address environmental concerns will be factored into IDA lending.

-- Efforts will be made to improve IDA and IMF collaboration,

Greater emphasis has been placed on economic performance as a condition for lending during IDA-8. During IDA-9 even greater emphasis will be placed on the macroeconomic performance, including efforts to alleviate poverty, of borrowing countries as a basis for eligibility and allocation of IDA resources. This is necessary because there are not enough resources to fully fund all potential IDA recipients; scarce resources must be used effectively; and all countries should compete for scarce resources on the basis of transparent, objective criteria. Sound macroeconomic performance should be required for all borrowers. In order to ensure that IDA credits are approved in the context of adequate policies, an assessment and determination of each borrower's performance will be made annually, or as necessary in the case of small borrowers and presented to IDA's Board for review. Performance includes macroeconomic and sectoral management, poverty reduction, and the environment.

Poverty reduction remains central to IDA's mandate and will play a major role in the policy dialogue with recipient countries. During IDA-9 increased weight will be placed on poverty alleviation in the allocation of IDA resources. In addition, greater effort will be made to protect the poor during the adjustment process and to involve the poor in an equitable development process. Finally, it is hoped that IDA will assist recipient countries to develop national plans and strategies to eliminate the causes of and alleviate poverty.

IDA's management has been paying increasing attention to environmental concerns. There will be greater efforts under IDA-9 to ensure that a borrowing country's basic development strategy is environmentally sound in order to assure the sustainability of the resource base, economic growth, and poverty alleviation. Environmental assessments will be carried out on all environmentally sensitive projects. Greater efforts will be made to involve local non-governmental organizations (NGOs) in the assessment of these sensitive projects. Environmental action plans will be prepared for all IDA recipients, with priority given to those countries where major problems have been identified.

In the area of collaboration between IDA and the IMF, IDA will take steps to become more involved in the process of developing and negotiating country Policy Framework Papers (PFP). In addition, there will be an examination of ways to coordinate the operations of IDA and the IMF where both institutions are engaged in adjustment lending and where their operations are strongly interdependent for success.

During the IDA-9 period priority will continue to be given to Sub-Saharan Africa. Between 45 and 50 percent of IDA-8 resources were allocated to Sub-Saharan Africa, as long as borrowing countries in the region were making progress on economic adjustment and reform. Assuming that economic performance continues to warrant continued lending, the level of support for Africa should not be reduced, and the share allocated should be between 45 and 50 percent of IDA-9 resources. In FY 1990, Africa received 50 percent of total commitments.

While 75 percent of IDA resources will continue to support project lending, IDA should continue to play a central role in developing and supporting economic adjustment in recipient countries, both through structural and sector adjustment lending. As in IDA-8, it is expected that quick-disbursing adjustment lending should remain at around 25 percent for IDA-9 and should not exceed 30 percent of total IDA lending.

Although extended on concessional terms, the standards of IDA credits are the same as those for IBRD loans -- technically, economically, financially, and environmentally sound, compatible with a sound development plan, and of high priority for the economic development of the country. Since other developed countries, such as Japan, Germany, France, the United Kingdom, Italy, and Canada, share the costs of providing IDA credits, IDA is an extremely cost-efficient way for the United States to express its humanitarian concern for the poorest peoples of the world.

Lending Program

IDA's lending program in the Bank's FY 1990 (July 1, 1989 to June 30, 1990) included 101 commitments totalling $5.2 billion to 47 borrowing countries. This compared to 106 commitments totalling $4.9 billion to 42 countries in FY 1989. Sectors which received greatest emphasis in FY 1990 were agriculture and rural development, education, transportation, and non-project lending (structural and sector adjustment).

As of June 30, 1990, IDA had extended credits totaling $58.2 billion for development projects and adjustment lending since 1960.

Background

United States membership in the International Development Association and an original subscription of $320 million were authorized in June 1960 (PL 86-565). The United States has subsequently participated in all seven replenishments of IDA resources. The Sixth Replenishment (IDA-6), totaling

$12 billion, became effective on August 24, 1981, when the United States formally notified (pursuant to authorization legislation enacted in PL 97-35) the Association of its intention to contribute $3,240 million and made a first installment of $500 million, appropriated in PL 97-12. A FY 1982 appropriation of $700 million (PL 97-121) was provided for the U.S. second installment. A third contribution of $700 million was provided under a Continuing Resolution in FY 1983 (PL 97-276), and $245 million was provided in a supplemental appropriation (PL 98-63). In FY 1984, an appropriation of $945 million was provided (PL 98-151) and the remaining $150 million was provided in FY 1985 (PL 98-473).

Negotiations for a Seventh Replenishment, totaling $9 billion, were concluded in January 1984 and legislation authorizing a U.S. contribution of $2,250 million (PL 98-473) was enacted in 1984. In FY 1985, $750 million was appropriated for the first installment (PL 98-473) and $700 million was appropriated (PL 99-190) in FY 1986. Of this amount $30.1 million was sequestered (PL 99-177). The 1987 Continuing Resolution (PL 99-591) appropriated $622.6 million. In the FY 1987 Supplemental request $207.5 million was appropriated to meet U.S. obligations under IDA-7 (PL 100-71).

Negotiations for an Eighth Replenishment totaling $12.4 billion were concluded in December 1986. The United States share of IDA-8 was 23 percent. In FY 1988, $915 million was appropriated for the first installment of a $2,875 million U.S. contribution (PL 100-202). In FY 1989, $995 million was appropriated (PL 100-461) for a portion of the arrears due on the first installment and for all of the second installment. In FY 1990, $960.8 million was appropriated (PL 101-167), leaving arrears of $4.2 million. Negotiations for the Ninth Replenishment of IDA were concluded in December 1989. The United States share of IDA-9 is $3,180 million over three years, $1,060 million annually. In FY 1991, the Administration requested and received authorization to participate in the ninth replenishment. In FY 1991, the Administration requested $1,064,149,500, $4,149,500 for arrears from IDA-8 and $1,060,000,000 for the first annual installment on IDA-9. The Administration received the full request (PL 101-513).

In FY 1992, the Administration is requesting $1,060,000,000 for the second installment of IDA-9.

U.S. TREASURY DEPARTMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 86-565:			
Initial Subscription	320,290	First Supplemental, 1961 (PL 86-652)	73,666
		For'n Ass. & Rel'd Agencies Approp's Act 1962 (PL 87-329)	61,656
		For'n Aid & Rel'd Agencies Approp's Act 1963 (PL 87-872)	61,656
		For'n Aid & Rel'd Agencies Approp's Act 1964 (PL 88-258)	61,656
		For'n Aid & Rel'd Agencies Approp's Act 1965 (PL 88-634)	61,656
	320,290		320,290
Public Law 88-310:			
Increase in Resources	312,000	For'n Ass. & Rel'd Agencies Approp's Act 1966 (PL 89-273)	104,000
		For'n Ass. & Rel'd Agencies Approp's Act 1967 (PL 89-691)	104,000
		For'n Ass. & Rel'd Agencies Approp's Act 1968 (PL 90-249)	104,000
	312,000		312,000
Public Law 91-14:			
Second Replenishment	480,000	Second Supplemental Appropriations Act, 1969, (PL 91-470)	160,000
		For'n Ass. & Rel'd Agencies Approp's Act 1970 (PL 91-194)	160,000
		For'n Ass. & Rel'd Agencies Approp's Act 1971 (PL 91-619)	160,000
	480,000		480,000
Public Law 92-247:			
Third Replenishment	960,000	Joint Resolution making Continuing Appropr., 1973, (PL 93-9)	320,000
		For'n Ass. & Rel'd Agencies Approp's Act 1974 (PL 93-240)	320,000
		For'n Ass. & Rel'd Agencies Approp's Act 1975 (PL 94-11)	320,000
	960,000		960,000
Public Law 93-373:			
Fourth Replenishment	1,500,000	For'n Ass. & Rel'd Agencies Approp's Act 1976 (PL 94-330)	320,000
		For'n Ass. & Rel'd Agencies Approp's Act 1977 (PL 94-441)	375,000
		Supplemental Appropriations Act, 1977, (PL 95-26)	53,000
		For'n Ass. & Rel'd Agencies Approp's Act 1979 (PL 95-481)	458,000
		1980 Continuing Resolution (PL 96-123)	272,000
		1981 Continuing Resolution (PL 96-536)	20,000
	1,500,000		1,500,000

INTERNATIONAL DEVELOPMENT ASSOCIATION (Con't)

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation		
Public Law 95-118:			
Fifth Replenishment	2,400,000	For'n Ass. & Rel'd Prog's Approp's Act 1978 (PL 95-148)	800,000
		For'n Ass. & Rel'd Prog's Approp's Act 1979 (PL 95-481)	800,000
		1980 Continuing Resolution (PL 96-123)	800,000
	2,400,000		2,400,000
Public Law 97-35:			
Sixth Replenishment	3,240,000	1981 Supplemental (PL 97-12)	500,000
		For'n Ass. & Rel'd Prog's Approp's Act 1982 (PL 97-121)	700,000
		1983 Continuing Resolution (PL 97-276)	700,000
		1983 Supplemental (PL 98-63)	245,000
		1984 Continuing Resolution (PL 98-151)	945,000
		For'n Ass. & Rel'd Prog's Approp's Act 1985 (PL 98-473)	150,000
	3,240,000		3,240,000
Public Law 98-473:			
Seventh Replenishment	2,250,000	For'n Ass. & Rel'd Prog's Approp's Act 1985 (PL 98-473)	750,000
		For'n Ass. & Rel'd Prog's Approp's Act 1986 (PL 99-190)	700,000
		1986 Sequestration (PL 99-177)	-30,100
		1987 Continuing Resolution (PL 99-591)	622,623
		Supplemental Appropriations Act, 1987 (PL 100-71)	207,477
	2,250,000		2,250,000
Public Law 100-202:			
Eighth Replenishment	2,875,000	1988 Continuing Resolution (PL 100-202)	915,000
		For'n Ass. & Rel'd Prog's Approp's Act 1989 (PL 100-461)	995,000
		For'n Ass. & Rel'd Prog's Approp's Act 1990 (PL 101-167)	960,851
		For'n Ass. & Rel'd Prog's Approp's Act 1991 (PL 101-513)	4,150
	2,875,000		2,875,000
Proposed Legislation:			
Ninth Replenishment	3,180,000	For'n Ass. & Rel'd Prog's Approp's Act 1991 (PL 101-513)	1,066,150
		1991 Sequestration (PLs 99-177, 100-119, 101-508)	-20,219
		1992 REQUEST	1,060,000

February 4, 1991

INTERNATIONAL FINANCE CORPORATION
JUSTIFICATION FOR FY 1992 APPROPRIATIONS

Budget Authority Request: Contingent Upon Completion of Negotiations

The International Finance Corporation (IFC) is a multilateral development institution. An affiliate of the World Bank, IFC was established in 1956 to further economic growth in its developing member countries by promoting productive private investment. Its equity capital is provided by its 139 member countries -- both developed and developing -- which collectively determine its policies and activities. The IFC has no callable capital to guarantee its financial obligations. Accordingly, the magnitude of its future operations is very closely related to the size of its paid-in capital.

IFC's principal tasks are to provide and bring together the financing, technical assistance, and management needed to make good use of investment opportunities in the developing world. IFC provides long-term loans and risk capital without government guarantees to enterprises in the private sector. Its financial assistance is designed to fit the special requirements of its client companies, and takes into account their ability to raise funds from other sources on reasonable terms. In all of its activities, IFC works to raise investor confidence, and IFC employs its status as an international institution to facilitate the process by which investors and governments arrive at mutually satisfactory agreements.

IFC also seeks to encourage the flow of private capital, both domestically and internationally, to developing country enterprises through the establishment or expansion of capital markets and financial institutions. It offers technical assistance to member governments in support of their efforts to create an environment that will encourage domestic and foreign investment. The widespread acceptance of privatization and the need for the private sector to be the focus of national development efforts are now generally accepted throughout the developing world.

During WBFY 1990 the IFC approved 122 new investments totalling (gross) $2.2 billion. Net investments for the IFC's own account were $1.5 billion, and total project size was $9.4 billion. The IFC's net income was $157 million.

The total disbursed loan and equity portfolio for the IFC's own account was $3.6 billion.

Important IFC achievements during WBFY 1990 include:

-- The IFC stepped up its activities in Eastern Europe. In Hungary and Poland IFC is now providing advice on a variety of subjects to government agencies, and the IFC is engaged in a program of investments, mainly joint ventures, in these countries. Czechoslovakia has recently joined the IFC.

-- Net investment approvals in Africa rose 50 percent, reaching a record level. The IFC continued its efforts to assist small and medium-sized business in Sub-Saharan Africa. Twelve investments in such businesses were made through the Africa Enterprise Fund (AEF), and this program is expected to expand considerably. Demand for the services of the Africa Project Development Facility (APDF) continued strong.

-- Increased attention was given to the protection of the environment during WBFY 1990. IFC's environmental review procedures were formalized. All IFC projects must comply with the environmental requirements of their host countries and the World bank.

Background

United States membership in the IFC was authorized in August 1955 (PL 84-350) with a U.S. capital subscription of $35 million, out of the total original capital of $100 million.

In early 1977 the Board of Governors of the IFC approved the first capital increase for the IFC, raising the authorized capital stock to $650 million. Authorizing legislation for a United States subscription of $111.5 million of the capital increase was obtained in 1977 (PL 95-118). Appropriation of $38 million was received in FY 1978 (PL 95-148), of $40 million in FY 1979 (PL 96-123), and of $14.4 million in FY 1982 (PL 97-121).

The second IFC capital increase of $650 million was approved by the Board in December, 1985. The United States will maintain its 27 percent share in the IFC by contributing $175 million. In the FY 1986 Continuing Resolution Congress appropriated $29.1 million for this purpose, of which $27.8 million was received and $1.3 million (4 percent) was sequestered. The FY 1987 Continuing Resolution provided no funds for the IFC, but $7.2 million was included in the FY 1987 Supplemental Request. The FY 1988 Continuing Resolution

(PL 100-202) included $20.3 million for the Corporation. An appropriation of $4.9 million was received in FY 1989 (PL 100-461). In FY 1990 $74.7 million was appropriated (PL 101-167), of which $74.6 million was received and $0.07 million was sequestered. In FY 1991 the Congress appropriated $40,330,972 for the purchase of IFC capital shares, thereby completing the 1985 capital increase.

Discussions are now beginning on a possible third IFC capital increase. Resources for a possible U.S. purchase of IFC capital shares have been included in the Administration's FY 1992 budget request as a part of funding for the MDBs.

U.S. TREASURY DEPARTMENT

INTERNATIONAL FINANCE CORPORATION

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 84-350 _2/:			
Paid-in Capital	35,168		
Public Law 95-118:			
Paid-in Capital	111,493	For'n Ass. & Rel'd Prog's Approp's Act 1978 (PL 95-148)	38,000
		For'n Ass. & Rel'd Prog's Approp's Act 1979 (PL 95-481)	40,045
		1980 Continuing Resolution (PL 96-123)	19,000
		For'n Ass. & Rel'd Prog's Approp's Act 1982 (PL 97-121)	14,448
	111,493		111,493
Public Law 99-190:			
Paid-in Capital	175,162	For'n Ass. & Rel'd Prog's Approp's Act 1986 (PL 99-190)	29,077
		1986 Sequestration (PL 99-177)	-1,250
		Supplemental Appropriations Act, 1987 (PL 100-71)	7,206
		1988 Continuing Resolution (PL 100-202)	20,300
		For'n Ass. & Rel'd Prog's Approp's Act 1989 (PL 100-461)	4,892
		For'n Ass. & Rel'd Prog's Approp's Act 1990 (PL 101-167)	74,678
		1990 Sequestration (PL 99-177, 100-119, 101-239)	-71
		For'n Ass. & Rel'd Prog's Approp's Act 1991 (PL 101-513)	40,331
		1991 Sequestration (PLs 99-177, 100-119, 101-508)	-766
		1992 REQUEST	N/A *

_2/ Public Debt Authorization

* Negotiations for an increase in IFC resources are underway and the FY 1992 request is included in the "MDB Other" category to be used only if negotiations are successfully concluded.

February 4, 1991

MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)
JUSTIFICATION FOR
FY 1992 APPROPRIATIONS

Budget Authority Request: None

The MIGA is a new international development institution affiliated with the World Bank which is designed to encourage the flow of investment to and among developing countries by issuing guarantees against non-commercial risk, carrying out a wide range of promotional activities, and encouraging sound investment policies in member countries.

MIGA's guarantee program protects investors from the non-commercial risks of currency transfer, expropriation, war and civil disturbance, and investment related breach of contract by the host government. MIGA seeks to work closely with national insurance agencies, such as the U.S. Overseas Private Investment Corporation.

During WBFY 1990 the MIGA issued its first guarantee contracts supporting four projects representing a total of $1.04 billion in direct investment. Additionally, policy and advisory services were provided to 22 countries, and the first investment promotion conference was held in Ghana. The number of applications registered by MIGA increased to over one hundred.

The FY 1988 Continuing Resolution (PL 100-202) authorized U.S. participation in the MIGA and appropriated sufficient funds for purchase of the U.S. share of MIGA's capital. The United States ratified the MIGA Convention on April 12, 1988. The U.S. share is $222 million, or 20.5 percent of the total authorized capital of $1.08 billion.

No additional requests for this agency are anticipated. The 1988 appropriation provided for the full U.S. subscription, which was required to meet the minimum level of capitalization needed for MIGA. Insurance premiums will finance the MIGA's operations in the long run, and will make the agency self-sustaining. The Administration is therefore not making a request for MIGA in FY 1992.

U.S. TREASURY DEPARTMENT

MULTILATERAL INVESTMENT GUARANTEE AGENCY

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 100-202:		1988 Continuing Resolution (PL 100-202):	
Paid-in Capital	44,403	Paid-in Capital	44,403
Callable Capital	177,612	Callable Capital	< 177,612 >
	222,015		222,015
		1992 REQUEST	0

February 4, 1991

INTER-AMERICAN DEVELOPMENT BANK
JUSTIFICATION FOR
FY 1992 APPROPRIATIONS

Budget Authority Request: $ 57,313,367 paid-in capital

$ 2,235,076,561 callable capital

The Inter-American Development Bank (IDB) is an inter-governmental organization, corporate in form, whose capital stock is owned by its member governments. It was established in 1959 to promote economic development in the developing countries in the Western Hemisphere. It does this by extending loans for specific development projects. It makes loans on near-market terms from its capital resources which consist of (1) paid-in capital subscriptions of members, and (2) members' callable capital subscriptions which are used to support borrowings in capital markets. As of the end of 1990, the IDB had 28 Western Hemisphere member countries including the United States and Canada but excluding Cuba. In addition, seventeen non-regional countries (fifteen European countries plus Japan and Israel) are also members of the Bank.

Cumulative loan commitments were $35.0 billion as of December 31, 1990. During 1990, 17 loans were extended from the IDB's capital window for a total of $3.3 billion. The bulk of this lending was directed to projects in agriculture, energy/power, transport, water supply/sewerage and sector adjustment lending.

Seventh Replenishment of IDB Resources

In March 1989, IDB Governors reached agreement on the terms of a Seventh Replenishment of IDB resources (IDB-7) of $26.5 billion. United States agreement to participate in IDB-7 was based on a change in voting procedures which will give greater weight to donor country views in decision-making and a reorganization which will make the Bank a more effective catalyst of development in Latin America.

During IDB-7, the Bank has and will continue to strengthen its dialogue with member countries in macro and sector programming. Country programming will ensure that IDB resources are allocated efficiently and in conformity with country development strategies.

IDB-7 introduced sector lending into the IDB's lending program. Sector lending over the entire replenishment period will account for up to 25 percent of lending, and, for the first two years, will be done in conjunction with the World Bank. Critical to United States approval of sector lending

at the IDB was the new emphasis given to country programming under the reorganization.

The IDB, as agreed to under IDB-7, has established a new environment unit, strengthened environmental programs and developed an environmental classification system. The IDB has also expanded lending to micro enterprises which benefit mainly lower income groups.

Background

The United States was a charter member of the Inter-American Development Bank with an original capital subscription of $350 million, consisting of $200 million in callable capital and $150 million in paid-in capital, which was authorized in August 1959 (PL 86-147). The callable portion was appropriated in FY 1960. The paid-in portion was provided in three installments -- $30 million in FY 1960, and $60 million each in FY 1962 and FY 1963.

Three increases in the authorized capital of the Bank totaling $2,300 million were approved by the Bank's membership during the 1960s and early 1970s. The U.S. participated in all of these increases after authorization and appropriation of an additional $1,647 million in paid-in and callable capital.

In 1975 the member countries reached agreement on a major increase of the Bank's resources for the 1976-79 period. United States participation in the increase in the form of a $1,650 million subscription to capital, was authorized in May 1976 (PL 94-302), and consisted of $120 million in paid-in capital and $1,530 million in callable capital. Appropriations for the capital increase were received over FYs 1977 through 1979. In addition, $320 million in callable capital was subscribed in FY 1977 without appropriations, in accord with the then existing practice.

In 1978 international negotiations were completed for an $8 billion increase in the capital of the IDB, of which the U.S. share was $2,749 million or 34.5 percent. Of this U.S. share, $206 million or 7.5 percent was paid-in capital and the remainder ($2,543 million) was callable capital. A total of $2,474 million was authorized for the U.S. subscription in June 1980 (PL 96-259). In August 1981, the remaining $275 million was authorized for the U.S. subscription (PL 97-35). Appropriations for these subscriptions were obtained in fiscal years 1980 through 1983.

In early 1983 negotiations were concluded for a $14.8 billion increase in IDB capital resources. The U.S. share was 34.7 percent of the total or $5.2 billion. Authorizing legislation (PL 98-181) for the U.S. subscription was passed in November 1983. The FY 1984 Continuing Resolution

(PL 98-151) provided funding of $38.0 million for paid-in capital and a program limitation of $806.5 million for callable capital. The FY 1985 Continuing Resolution (PL 98-473) provided funding of $38.0 million for paid-in capital and a program limitation of $806.5 million for callable capital. A FY 1985 supplemental appropriation (PL 99-88) included $40.0 million in budget authority for paid-in capital and an $849.0 million program limitation for callable capital subscriptions to complete the second tranche of our subscription. Included in the FY 1986 Continuing Resolution (PL 99-190) was $38.0 million in paid-in capital and $1.23 billion under program limitations for callable capital.

In FY 1987 (PL 99-591) $16.4 million was appropriated for subscription to paid-in capital and $1.11 billion of program limitations were enacted for callable capital subscriptions. The FY 1988 Continuing Resolution (PL 100-202) appropriated $31.6 million in budget authority for paid-in capital subscriptions and a program limitation of $119.4 million for subscription to callable capital. The Foreign Assistance Appropriation Act of FY 1990 (PL 101-167) appropriated $31.5 million for paid-in capital. In FY 1991 (PL 101-513) $135,957 was appropriated to complete the United States' subscription to paid-in capital under the sixth replenishment.

In March 1989, IDB Governors reached agreement on the terms of a Seventh Replenishment of IDB resources (IDB-7) of $26.5 billion. Authorizing legislation, the International Development and Finance Act of 1989 (P.L. 101-240), was passed in November 1989, and signed into law in December. The United States share will be 34.5 percent of the total $26.5 million replenishment, for a $9,169 million subscription to Ordinary Capital. The paid-in portion will be 2.5 percent, for a total United States paid-in subscription from FY 1991 - FY 1994 of $229 million. The United States' subscription to callable capital over the same time period will be $8,940 million. In FY 1991 (PL 101-513) $57.3 million was appropriated for the first tranche of the seventh replenishment.

The Administration's request for FY 1992 includes an appropriation of $57.3 million for the second tranche of the United States' paid-in capital subscription and a program limitation of $2,235 million for the second tranche of the United States' callable capital subscription.

U.S. TREASURY DEPARTMENT

INTER-AMERICAN DEVELOPMENT BANK

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 86-147:		First Supplemental Appropriation Act 1960 (PL 86-213):	
Initial Subscription		Paid-In Capital	30,000
Paid-In Capital	150,000	Callable Capital	200,000
Callable Capital	200,000	For'n Ass. & Rel'd Agencies Approp's Act 1962 (PL 87-329):	
		Paid-In Capital	60,000
		For'n Ass. & Rel'd Agencies Approp's Act 1963 (PL 87-872):	
		Paid-In Capital	60,000
	350,000		350,000
Public Law 88-259:		For'n Ass. & Rel'd Prog's Approp's Act 1965 (PL 88-634):	
Callable Capital	411,760	Callable Capital	205,880
		For'n Ass. & Rel'd Prog's Approp's Act 1966 (PL 89-273):	
		Callable Capital	205,880
	411,760		411,760
Public Law 90-325:		For'n Ass. & Rel'd Agen. Approp's Act 1969 (PL 90-581):	
Callable Capital Stock	411,760	Callable Capital	205,880
		For'n Ass. & Rel'd Agen. Approp's Act 1970 (PL 91-194):	
		Callable Capital	205,880
	411,760		411,760
Public Law 91-599:		Second Supplemental Appropr. Act, 1971 (PL 92-18):	
Paid-In Capital	150,000	Paid-In Capital	25,000
Callable Capital	673,520	Callable Capital	200,000
		For'n Ass. & Rel'd Agen. Approp's Act 1972 (PL 92-242):	
		Paid-In Capital	75,000
		Callable Capital	136,760
		Joint Resolution Making Continuing Appropr., 1973 (PL 93-9):	
		Paid-In Capital	25,000
		Callable Capital	168,380
		For'n Ass. & Rel'd Agen. Approp's Act 1974 (PL 93-240):	
		Paid-In Capital	25,000
		Callable Capital	168,380
	823,520		823,520

(Dollars in Thousands)

INTER-AMERICAN DEVELOPMENT BANK

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 94-302:		For'n Assist. & Rel'd Prog's Approp's Act 1977 (PL 94-441):	
Paid-In Capital	120,007	Paid-In Capital	20,000
Callable Capital	1,529,993	Callable Capital	200,000
		Supplemental Appropriations Act, 1977, (PL 95-26):	
		Paid-In Capital	36,000
		Callable Capital	120,000
		Non-appropriated Callable Capital, 1977	(319,995)
		For'n Assist. & Rel'd Prog's Approp's Act 1978, (PL 95-148):	
		Paid-In Capital	36,711
		Callable Capital	328,566
		For'n Assist. & Rel'd Prog's Approp's Act 1979, (PL 95-481):	
		Paid-In Capital	27,296
		Callable Capital	561,432
	1,650,000		1,650,000
Public Law 96-259 & 97-35:			
Paid-In Capital	206,189	1980 Continuing Resolution (PL 96-123):	
Callable Capital	2,543,020	Paid-In Capital	44,164
		Callable Capital	544,555
		1981 Continuing Resolution (PL 96-536):	
		Paid-In Capital	51,547
		Callable Capital	< 560,745 >
		For'n Assist. & Rel'd Prog's Approp's Act 1982, (PL 97-121):	
		Paid-In Capital	48,053
		Callable Capital	< 609,582 >
		1983 Continuing Resolution (PL 97-276/97-377):	
		Paid-In Capital	62,423
		Callable Capital	< 828,138 >
	2,749,209		2,749,209

(Dollars in Thousands)

INTER-AMERICAN DEVELOPMENT BANK

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 98-181:		1984 Continuing Resolution (PL 98-151):	
Paid-In Capital	232,004	Paid-In Capital	38,001
Callable Capital	4,923,859	Callable Capital	< 806,465 >
		For'n Assist. & Rel'd Prog's Approp's Act 1985, (PL 98-473):	
		Paid-In Capital	38,001
		Callable Capital	< 806,465 >
		Supplemental Appropriations Act, 1985 (PL 99-88):	
		Paid-In Capital	40,001
		Callable Capital	< 849,000 >
		For'n Assist. & Rel'd Prog's Approp's Act 1986, (PL 99-190):	
		Paid-In Capital	38,001
		Callable Capital	<1,230,965 >
		1986 Sequestration (PL 99-177):	
		Paid-In Capital	-1,634
		1987 Continuing Resolution (PL 99-591):	
		Paid-In Capital	16,417
		Callable Capital	<1,111,561 >
		1988 Continuing Resolution (PL 100-202):	
		Paid-In Capital	31,600
		Callable Capital	< 119,404 >
		For'n Assist. & Rel'd Prog's Approp's Act 1990, (PL 101-167):	
		Paid-In Capital	31,482
		Callable Capital	< 0 >
		For'n Assist. & Rel'd Prog's Approp's Act 1991, (PL 101-513):	135
	232,004		232,004
Public Law 101-240:		For'n Assist. & Rel'd Prog's Approp's Act 1991, (PL 101-513):	
Paid-In Capital	229,253	Paid-In Capital	57,449
Callable Capital	8,940,306	Callable Capital	<2,235,077 >
		1991 Sequestration (PLs 99-177, 100-119, 101-508)	-1,092
		1992 REQUEST	
		Paid-In Capital	57,313
		Callable Capital	<2,235,077 >
			4,527,467

February 4, 1991

INTER-AMERICAN DEVELOPMENT BANK
FUND FOR SPECIAL OPERATIONS
JUSTIFICATION FOR
FY 1992 APPROPRIATIONS

Budget Authority Request: $20,576,000 contribution

In addition to its capital lending operations, the IDB extends loans from the resources of the Fund for Special Operations (FSO) to the poorest countries of the region. FSO loans are made on concessional terms and are extended entirely from contributions provided by the United States and other members of the Bank. The FSO was established in 1959 as an integral element in the Bank's lending operations.

As of December 31, 1990, cumulative loan commitments from the FSO totalled $10.6 billion. During 1990, 28 loans were extended from the FSO for a total of $516.8 million. Sectors receiving substantial amounts of FSO resources included health, transportation, education, urban development, agriculture and rural water supply/sewerage.

Seventh Replenishment of IDB Resources

In March 1989, Governors of the IDB reached agreement on the terms of a Seventh Replenishment of IDB resources (IDB-7) of $26.5 billion. The Seventh Replenishment includes a $200 million replenishment of funds for the Fund for Special Operations. United States agreement to participate in IDB-7 was based on a change in voting procedures which will give greater weight to donor country views in decision-making and a reorganization which will make the Bank a more effective catalyst of development in Latin America.

During IDB-7, the Bank has and will continue to strengthen its dialogue with member countries in macro and sector programming. Country programming will ensure that IDB resources are allocated efficiently and in conformity with country development strategies.

IDB-7 introduced sector lending into the IDB's lending program. Sector lending over the entire replenishment period will account for up to 25 percent of lending, and, for the first two years, will be done in conjunction with the World Bank. Critical to United States approval of sector lending at the IDB was the new emphasis given to country programming under the reorganization.

The IDB, as agreed to under the seventh replenishment, has established a new environment unit, strengthened environmental programs and developed an environmental classification system. The IDB has also expanded lending to micro enterprises which benefit mainly lower income groups.

Background

U.S. membership in the IDB, authorized in August 1959 (PL 86-147), provided for an initial $100 million U.S. contribution to the FSO. This original contribution was appropriated in two installments in FY 1960 and FY 1962.

Agreements were reached among the IDB member governments to increase the resources of the FSO on four occasions in the 1960s and early 1970s. The U.S. participated in all of these replenishments and a total of $2,700 million was appropriated for the U.S. contribution to these increases. The U.S. share of FSO replenishments has been gradually declining relative to other members of the Bank.

Congress authorized a U.S. contribution of $600 million to the FSO over the 1976-78 period under PL 94-302. This U.S. contribution represented 57 percent of the total increase in the FSO of $1,045 million. The U.S. share of the 1970 FSO replenishment was 67 percent.

In 1978, negotiations were concluded for a $1,750 million replenishment of FSO resources that would finance lending during the 1979-82 period. Authorizing legislation for the $700 million U.S. share of the replenishment was sought from the 96th Congress. In June 1980, legislation authorizing $630 million was enacted (PL 96-259). Authorization for the remaining $70 million was obtained in August 1981 in the Omnibus Budget Reconciliation Act (PL 97-35). Appropriations for this contribution were obtained in FYs 1980 through 1984.

A replenishment of FSO resources for the 1983-86 period was agreed to in early 1983. The negotiated U.S. share of the replenishment is $290 million but legislation authorizing a $350 million increase in U.S. contributions to the FSO (PL 98-181) was approved by Congress in 1983. The FY 1985 Continuing Resolution (PL 98-473) provided funding of $72.5 million for the first installment of the U.S. contribution to the 1983-86 replenishment. A FY 1985 supplemental appropriation (PL 99-88) contained $72.5 million for the second tranche of the contribution, and $40.0 million was included in the FY 1986 Continuing Resolution (PL 99-190). The FY 1987 Continuing Resolution (PL 99-591) appropriated $17.3 million, and $25.7 million was appropriated in the FY 1988 Continuing Resolution (PL 100-202) for the FSO. The Foreign Assistance Act of FY 1990 (PL 101-167) appropriated

$63.4 million to the United States' contribution to the Fund for Special Operations under the Eighth Replenishment. The Foreign Assistance Act of FY 1991 (PL 101-513) appropriated $.2 million to complete the U.S. contribution under the Eighth replenishment.

Negotiations for an increase in IDB resources began in early 1986 but were not completed at the time of the FY 1990 budget request. In March 1989, IDB Governors reached agreement on the terms of a Seventh Replenishment of IDB resources (IDB-7) of $26.5 billion. Authorizing legislation, the International Development and Finance Act of 1989 (P.L. 101-240), was enacted in December 1989. The United States' share will be 34.5 percent of the total, or $82.3 million. The Foreign Assistance Act of FY 1991 (PL 101-513) appropriated $20.58 million for the first installment of the contribution under the Ninth Replenishment of FSO resources.

In FY 1992 the Administration is requesting a total of $20.58 million for the second installment of the United States's contribution toward the FSO's Ninth Replenishment.

U.S. TREASURY DEPARTMENT

INTER-AMERICAN DEVELOPMENT BANK
FUND FOR SPECIAL OPERATIONS

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 86-147:			
Initial U.S. Subscription	100,000	First Supplemental Appropriation Act 1960 (PL 86-213)	50,000
		For'n Ass. & Rel'd Agencies Approp's Act 1962 (PL 87-329)	50,000
	100,000		100,000
Public Law 88-259:			
First Replenishment (FSO I)	50,000	For'n Ass. & Rel'd Prog's Approp's Act 1964 (PL 88-258)	50,000
	50,000		50,000
Public Law 89-6:			
Second Replenishment (FSO II)	750,000	Second Supplemental Appropriation Act 1965 (PL 89-16)	250,000
		For'n Ass. & Rel'd Prog's Approp's Act 1966 (PL 89-273)	250,000
		For'n Ass. & Rel'd Prog's Approp's Act 1967 (PL 89-691)	250,000
	750,000		750,000
Public Law 90-88:			
Third Replenishment (FSO III)	900,000	For'n Ass. & Rel'd Agen. Approp's Act 1968 (PL 90-249)	300,000
		For'n Ass. & Rel'd Agen. Approp's Act 1969 (PL 90-581)	300,000
		For'n Ass. & Rel'd Agen. Approp's Act 1970 (PL 91-196)	300,000
	900,000		900,000
Public Law 91-599:			
Fourth Replenishment (FSO IV)	100,000	Second Supplemental Appropr. Act, 1971 (PL 92-18)	50,000
		Joint Resolution Making Continuing Appropr., 1973 (PL 93-9)	50,000
	100,000		100,000
Public Law 92-246:			
Fifth Replenishment (FSO V)	900,000	Joint Resolution Making Continuing Appropr., 1973 (PL 93-9)	175,000
		For'n Ass. & Rel'd Agen. Approp's Act 1974 (PL 93-240)	225,000
		For'n Ass. & Rel'd Agen. Approp's Act 1975 (PL 94-11)	225,000
		For'n Ass. & Rel'd Agen. Approp's Act 1976 (PL 94-330)	225,000
		For'n Ass. & Rel'd Agen. Approp's Act 1977 (PL 94-441)	50,000
	900,000		900,000

(Dollars in Thousands)

INTER-AMERICAN DEVELOPMENT BANK
FUND FOR SPECIAL OPERATIONS

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 94-302:			
Sixth Replenishment (FSO VI).....	600,000	Supplemental Appropriations Act, 1977, (PL 95-26).....	160,000
		For'n Ass. & Rel'd Prog's Approp's Act 1978, (PL 95-148).....	114,723
		For'n Ass. & Rel'd Prog's Approp's Act 1979, (PL 95-481).....	175,000
		1981 Continuing Resolution (PL 96-536).....	25,000
		1983 Continuing Resolution (PL 97-276/97-377).....	46,677
		1984 Continuing Resolution (PL 98-151).....	78,600
	600,000		600,000
Public Law 96-259 & 97-35:			
Seventh Replenishment (FSO VII).....	700,000	1980 Continuing Resolution (PL 96-123).....	175,000
		1981 Continuing Resolution (PL 96-536).....	175,000
		For'n Ass. & Rel'd Prog's Approp's Act 1982, (PL 97-121).....	173,177
		1983 Continuing Resolution (PL 97-276/97-377).....	175,000
		1984 Continuing Resolution (PL 98-151).....	1,823
	700,000		700,000
Public Law 98-181:			
Eighth Replenishment (FSO VIII).....	350,000	For'n Ass. & Rel'd Prog's Approp's Act 1985, (PL 98-473).....	72,500
		Supplemental Appropriations Act, 1985 (PL 99-88).....	72,500
		For'n Ass. & Rel'd Prog's Approp's Act 1986, (PL 99-190).....	40,000
		1986 Sequestration (PL 99-177).....	-1,720
		1987 Continuing Resolution (PL 99-591).....	17,263
		1988 Continuing Resolution (PL 100-202).....	25,732
		For'n Ass. & Rel'd Prog's Approp's Act 1990, (PL 101-167)....	63,450
		For'n Ass. & Rel'd Prog's Approp's Act 1991, (PL 101-513)....	20,850
Public Law 101-240:		1991 Sequestration (PLs 99-177, 100-119, 101-508).....	-396
Ninth Replenishment (FSO IX).....	82,304		
		1992 REQUEST.....	20,576

February 4, 1991

INTER-AMERICAN DEVELOPMENT BANK
INTER-AMERICAN INVESTMENT CORPORATION
JUSTIFICATION FOR
FY 1992 APPPOPRIATIONS

Budget Authority Request:	$12,500,000 paid-in capital
	($ 0 current installment
	($12,500,000 arrears)

During 1983 and 1984, the U.S. and the other interested member countries of the IDB worked on the creation of a new multilateral organization designed to support private sector activities in Latin America through equity and loan investments that focus primarily on small- and medium-scale enterprises. The new organization linked to the IDB, the Inter-American Investment Corporation (IIC), was formally established in 1986.

The IIC began making loans and taking equity positions in the private enterprises in 1990. As of the end of 1990, loans and equity commitments totaled $66 million, of which 18 percent represented equity investment.

Legislation authorizing U.S. participation in the IIC and a subscription of $51 million was enacted by Congress during 1984 (PL 98-473). The FY 1985 Continuing Resolution (PL 98-473) provided funding of $10.0 million and a 1985 supplemental appropriation (PL 99-88) of $3.0 million was received to complete this first installment. Included in the FY 1986 Continuing Resolution (PL 99-190) was $11.7 million toward the second installment of the U.S. share of IIC capital. In FY 1988, $1.3 million was appropriated in the Continuing Resolution to complete the second installment.

The Administration did not make a request for the IIC in FY 1989 due to the bi-partisan budget agreement to reduce the Federal deficit. In FY 1990, Congress did not appropriate the $25.5 million requested by the Administration to purchase the last two tranches of the United States' initial subscription to IIC capital. In FY 1991 $13.0 million was appropriated under the Foreign Assistance Act (PL 101-508) for the third installment of the U.S. share of IIC capital.

The Administration is requesting $12.5 million in FY 1992 to complete the United States' initial subscription to IIC capital.

U.S. TREASURY DEPARTMENT

INTER-AMERICAN DEVELOPMENT BANK
INTER-AMERICAN INVESTMENT CORPORATION

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 98-473:			
Inter-American Investment Corp.....	51,000	For'n Assist. & Rel'd Prog's Approp's Act 1985, (PL 98-473):	
		Inter-American Investment Corporation.....	10,000
		Supplemental Appropriations Act, 1985 (PL 99-88):	
		Inter-American Investment Corporation.....	3,000
		For'n Assist. & Rel'd Prog's Approp's Act 1986, (PL 99-190):	
		Inter-American Investment Corporation.....	11,700
		1986 Sequestration (PL 99-177):	
		Inter-American Investment Corporation.....	-503
		1988 Continuing Resolution (PL 100-202):	
		Inter-American Investment Corporation.....	1,303
		For'n Assist. & Rel'd Prog's Approp's Act 1991, (PL 101-513).	13,000
		1991 Sequestration (PLs 99-177, 100-119, 101-508).....	-247
		1992 REQUEST.....	12,500

February 4, 1991

ASIAN DEVELOPMENT BANK
JUSTIFICATION FOR
FY 1992 APPROPRIATIONS

Budget Authority Request: $25,526,366 paid-in

$186,972,187 callable capital

The Asian Development Bank (ADB), which was established in 1966 and began ordinary capital lending operations in 1968, plays a key role in the economic and social progress of its developing member countries in Asia and the Pacific. Many of these countries are important to the foreign policy interests of the United States.

The Asian Development Bank is corporate in form: its capital stock is owned by its member governments. The Bank makes loans at near market interest rates from its ordinary capital resources, which consist of (1) paid-in capital subscriptions of members, and (2) proceeds of borrowings in private capital markets which are based on members' callable capital subscriptions. As of September 30, 1990, the ADB had 49 member countries -- 34 regional countries, three of which are classified as developed (Japan, Australia and New Zealand), and 15 developed non-regional countries, including the United States, Canada and 13 European Countries.

The United States has approximately 12.41 percent of the voting power in the ADB, the same voting share as Japan. Japan and the United States are the largest shareholders. Through participation in the Bank, the United States contributes to an effective vehicle for economic development in Asia and thus helps to bring about conditions necessary for political stability in a part of the world that is of key importance to U.S. strategic and economic interests.

Lending Program

The Bank's ordinary capital (OCR) window lent $2.4 billion in 1990. As of September 30, 1990, cumulative ordinary capital loan commitments were $20.3 billion. The largest OCR borrowers were India, Indonesia, Pakistan, and the Philippines. These countries are also the largest recipients of ADB funds under all of the Bank's operations (OCR, Asian Development Fund, and equity investments), although India is not eligible for ADF lending.

Background

U.S. membership in the ADB and an original capital subscription of $200 million, consisting of $100 million each of callable capital and paid-in capital, were authorized in March 1966 (PL 89-369). The U.S. joined the Bank in August 1966. The callable portion of the original capital subscription was appropriated in FY 1966 (PL 89-426). The paid-in portion of the original capital subscription was appropriated and provided in four installments -- $40 million in FY 1966 and $20 million each in FY 1969, FY 1970, and FY 1971 (PL 89-426, PL 90-581, PL 91-194 and PL 92-18, respectively).

In 1971, an expansion of the authorized capital by $1,990 million consisting of $1,592 million in callable capital and $398 million in paid-in capital was approved by the Board of Governors. A U.S. participation of $361.9 million in the capital increase was authorized in December 1974 (PL 93-537), consisting of $72.4 million paid-in capital and $289.5 million callable capital. Appropriations were received in FY 1975 for $24.1 million in paid-in capital. In addition, the Administration subscribed to $96.5 million in callable capital. In FY 1976 appropriations were received for $24.1 million in paid-in capital and $96.5 million in callable capital, and in FY 1977 for $24.1 million in paid-in capital and $66.3 million in callable capital. In addition, in FY 1977, the Administration subscribed to $30.2 million in callable capital.

In 1976, the ADB Board of Governors approved a $5,004 million increase in the Bank's capital stock to finance lending operations from 1974 through 1983. Individual members' share of the increase equaled 135 percent of their current stock and consisted of 90 percent callable capital and 10 percent paid-in capital. Legislation authorizing a U.S. subscription of $814.3 million ($732.9 million in callable capital and $81.4 million in paid-in capital) to the capital increase was received in 1977 (PL 95-118).

In FY 1978, a first installment of $168 million (including $16.8 million for paid-in capital) was appropriated (PL 95-148). In FY 1979, a total of $194.4 million (including $19.4 million paid-in capital) was appropriated (PL 95-481). In FY 1980, $153.7 million ($15.4 million for paid-in capital and $138.4 million for callable capital) was provided under a Continuing Resolution (PL 96-123). In FY 1981, the Continuing Resolution (PL 96-536) provided $24.8 million in appropriations for paid-in capital and $223.4 million for callable capital under a program limitation. In FY 1982, the Foreign Assistance and Related Programs Appropriations Act (PL 97-121) provided $4.7 million for paid-in capital and $42.6 million for callable capital under a program limitation. In FY 1983, subscriptions to the second capital increase were completed with payments of

$248,000 for paid-in capital and $2.2 million for callable capital under a program limitation (PL 97-276 and PL 97-377).

In 1983, the third general capital increase of $8,093.5 million to finance lending over the 1983-87 period was approved by the ADB Board of Governors. This represented a 105 percent increase in the number of shares each member was eligible to subscribe, and consisted of 5 percent paid-in capital shares and 95 percent callable capital shares. Legislation authorizing a U.S. subscription of $1,322.9 million ($66.1 million paid-in capital and $1,256.8 million callable capital) was received in 1983 (PL 98-181).

In FY 1984, the Continuing Resolution (PL 98-152) provided $13.2 million in appropriations for paid-in capital and $251.4 million for callable capital under a program limitation for a total of $264.6 million. The second tranche of $264.6 million ($13.2 million for paid-in capital and $251.4 million for callable capital) was contained in the Continuing Resolution for FY 1985 (PL 98-473).

In FY 1986, the Continuing Resolution (PL 99-190) provided $11.9 million in appropriations for paid-in capital and $226.2 million for callable capital under a program limitation for a total of $238.1 million for the third tranche. However, under PL 99-177, $.512 million in paid-in capital was sequestered. The Continuing Resolution for FY 1987 (PL 99-591) contained $13.2 million in appropriations for paid-in capital and $251.4 million in callable capital with a program limitation, for a total of $264.6 million for the fourth tranche. In FY 1988, the Continuing Resolution (PL 100-202) provided $15.1 million for paid-in capital and $276.5 million for callable, completing the U.S. contribution to GCI III.

In 1988, the ADB Board of Governors approved a special capital increase (SCI) in which Japan, the United States, and Sweden participated. The number of shares of the ADB's stock was increased by 62,194, to a total of about 1.7 million. The United States and Japan each subscribed to an additional 35,230 shares (costing $425 million), bringing their respective portions of the Bank's capital subscriptions to 16.41 percent. Of the $425 million, $51 million is to be paid-in and $374 million is callable capital. The United States committed to pay its subscription in two equal installments.

For FY 1992, the Administration is requesting $212.5 million to pay the first installment of the U.S. subscription under the SCI, one half of the paid-in portion of the installment, or $25.5 million, and one half of the callable portion, or $187 million. The remainder of the U.S. subscription will be sought in FY 1993.

U.S. TREASURY DEPARTMENT

ASIAN DEVELOPMENT BANK

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 89-369:		Second Supplemental Appropriation Act, 1966 (PL 89-426):	
Paid-In Capital	100,000	Paid-In Capital	100,000
Callable Capital	100,000	Callable Capital	40,000
		For'n Ass. & Rel'd Prog's Approp's Act 1969 (PL 90-581)	20,000
		For'n Ass. & Rel'd Prog's Approp's Act 1970 (PL 91-194)	20,000
		For'n Ass. & Rel'd Prog's Approp's Act 1971 (PL 92-18)	20,000
	200,000		200,000
Public Law 93-537:		For'n Ass. & Rel'd Prog's Approp's Act 1975 (PL 94-11):	
Paid-In Capital	72,381	Paid-In Capital	24,127
Callable Capital	289,524	Non-Appropriated Callable Capital, 1975	(96,508)
		For'n Ass. & Rel'd Prog's Approp's Act 1976 (PL 94-330):	
		Paid-In Capital	24,127
		Callable Capital	96,509
		For'n Ass. & Rel'd Prog's Approp's Act 1977 (PL 94-441):	
		Paid-In Capital	24,127
		Callable Capital	66,350
		Non-Appropriated Callable Capital, 1977	(30,158)
	361,905		361,905
Public Law 95-118:		For'n Ass. & Rel'd Prog's Approp's Act 1978 (PL 95-148):	
Paid-In Capital	81,429	Paid-In Capital	16,799
Callable Capital	732,858	Callable Capital	151,189
		For'n Ass. & Rel'd Prog's Approp's Act 1979 (PL 95-481):	
		Paid-In Capital	19,451
		Callable Capital	175,061
		1980 Continuing Resolution (PL 96-123):	
		Paid-In Capital	15,390
		Callable Capital	138,352
		1981 Continuing Resolution (PL 96-536):	
		Paid-In Capital	24,827
		Callable Capital	< 223,380 >
		For'n Ass. & Rel'd Prog's Approp's Act 1982 (PL 97-121):	
		Paid-In Capital	4,714
		Callable Capital	< 42,432 >
		1983 Continuing Resolution (PL 97-276/97-377):	
		Paid-In Capital	248
		Callable Capital	< 2,244 >
	814,287		814,287

(Dollars in Thousands)

ASIAN DEVELOPMENT BANK

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 98-181:		1984 Continuing Resolution (PL 98-151):	
Paid-In Capital	66,153	Paid-In Capital	13,233
Callable Capital	1,256,847	Callable Capital	< 251,377 >
		For'n Ass. & Rel'd Prog's Approp's Act 1985 (PL 98-473):	
		Paid-In Capital	13,233
		Callable Capital	< 251,377 >
		For'n Ass. & Rel'd Prog's Approp's Act 1986 (PL 99-190):	
		Paid-In Capital	11,909
		Callable Capital	< 226,230 >
		1986 Sequestration (PL 99-177):	
		Paid-In Capital	-512
		1987 Continuing Resolution (PL 99-591):	
		Paid-In Capital	13,233
		Callable Capital	< 251,367 >
		1988 Continuing Resolution (PL 100-202):	
		Paid-In Capital	15,057
		Callable Capital	< 276,504 >
	1,323,000		1,323,000
		1992 REQUEST:	
		Paid-In Capital	25,526
		Callable Capital	< 186,972 >
			212,498

February 4, 1991

ASIAN DEVELOPMENT FUND
JUSTIFICATION FOR
FY 1992 APPROPRIATIONS

Budget Authority Request:	$174,955,050 contribution
	($0 current)
	($174,955,050 arrears)

The Asian Development Fund (ADF) was created in 1974 to provide concessional funds on a regular basis within a multilateral framework to the poorest countries in Asia. United States' participation in the Asian Development Fund demonstrates our commitment to the economic development of countries in a region that is strategically and economically important to the United States.

Pakistan, Bangladesh, Nepal and Sri Lanka are major borrowers from the Fund. These countries have relatively low per capita GNPs, rapidly growing populations, and limited productive capacity, all of which combine to constrain their ability to increase domestic savings significantly. They rely heavily on foreign capital inflows to finance domestic investments to increase economic growth. For these countries, the Fund is an important source of foreign capital. The Philippines and Indonesia, which had graduated from the ADF several years ago, were given renewed access to the soft loan funds because of their economic difficulties.

The Fourth Replenishment Agreement for the Asian Development Fund (ADF V) was negotiated in April 1986. Changes that are important to the United States about the use of Fund and Bank (OC) resources were agreed to in the negotiations. As a result of the negotiations, the ADB has:

- given greater encouragement to private sector development and to privatization of public sector entities;
- established project quality safeguard procedures, including new internal procedures for improved management review of projects;
- produced country strategy papers for most ADB borrowers in 1986-1990;
- increased its technical assistance activities, in particular policy-based technical assistance; and
- hardened the terms of ADF lending, to match the hardening of IDA terms under IDA VIII.

The Administration's FY 1992 request will support the Asian Development Fund's lending under these improved criteria.

Asian Development Fund (ADF)

Currently, the ADF has only a minimal amount of funds available to support its lending operations. Anticipated changes in the Bank's policies should result in the release of enough funds to the ADF from the Bank's internal resources to enable it to continue to lend late into 1991 at the same rate as in 1990. Nevertheless, if the United States did not provide any of its arrears, the ADF could run out of funds near the end of this year. This is because, assuming no changes in exchange rates, payment of the total U.S. arrears is needed to avoid triggering a provision of the Replenishment Agreement under which other donors may withhold their final payments under ADF V -- which amount to about one billion dollars.

Negotiations are now underway on a Fifth Replenishment (ADF VI), which is expected to provide funds to the ADF for an additional four years. Authorization for the U.S. share of this replenishment and appropriations for the first tranche would not be sought until FY 1993.

Lending program:

Preliminary figures indicate that, as of September 30, 1990, cumulative loan commitments from the Asian Development Fund (ADF) totaled $9,984.5 million. Total ADF lending in 1990 was about $1,474 million.

The funds for ADF lending are provided by ADB member governments. ADF loans are extended at concessional rates and are used to finance priority economic development projects in the poorest ADB member countries. The loans carry only a 1 percent service charge. The term is 40 years for the poorest countries, and 35 years for those countries which receive a blend of soft loan and hard loan funds.

Background:

In FY 1972, authorization for a multi-year U.S. contribution of $150 million in concessional funds to the ADB was sought from the Congress. A contribution of $100 million to the Bank's special funds was authorized in March 1972 (PL 92-245). The initial $50 million under this authorization was appropriated in FY 1974 (PL 93-240). The second $50 million installment was appropriated in FY 1975 (PL 94-11).

Authorization of an additional $50 million was signed into law on December 22, 1974 (PL 93-537), and an appropriation for this amount was requested for the Asian Development Fund for FY 1975. Only $25 million of the requested contribution was appropriated in FY 1975 (PL 94-11). The remaining $25 million was

appropriated in the FY 1977 Supplemental Appropriation Act (PL 95-26).

Multilateral negotiations for a **First Replenishment** were held in 1975 leading to an $809 million replenishment of the ADF. This replenishment, to finance lending in the period 1976-78, became effective in June 1976. Authorization for a U.S. contribution totaling $180 million was received in 1977 (PL 95-118).

Appropriations of $49.5 million were provided in FY 1978 (PL 95-148), $70.5 million in FY 1979 (PL 95-481), $3.5 million in FY 1981 (PL 96-536), $7.8 million in FY 1982 (PL 97-121), and $20.4 million in FY 1983 (PL 97-256 and PL 97-377).

Agreement was reached in 1978 on a $2,000 million **Second Replenishment** (ADF III) to finance lending during the four-year period 1979-1982. Fourteen countries agreed to contribute resources. Six of these countries agreed to make an additional $150 million in voluntary contributions, raising total pledges to $2,150 million for the replenishment period. The U.S. share was 22.2 percent of the basic replenishment, or $445 million. However, the U.S. share of the total resources, including voluntary contributions, was 20.7 percent, compared with a 36.7 share from Japan.

Authorizing legislation for a U.S. contribution of $445 million was requested from the 96th Congress. In June 1980, legislation was enacted authorizing a U.S. contribution of $378.3 million (PL 96-259). Legislation to authorize the remaining $66.7 million was enacted in August 1981 (PL 97-35).

In FY 1980, an appropriation of $111.3 million, as the first installment to this second replenishment of the ADF, was provided under a Continuing Resolution (PL 96-123). In FY 1981, a second tranche of $111.3 million was provided -- also under a Continuing Resolution (PL 96-536). In FY 1982, the Foreign Assistance and Related Programs Appropriations Act (PL 96-121) provided $108.3 million. In FY 1983, the Continuing Resolution (PL 97-276) provided $111.2 million for the fourth tranche of the current replenishment.

In 1982, the ADB Board of Governors approved a **Third Replenishment** (ADF IV) in the resources of the Asian Development Fund of $3,205 million, to finance lending during calendar years 1983-1986. The negotiated U.S. share of $520 million, representing 16.2 percent of the replenishment, compared with a Japanese share of 37.8 percent, was authorized by PL 98-181.

The Continuing Resolution for FY 1984 (PL 98-151) contained $100 million for ADF -- $97 million of which was applied to the

first tranche of ADF IV and $3 million of which completed U.S. contributions to ADF III.

The Continuing Resolution for FY 1985 (PL 98-473) contained $100 million for ADF IV ($33 million for the first tranche and $67 million for the second). A Supplemental Request for FY 1985 appropriated the remaining U.S. contribution to ADF II in the amount of $28.2 million (originally due in FY 1979) and completed U.S. contributions to the second tranche of ADF IV with an appropriation of $63 million.

For FY 1986, under PL 99-190, Congress appropriated $100 million for the third installment of the U.S. share of the third ADF replenishment (ADF IV). However, under PL 99-177, $4.3 million was sequestered. The Continuing Resolution for FY 1987 (PL 99-591) appropriated $91.4 million, which completed the U.S. contribution to the third tranche of ADF IV ($34.3 million) and provided part ($57.1 million) of the U.S. contribution to the fourth tranche of ADF IV.

In April 1986, negotiations were completed on the Fourth ADF Replenishment (ADF V), in the amount of $3.6 billion. The replenishment covered the period 1987-1990. Eighteen developed and two developing countries agreed to contribute resources. The U.S. share of the replenishment is 16.23 percent, or $584.28 million. The Japanese share is 36.69 percent, or $1,321.22 million. In FY 1988, the Continuing Resolution (PL 100-202) provided $28 million for the fourth tranche of ADF IV.

In FY 1989, PL 100-461 provided $152.4 million. Of this amount, $44.9 million was used to complete U.S. payments for ADF IV, and $107.5 million represented part of the U.S. payment for the first tranche of ADF V. The FY 1990 Foreign Assistance Appropriations Act (PL 101-167) provided $177.2 million, but $2.2 million of that was sequestered. For FY 1991, $126,854,000 was appropriated (PL 101-513). These funds were used to complete the U.S. contribution to the second tranche of ADF V ($9.7 million) and to pay a portion ($117.25 million) of the third tranche.

The United States remains in arrears on payments on the third tranche of ADF V ($28.8 million) and on all of the fourth tranche ($146.1 million). The Administration is requesting $175.0 million in budget authority in FY 1992 for the Asian Development Fund in order to pay our full arrears.

U.S. TREASURY DEPARTMENT

ASIAN DEVELOPMENT FUND

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 92-245:			
Contributions to Consolidated Special Funds	100,000	For'n Ass. & Rel'd Prog's Approp's Act 1974 (PL 93-240): Consolidated Special Funds	50,000
		For'n Ass. & Rel'd Prog's Approp's Act 1975 (PL 94-11): Consolidated Special Funds	50,000
	100,000		100,000
Public Law 93-537:			
Asian Development Fund	50,000	For'n Ass. & Rel'd Prog's Approp's Act 1975 (PL 94-11)	25,000
		Supplemental Appropriation Act, 1977 (PL 95-26)	25,000
	50,000		50,000
Public Law 95-118:			
Asian Development Fund (ADF II)	180,000	For'n Ass. & Rel'd Prog's Approp's Act 1978 (PL 95-148)	49,512
		For'n Ass. & Rel'd Prog's Approp's Act 1979 (PL 95-481)	70,488
		1981 Continuing Resolution (PL 96-536)	3,535
		For'n Ass. & Rel'd Prog's Approp's Act 1982 (PL 97-121)	7,848
		1983 Continuing Resolution (PL 97-276/97-377)	20,384
		Supplemental Appropriations Act, 1985 (PL 99-188)	28,232
	180,000		180,000
Public Law 96-259 & 97-35:			
Asian Development Fund (ADF III)	445,000	1980 Continuing Resolution (PL 96-123)	111,250
		1981 Continuing Resolution (PL 96-536)	111,250
		For'n Ass. & Rel'd Prog's Approp's Act 1982 (PL 97-121)	108,250
		1983 Continuing Resolution (PL 97-276)	111,250
		1984 Continuing Resolution (PL 98-151)	3,000
	445,000		445,000
Public Law 98-181:			
Asian Development Fund (ADF IV)	520,000	1984 Continuing Resolution (PL 98-151)	97,000
		For'n Ass. & Rel'd Prog's Approp's Act 1985 (PL 98-473)	100,000
		Supplemental Appropriations Act, 1985 (PL 99-88)	63,000
		For'n Ass. & Rel'd Prog's Approp's Act 1986 (PL 99-190)	100,000
		1986 Sequestration (PL 99-177)	-4,300
		1987 Continuing Resolution (PL 99-591)	91,406
		1988 Continuing Resolution (PL 100-202)	28,000
		For'n Ass. & Rel'd Prog's Approp's Act 1989 (PL 100-461)	44,894
	520,000		520,000

(Dollars in Thousands)

ASIAN DEVELOPMENT FUND

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 100-202:			
Asian Development Fund (ADF V).....	584.280	For'n Ass. & Rel'd Prog's Approp's Act 1989 (PL 100-461).....	107,498
		For'n Ass. & Rel'd Prog's Approp's Act 1990 (PL 101-167).....	177,183
		1990 Sequestration (PLs 99-177, 100-119, 101-239).....	-2,210
		For'n Ass. & Rel'd Prog's Approp's Act 1991 (PL 101-513).....	126,854
		1991 Sequestration (PLs 99-177, 100-119, 101-508).....	-2,410
		1992 REQUEST.....	174,955

February 4, 1991

AFRICAN DEVELOPMENT BANK
JUSTIFICATION FOR
FY 1991 APPROPRIATIONS

Request: Budget Authority: $ 8,987,307 paid-in capital

$ 134,809,612 callable capital

The African Development Bank (AFDB) was established in 1963 to make loans on near-market terms for the economic and social development of its fifty African members individually and through regional cooperation. In the first twenty years of operation the Bank was capitalized entirely by African countries. On May 7, 1982, the Bank amended its Charter to open its membership to non-regional countries. The United States formally joined the Bank in February 1983, taking up 5.8 percent of the Bank's shares.

United States membership in the African Development Bank demonstrates the willingness of the American people to cooperate with African countries in their efforts to develop their economies. United States participation in the Bank is an important way of demonstrating our continuing commitment to Africa and to the economic development and growth of African countries.

As a member of the Bank the United States plays a leadership role in pressing for more effective country programming strategies, and in strengthening the Bank's efforts to improve project quality in loan selection, implementation, and evaluation.

The Fourth General Capital Increase ordinary capital resources was negotiated in November 1986. The United States secured important changes in Bank policies in these negotiations:

-- more effective country programming and lending operations through development of country strategies;

-- enhanced efforts to improve project quality and ensure consistency with borrower country strategies through intensified monitoring of project implementation, including post evaluation activities;

-- strengthened coordination with other donors to enhance absorptive capacity and the ability to service external debt; and

-- policy-based lending in support of needed market-oriented reforms conducted in conjunction with the World Bank and other development institutions.

These reforms should do much to enhance the quality of the Bank's loan program, strengthen the institution and, in general, facilitate future economic development in Africa. The Administration's request for FY 1989 will support the African Development Bank's implementation of these improved lending criteria.

Lending program

The Bank's lending is financed primarily through paid-in capital subscriptions of member countries and by borrowing in international capital markets. The African Development Bank gives priority to financing projects which will contribute to the economic development and social progress of its African member countries. The majority of the loans are provided to strengthen agriculture and to finance critically needed infrastructure projects. High priority is given to projects that mobilize local resources and assist member states to attract additional capital from non-African sources.

AFDB lending in 1989 totaled roughly $1.9 billion. As of the end of December 1989, the African Development Bank had extended a cumulative total of 504 loans totalling $7.6 billion.

Background

The Bank's membership currently consists of seventy-five member countries: fifty African states and twenty-five non-African nations including most of the OECD countries and a number of advanced developing countries such as South Korea, India, China, Brazil, Argentina, and Yugoslavia. Non-regional membership in the Bank was made possible by a 1979 charter amendment adopted by the African member nations. Once this change was ratified by the requisite number of African states, the majority of non-regional countries joined the Bank in the early 1980s.

African countries have two-thirds of the total shares in the AFDB and non-African countries have one-third of the shares. The United States shareholding of 5.8 percent in the AFDB represents the largest amount held by a non-regional member and guarantees the United States an Executive Director of the Bank Board. This shareholding is the second largest share holding in the Bank behind Nigeria.

U.S. membership was authorized by Public Law 97-35 as was a U.S. subscription of $359.7 million to AFDB capital. The

first installment of the U.S. subscription ($18.0 million for paid-in capital and $54.0 million, under program limitation authority for subscription to callable capital) was appropriated in FY 1981 (PL 97-12). A second and third installment with identical amounts for paid-in and callable capital subscriptions were provided under PL 98-151 and PL 98-473. In FY 1986, $16.2 million in budget authority for paid-in capital was appropriated, along with $48.6 million in callable capital under program limitations (PL 99-190). Under authority of PL 99-177, $696,000 of the FY 1986 appropriation for paid-in capital was sequestered. The FY 1987 Continuing Resolution (PL 99-591) provided $13.99 million for paid-in capital and $41.99 million for callable capital subscriptions. The final installments of $6.5 million for paid-in and $17.4 million for callable capital were appropriated in a FY 1987 supplemental appropriation (PL 100-71).

In 1986, agreement was reached on a $13 billion increase in the capital of the AFDB. The U.S. share of the increase is $719.6 million of which $44.97 million is paid-in over five years. The first installment of that subscription ($9.0 million of paid-in capital and $134.9 million for callable capital subscriptions) was appropriated in the FY 1988 Continuing Resolution (PL 100-202). In 1989, Congress appropriated $7.3 million of paid-in capital and authorized $135.0 million in callable capital for the second installment (PL 100-461). In FY 1990, $9.6 million of paid-in capital was appropriated and $134.2 million in callable capital was authorized for the third installment (PL 101-167). The FY 1991 appropriation was $10.1 million for paid-in capital ($9.0 million for the fourth installment and $1.1 million for the arrears from the third installment) and $135.4 million in callable capital, of which $0.6 million is arrears of callable capital from the third installment and $134.8 million is for the fourth installment (PL 101-513).

For FY 1992, the Administration is requesting $9.0 million of paid-in capital and $$134.8 million in callable capital for the fifth and final installment.

U.S. TREASURY DEPARTMENT

AFRICAN DEVELOPMENT BANK

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 97-35:			
Paid-in Capital	89,933	1981 Supplemental (PL 97-12):	
Callable Capital	269,800	Paid-in Capital	17,987
		Callable Capital	< 53,960 >
		1984 Continuing Resolution (PL 98-151):	
		Paid-in Capital	17,987
		Callable Capital	< 53,960 >
		For'n Ass. & Rel'd Prog's Approp's Act 1985 (PL 98-473)	
		Paid-in Capital	17,988
		Callable Capital	< 53,960 >
		For'n Ass. & Rel'd Prog's Approp's Act 1986 (PL 99-190)	
		Paid-in Capital	16,189
		Callable Capital	< 48,564 >
		1986 Sequestration (PL 99-177)	
		Paid-in	-696
		1987 Continuing Resolution (PL 99-591)	
		Paid-in Capital	13,988
		Callable Capital	< 41,981 >
		Supplemental Appropriations Act, 1987 (PL 100-71):	
		Paid-in Capital	6,492
		Callable Capital	< 17,375 >
	359,733		359,733

AFRICAN DEVELOPMENT BANK

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
		For'n Ass. & Rel'd Prog's Approp's Act 1990 (PL 101-167)	
		Paid-in Capital	9,560
		Callable Capital	< 134,230 >
		1990 Sequestration (PL 99-177, 100-119, 101-239)	-107
		For'n Ass. & Rel'd Prog's Approp's Act 1991 (PL 101-513)	
		Paid-in Capital	10,136
		Callable Capital	< 135,389 >
		1991 Sequestration (PL 99-177, 100-119, 101-508)	-193
		1992 REQUEST:	
		Paid-in Capital	8,987
		Callable Capital	< 134,810 >
			143,797

February 4, 1991

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AFRICAN DEVELOPMENT FUND
JUSTIFICATION FOR
FY 1992 APPROPRIATIONS

Budget Authority Request: Contingent Upon Completion of Negotiations

The African Development Fund (AFDF) was established in 1973 to complement the operations of the African Development Bank (AFDB) by providing concessional financing for high priority development projects in the poorest African countries. Fund membership includes 26 non-regional donor countries and the AFDB representing all of its African members. The United States joined the Fund in 1976.

United States support for the African Development Fund is an important demonstration of our commitment to Africa's development. The U.S. contribution to the African Development Fund is fundamental to the Fund's program to help meet the developmental needs of the poorest African countries, i.e., those with low per capita incomes and limited external debt repayment capacity. African Development Fund concessional lending is concentrated on those countries which have a 1982 per capita GNP of $510 or less.

The United States has a strong humanitarian interest in aiding the poorest countries of the world's least developed continent. Sub-Saharan Africa especially has endured severe hardships not only from the effects of world-wide recession but also from drought. United States' participation in the African Development Fund underscores the long-standing interest of the people of the United States in helping to reduce hunger and poverty in the poorest countries of the world.

The Fifth Replenishment Agreement for the African Development Fund was concluded in November 1987. The Administration's FY 1992 request will support the African Development Fund's lending within these parameters:

-- accord particular attention to the formulation of comprehensive country programs and to coordination of Fund activities with major donors;

-- promote economic policies which assure the most efficient distribution of resources, including market-based incentive systems and appropriate pricing policies;

-- give agriculture the highest lending priority and provide strong support for lending for primary health programs and primary education;

-- make limited policy-based loans in coordination with other donors;

-- meet the primary needs of the poorest sections of the population in low income countries;

-- foster employment creation and increased incomes;

-- elicit or promote the direct involvement of the ultimate beneficiaries, including women, in the design and implementation of projects and programs;

-- increased emphasis will be place on incorporating environmental considerations in all AFDF projects and programs.

Fund Lending

The Fund's current lending program is giving highest priority to agricultural, transportation, public utilities, education and health projects. The African Development Fund lending totaled $982 million in CY 1989. As of the end of December 1989, the Fund had extended a cumulative total of 603 loans totaling $4,988 million.

Background

The United States joined the Fund in November 1976 and made an initial contribution of $15 million ($5 million was appropriated in PL 94-303 and $10 million was appropriated in PL 94-441). The United States contributed an additional $10 million (PL 95-148) to a special increase in 1977.

United States participation in the **First Replenishment** of the Fund was authorized in 1977 (PL 95-118), and in 1979 $25 million for the U.S. contribution was appropriated (PL 95-481).

In June 1980, a U.S. contribution of $125 million to the **Second Replenishment** of the AFDF was authorized (PL 96-259). Payments on this contribution were made in 1980 ($25 million, PL 96-123), 1981 ($41.7 million, PL 96-536), and 1982 ($58.3 million, PL 97-121).

In 1983, a U.S. contribution of $150 million to the **Third Replenishment** was authorized (PL 98-181). Payments on this contribution were made in three $50 million installments. The FY 1983 Continuing Resolution (PL 97-377) and the FY 1984

Continuing Resolution (PL 98-151) each appropriated $50 million for the Third Replenishment. The final $50 million installment was appropriated in 1985 (PL 98-473).

In 1986, U.S. participation in the **Fourth Replenishment** and a contribution of $225 million was authorized in PL 99-190. A FY 1986 appropriation of $62.3 million for part of the U.S. contribution was included in PL 99-190 but $2.7 million of that amount was sequestered under PL 99-177. In FY 1987, PL 99-591 provided an appropriation of $53.8 million. The remaining $36.6 million of the second installment was provided in an FY 1987 Supplemental (PL 100-71) and the $75 million third installment was appropriated in FY 1988 in the Continuing Resolution (PL 100-202).

The cumulative amount of U.S. contributions to the AFDF is $654.5 million. This contribution is 13.2 percent of the total contributions to the African Development Fund. The United States is the second largest contributor after Japan.

In November 1987, a **Fifth Replenishment** for the African Development Fund was negotiated. The Fifth Replenishment of $2.7 billion will be provided to finance the Fund's 1988-1990 lending program. The proposed U.S.contribution of $315 million to the Fifth Replenishment is 11.8 percent of the total. Legislation authorizing U.S. participation in the Fifth Replenishment was approved by Congress in FY 1989 (PL 100-461). The United States contribution was provided in three installments of $105 million each during FY 1989, FY 1990 and FY 1991. In 1989, Congress appropriated $105 million for the first installment (PL 100-461). In FY 1990, $104.5 million of the second installment was appropriated (PL 101-167). The FY 1991 appropriation was $105.5 million: $105 million for the third and final installment, and $0.5 million for the shortfall in the second installment of the U.S. contribution to the Fifth Replenishment of the AFDF (PL 101-513).

Currently, the Administration is participating in the negotiations for a Sixth Replenishment of the African Development Fund. Negotiations began in May 1990 and are expected to be completed in 1991. The major U.S. objectives in this replenishment negotiation have been:

(1) Fundamentally changing the allocation system of the Fund so that allocations are based on economic performance. The U.S. has pressed for the bulk of resources to be allocated to those countries pursuing sound economic policies and creating an economic environment for growth and development. For countries which do not have a sound economic environment a "core program" would be put in place. Such a program would be comprised of limited

Fund operations restricted to activities which promise productive use of Fund resources and which can be implemented successfully even in the face of adverse economic circumstances and policies. The core program is aimed at maintaining a dialogue with the country and laying the basis for future economic progress.

(2) Improving the quality of Fund lending by having specific standards for loan review, including: adequate rates of return, project cost recovery, strengthened loan supervision, improved country sector analysis, and complete and timely loan documentation. Further, the U.S. has been seeking assurances that the rules of procedure of the Board of Directors will allow for a revision of a loan proposal when Executive Directors have technical or economic concerns about the proposal.

(3) Ensuring that environmental staff are strengthened and that the Bank is committed to preparing environmental impact statements for all loans that may have a significant effect on the environment. Agreement that forest projects place an increased emphasis on conservation and that the Fund increase programs in energy conservation and efficiency.

Neither the size of the replenishment nor the size of the U.S. contribution have yet been determined. However, resouces for a possible U.S. contribution have been included in the Administration's FY 1992 budget request as a part of funding for the MDBs.

U.S. TREASURY DEPARTMENT

AFRICAN DEVELOPMENT FUND

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 94-302:			
Initial U.S. Subscription.....	25,000	Second Supplemental Appropriations Act, 1976 (PL 94-303).....	5,000
		For'n Ass. & Rel'd Agencies Approp's Act 1977 (PL 94-441)....	10,000
		For'n Ass. & Rel'd Agencies Approp's Act 1978 (PL 95-148)....	10,000
	25,000		25,000
Public Law 95-118:			
First Replenishment (AFDF I).....	50,000	For'n Ass. & Rel'd Agencies Approp's Act 1979 (PL 95-481)....	25,000
Public Law 96-259:			
Second Replenishment (AFDF II).....	125,000	1980 Continuing Resolution (PL 96-123).....	25,000
		1981 Continuing Resolution (PL 96-536).....	41,667
		For'n Ass. & Rel'd Prog's Approp's Act 1982 (PL 97-121).....	58,333
	125,000		125,000
Public Law 98-181:			
Third Replenishment (AFDF III).....	150,000	1983 Continuing Resolution (PL 97-377).....	50,000
		1984 Continuing Resolution (PL 98-151).....	50,000
		For'n Ass. & Rel'd Prog's Approp's Act 1985 (PL 98-473).....	50,000
	150,000		150,000
Public Law 99-190:			
Fourth Replenishment (AFDF IV).....	225,000	For'n Ass. & Rel'd Prog's Approp's Act 1986 (PL 99-190).....	62,250
		1986 Sequestration (PL 99-177).....	-2,677
		1987 Continuing Resolution (PL 99-591).....	53,788
		Supplemental Appropriations Act, 1987 (PL 100-71).....	36,639
		1988 Continuing Resolution (PL 100-202).....	75,000
	225,000		225,000
Public Law 100-461:			
Fifth Replenishment (AFDF V).....	315,000	For'n Ass. & Rel'd Prog's Approp's Act 1989 (PL 100-461).....	105,000
		For'n Ass. & Rel'd Prog's Approp's Act 1990 (PL 101-167).....	104,548
		For'n Ass. & Rel'd Prog's Approp's Act 1991 (PL 101-513).....	105,452
		1991 Sequestration (PLs 99-177, 100-119, 101-508).....	-2,004
		1992 REQUEST.....	0

February 4, 1991

U.S. TREASURY DEPARTMENT

INTERNATIONAL MONETARY FUND
ENHANCED STRUCTURAL ADJUSTMENT FACILITY

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 101-240:			
Enhanced Structural Adjustment Facility	150,000	For'n Ass. & Rel'd Prog's Approp's Act 1990, (PL 101-167)....	139,398
		For'n Ass. & Rel'd Prog's Approp's Act 1991, (PL 101-513)....	10,602
		1991 Sequestration (PLs 99-177, 100-119, 101-508).....	-201
	150,000	1992 REQUEST.....	N/A *

* The sixth replenishment is under negotiations and the FY 1992 request for the AFDF is included in the "MDB Other" category to be used only if negotiations are successfully concluded.

February 4, 1991

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT
JUSTIFICATION FOR
1992 APPROPRIATIONS

Budget Authority Request: $70,020,600 paid-in capital

$163,381,400 callable capital

The European Bank for Reconstruction and Development (EBRD) is a regional development bank with the purpose of supporting market-oriented economic reform and democratic pluralism in the nations of Central and Eastern Europe. The United States and other potential shareholders signed the Agreement Establishing the EBRD on May 29, 1990. The Bank will come into existence when the Agreement is ratified by members representing at least two thirds of its total subscriptions; this is expected to take place in the first quarter of 1991.

The EBRD's lending will be primarily to support the private sector in Central and Eastern Europe. At least 60 percent of its operations (including lending and equity participations) will be focused on the private sector or state-owned enterprises that are shifting to private ownership and control. The remaining resources will be lent for infrastructure projects, including environmental projects, that support private development and for state-owned enterprises that operate competitively. In addition to the special emphasis on the environment contained in the EBRD Articles of Agreement, the EBRD Agreement is also unique in its reference to the need for borrowing countries to commit to and apply "the principles of multiparty democracy, pluralism and market economics."

There are expected to be 41 members of the EBRD, including two international organizations: the European Economic Community (EEC) and the European Investment Bank (EIB). In addition to the EEC and EIB, there will be 23 European members of the Bank, 7 members from Central and Eastern Europe, including the Soviet Union, and 9 non-European countries, including the United States, Japan, Canada and Australia.

The United States will have the largest individual share of the capital of the Bank, with a 10 percent shareholding. Japan and the four major European countries (France, Germany, Italy and the United Kingdom) will each have an 8.5 percent share. The Soviet Union will have a 6 percent share. The EC countries and its institutions will together control 51 percent of the shares.

Lending Program

The EBRD is expected to make its first loan by mid-1991. It will make loans on near-market terms from its capital resources, which are expected to consist of (1) members' paid-in capital contributions, and (2) members' callable capital subscriptions which will be used to support borrowings in capital markets.

The borrowing countries will be Bulgaria, Czechoslovakia, Hungary, Poland, Romania, the Soviet Union and Yugoslavia. (The former German Democratic Republic, an original signatory to the Agreement, is no longer a borrowing country now that it is part of Germany. The former GDR shares are to be allocated later.)

Borrowing by the Soviet Union will be limited for a three-year period to the amount of its paid-in subscriptions to the Bank, and will be confined to loans for the private sector or to help enterprises operating competitively and moving to a market orientation. The maximum amount that the Soviet Union could borrow in this initial three-year period is approximately $216 million.

Background

The Bank will have a total capital base of ECU 10 billion (approximately U.S. $13 billion). The total U.S. subscription to be made over five years will be about $ 1.2 billion of which $350 million will be paid-in and $817 million will be callable capital. The U.S. subscription will require an annual appropriation of $70 million for paid-in capital and a program limitation of $163.4 million for callable capital.

In FY 1991 (PL 101-513), $70 million was appropriated for subscription to paid-in capital and $163.4 million for callable capital with a program limitation, for a total of $233.4 million.

U.S. TREASURY DEPARTMENT

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Public Law 101-513:			
Paid-In Capital	350,103	For'n Ass. & Rel'd Prog's Approp's Act 1991, (PL 101-513)	70,021
Callable Capital	816,907	1991 Sequestration (PLs 99-177, 100-119, 101-508)	-1,330
		1992 REQUEST	70,021

February 4, 1991

IMF QUOTA INCREASE
JUSTIFICATION FOR
FY 1992

Budget Authority Request: Dollar equivalent of Special Drawing Rights 8,608.5 million (approximately $12 billion)

The International Monetary Fund (IMF) was established in 1945 to promote and oversee an open and stable international monetary system and to ensure its orderly evolution. In its capacity as a monetary institution, currently comprised of 154 member countries, the IMF fulfills some key missions:

-- Provides economic policy advice to developed and developing countries through its surveillance activities.

-- Extends limited and temporary balance of payments assistance in support of comprehensive adjustment programs.

-- Provides a legal framework for the promotion of an open and stable system of payments and exchange rates.

IMF Quota Increase

International negotiations on an increase in IMF quotas were concluded in May 1990. The IMF membership agreed to increase quotas by 50 percent, from about SDR 90 billion ($120 billion) to SDR 135 billion ($180 billion). The increase will go into effect by December 31, 1991, provided that members accounting for 85 percent of the IMF's quotas agree to their increase and that an amendment for suspending the voting and related rights of members is ratified.

The quota increase will permit the Fund to fulfill its systemic responsibilities as the world's central monetary institution. IMF support for growth-oriented adjustment and market-based approaches to global economic developments have well-served U.S. interests. Ongoing Fund activities include 1) providing timely and effective support to countries adversely affected by the Gulf crisis, 2) assisting in the restructuring of Eastern European economies on a market basis, 3) supporting debt and debt service reduction under the U.S.-led international debt strategy, and 4) promoting comprehensive reform in Africa designed to alleviate poverty and contribute to sustainable growth.

Demands on Fund resources have increased substantially. Overall Fund lending is conservatively expected to double in 1991 to $14 billion and remain high in subsequent years. Financing commitments to Eastern Europe alone could reach $10 billion in 1991. Moreover, IMF compensatory financing to countries suffering from higher oil import costs could exert significant additional pressures on Fund resources. In addition to

bolstering Fund liquidity to meet these near-term financing demands, the quota increase must provide for adequate Fund resources over the medium-term.

As part of the quota increase package, the United States gained agreement to a strengthened arrears strategy to deal with nine members, overdue obligations to the Fund to discourage future arrears cases. The arrears strategy combines a mix of disincentives to deter the accumulation of new arrears cases and incentives to reward sound economic performance.

The key disincentive is an amendment to the IMF Articles permitting the suspension of voting and related rights of members which fail to fulfill their IMF obligations. The key incentive for clearing arrears is the "rights" approach, whereby the existing nine arrears countries may accumulate "rights" to new IMF financing, based on sustained economic performance under a Fund-monitored program, to eliminate their arrears.

The Enhanced Structural Adjustment Facility (ESAF) will be the primary source of financing for lower-income countries seeking to clear their arrears under the rights approach. In order to provide added security to ESAF creditors, the IMF would pledge to sell, if needed, up to 3 million ounces of Fund gold to back up already substantial ESAF reserves. The amount of gold reflects the gold subscriptions of the arrears countries.

U.S. Contribution to the Quota Increase

The U.S. quota will increase by SDR 8,608.5 million (approximately $12 billion), raising the total U.S. quota from SDR 17,918.3 million (about $25.5 billion) to SDR 26,526.8 million (about $37.7 billion).

Our financial support to the IMF is extremely cost-effective. Fund programs, at a time of budget constraint, leverage U.S. resources, since every U.S. dollar provided is matched by four dollars from others. Although U.S. subscriptions to the IMF require budgetary authorization and appropriation, they involve no net budgetary outlays since any use of the U.S. quota is offset by the receipt of a liquid, interest bearing claim on the IMF. Under the recent budget agreement, discretionary spending limits may be adjusted to provide the dollar equivalent of the SDR amount of the quota increase. This ensures that the United States will meet its subscription commitment to the IMF.

The U.S. portion of total new IMF quotas would be about 19.42 percent, compared to 19.67 percent at present. Decisions in the IMF are made through a system of weighted voting, with super majorities of 85 percent needed for key decisions. Since the U.S. voting share is nearly 19 percent, we are in a unique position to promote IMF policies consistent with our political

and economic values. Strong U.S. support for the quota increase will allow us to maintain our leadership role in the Fund, ensure U.S interescs are given high priority, and shape global economic developments.

Authorizing Legislation

There are three elements to the quota increase package for which Congressional approval is required:

-- the increase in the U.S. quota;

-- the suspension amendment to the IMF Articles; and

-- the IMF pledge to sell, if needed, up to 3 million ounces of the Fund's gold to back-up the reserves of the Enhanced Structural Adjustment Facility (ESAF).

ENHANCED STRUCTURAL ADJUSTMENT FACILITY
JUSTIFICATION FOR
FY 1992

Budget Authority Request: None

The Enhanced Structural Adjustment Facility (ESAF) was established on December 29, 1987, to enable the International monetary Fund (IMF) to provide balance of payments assistance on concessional terms to low-income developing countries experiencing protracted payments problems and prepared to undertake multi-year economic reform programs. It is an integral part of concerted international efforts to help the poorest countries, particularly those in Sub-Saharan Africa, to implement the structural economic reforms which are essential to the increased growth and development necessary to alleviate pervasive poverty and improve basic human needs. Sixty-two countries are eligible for ESAF loans, although the two largest, India and China, have indicated that they do not intend to avail themselves of the facility's resources. A number of the eligible countries are of key importance to the United States, such as Bolivia, Zaire, Kenya, and Pakistan. Eleven countries are currently undergoing ESAF reforms, including some of the countries mentioned above.

ESAF programs are developed in close collaboration with the World Bank through the Policy Framework Paper (PFP) process, under which a member using the ESAF develops a medium-term PFP, in cooperation with Fund and Bank staff, outlining a 3-year adjustment program including structural measures delineating in broad terms the expected path of macroeconomic policies. ESAF loans are subject to strict monitoring arrangements. Loans are disbursed over a 3-year period with repayments in 10 equal semiannual installments beginning 5 1/2 years and ending 10 years from the date of disbursement. Interest rates will depend on subsidy contributions by donors although the objective is a concessional rate of 0.5 percent. Resources available to ESAF total approximately SDR 7.5 billion (approximately $9.6 billion at current exchange rates), including loans of SDR 5.3 billion ($6.8 billion) and subsidy contributions of SDR 2.2 billion ($2.8 billion). Major industrial countries and some developing countries provide the resources for the ESAF.

U.S. Contribution to the ESAF

For FY 1990, the Administration sought budget authorization and appropriation for the full proposed U.S. contribution of $150 million to ESAF. The appropriation of $139,398,000 for FY 1990 fell short of the request by $10,602,000. In FY 1991, the Administration sought and Congress appropriated $10.6 million

in budget authority to complete the U.S contribution. The U.S. contribution is to be disbursed over a 12-year period. Yearly outlays are small, $3 million in FY 1990 and $5 million in FY 1991.

The U.S. contribution is modest. It is a payment to the Interest Subsidy Account of the ESAF for the purpose of reducing the interest rate on ESAF loans. It does not include any loans to the ESAF trust -- the major part of the ESAF -- and is significantly less than contributions from all of the other major industrial countries.

ENTERPRISE FOR THE AMERICAS INITIATIVE
JUSTIFICATION FOR
FY 1992

Budget Authority Request:	$309.7 million	Debt Reduction Program
	$100 million	Multilateral Investment Fund

In announcing the Enterprise for the Americas Initiative on June 27, 1990, President Bush sought to open a new era of more productive relations between the United States and the countries of Latin America and the Caribbean. The Initiative reaches out to support the resurgence of democratic rule that has swept through the Americas and the realignment of economic policies that has paralleled this political shift.

The Initiative contemplates action in three areas -- trade, investment, and debt.

Trade: To increase trade and boost the economic potential of countries in the hemisphere, the President envisions a hemispheric free trade system. To advance this goal, we are pursuing a free trade agreement with Mexico and a series of framework agreements with other countries to establish the basis for reducing barriers to trade.

Investment: To help countries attract needed capital for growth, the President has suggested that the Inter-American Development Bank (IDB) develop an investment sector lending program to encourage countries to liberalize their investment regimes. In addition, the President proposed the creation of a multilateral fund -- the Enterprise for the Americas Investment Fund -- to provide additional support for countries' efforts to undertake investment reforms. This Fund will be administered by the Inter-American Development Bank (IDB) and will complement the investment sector lending program now in place, through which the IDB is using current resources to help countries initiate programs to open their investment regimes. The Administration is seeking authority for U.S. contributions to this fund of $500 million over five years, beginning with $100 million in FY 1992.

Debt: To reinforce the incentives for economic reform and to help restore confidence in countries' economies, the President also proposed to reduce the bilateral debt owed to the U.S. Government by eligible countries in the region. The reduction of concessional debt would also facilitate support for the environment through the dedication of local currency to environmental projects in each country.

DEBT REDUCTION PROGRAM
ENTERPRISE FOR THE AMERICAS INITIATIVE

Budget Authority Request: $309.7 million Debt Reduction Program

Many countries in Latin America and the Caribbean have dedicated themselves to economic reform and are doing their best to put in place policies which will help them build the basis for long-term growth. These efforts are of great interest to all of us in the hemisphere. By reforming and strengthening its economy, each country will contribute to the prospects for the Americas as a whole in the coming years.

Debt reduction is an important tool for encouraging countries in the region to sustain their reform efforts. By easing the burden of debt on their economies, we can help them attract new investment capital and make the rewards of reform more immediate. Mexico has already begun to experience such benefits as a result of the debt reduction achieved in its agreement with commercial banks. Investors now look to Mexico with renewed interest -- and Mexicans themselves are bringing home capital that they had invested overseas in order to take advantage of the new potential there. Countries which owe a significant portion of their debt to official creditors could experience similar benefits through debt reduction programs like that contemplated under the Enterprise for the Americas Initiative.

The reduction of concessional debt under the Initiative will also facilitate support for the environment in Latin America and the Caribbean. The ability to make interest payments in local currency, provided that they are dedicated to support environmental projects, is a major innovation. Although the monies made available through this mechanism will be relatively modest, the program is a significant step forward in providing a means to support grass roots conservation and environmental protection efforts.

Debt reduction will be pursued under the Initiative for countries which are undertaking strong economic reform programs. Congress has already authorized the Administration to reduce PL-480 obligations of eligible Latin American and Caribbean countries. Eligible countries are those which:

- Have in effect, have received approval for, or in exceptional circumstances are making significant progress toward International Monetary Fund reform programs and, as appropriate, World Bank adjustment loans;

- Have in place major investment reforms in conjunction with an IDB loan or are otherwise implementing or making significant progress toward open investment regimes; and

- If they owe a substantial part of their debt to commercial banks, have negotiated a satisfactory financing program with commercial banks, including debt and debt service reduction if appropriate.

During 1991, we will be seeking as a matter of priority similar authority from Congress to reduce AID obligations of eligible countries and to sell a portion of Eximbank and Commodity Credit Corporation debt as outlined under the Initiative.

The stock of PL-480 and AID debt of eligible countries will be significantly reduced through the exchange of old debt for a new, reduced obligation. Countries would continue to make payments in dollars to retire the reduced amount of principal. This approach is a significant improvement over the Paris Club rescheduling procedure, which provides relief only on an annual basis and through capitalization of unpaid interest that adds to the stock of debt.

Interest on new, reduced debt will be assessed at a concessional rate and paid in local currency if an eligible country has entered into an Environmental Framework Agreement establishing an Enterprise for the Americas Environmental Fund; otherwise, interest will be paid in U.S. dollars. These local currency interest payments would be deposited in an Environmental Fund and would be administered by local committees -- composed of host country representatives, USG representatives, and local non-governmental organizations, with the latter group in the majority. This structure is intended to nurture local support for the environment by funding projects initiated at the grass roots level. A public/private Environment for the Americas Board will be established in Washington to review the implementation of this element of the Initiative.

The sale of a portion of the debt owed by eligible countries to the Export-Import Bank and Commodity Credit Corporation would be undertaken to facilitate debt-for-equity, debt-for-development, or debt-for-nature swaps in eligible countries. These swaps would result in the retirement of a portion of a country's non-concessional obligations to the U.S. Government.

For FY 1992, the budget authority and outlays for this program are scored under credit reform, based on the difference between the net present value of expected payments on existing loans and the net present value of payments after debt has been reduced. The Budget Authority and outlays required for the credit reform cost of debt reduction likely to be undertaken during FY 1992 amounts to $309.7 million.

ENTERPRISE FOR THE AMERICAS INITIATIVE
MULTILATERAL INVESTMENT FUND
JUSTIFICATION FOR
FY 1992 APPROPRIATIONS

Budget Authority Request: $ 100,000,000 contribution

To support investment liberalization, the Administration proposes establishing a Multilateral Investment Fund (MIF). The MIF will be administered by the Inter-American Development Bank and is designed to provide technical and financial assistance in the form of grants and loans by identifying and resolving investment constraints in Latin American countries, with special emphasis on Central America and the Caribbean. We are seeking total U.S. contributions to the MIF of $500 million, with annual contributions of $100 million per year for five years.

Investment in Latin America, both domestic and foreign, is too low to sustain adequate levels of employment and growth. To reestablish growth we plan to stimulate private investment. There are gaps in how the international financial institutions can integrate the private sector into their project programming, work with the private sector in improving its investment efficiency, and provide the investment funding support needed. The Multilateral Investment Fund will fill these gaps.

Access to the Fund would be linked to IDB investment sector loans and subject to progress in opening up a country's economy. Progress in dismantling impediments to investment would be the main criterion used to determine the level of access by each country to the resources of the Fund. The Fund will have three separate facilities for technical assistance, human capital, and enterprise project development and equity financing. Funding levels for each facility and allocation estimates for individual programs are to be determined and funds can be shifted among facilities depending on need, in consultation with the donor government.

The three facility approach permits fund donors to deposit money for activities they believe will assist in creating an environment that will foster investment in Latin America and the Caribbean. Donors can contribute to those funds which best support their objectives. We anticipate contributions to the fund of $300 million per year for five years, with the U.S. contributing $100 million per year and the G-7 countries funding $200 million.

Technical Assistance

The technical assistance facility would fund diagnostic studies of a country's investment climate, assist the IDB in identifying constraints to investment and propose options for removing the

identified constraints. Use of the technical assistance facili to fund consultants will accelerate the development of investment sector loans and assist the IDB in an area in which it has limited experience. Diagnostic studies would be one of the few uses of the multilateral investment fund before the implementation of IDB investment sector loans.

Investment bank services would also be funded by the technical assistance facility to assist Latin American governments in the privatization of government-owned companies. Services will include valuing assets, developing financial projections, evaluating the commercial and financial condition of companies and advice on marketing such as creating a prospectus of the company. Assistance will also be provided to help evaluate the profitability and cash flow of private companies and identify potential outside corporate partners.

The technical assistance facility would also help to revise investment-related policies and legislation by assisting the governments in formulating policies, laws and regulations to promote private investment. Specialists will be hired with experience in reducing the barriers to investment and helping create institutions to promote and sustain future investment (e.g., stock exchanges, capital market regulatory agencies). Assistance will also be provided to prioritize projects that will develop business infrastructure.

Human Capital

To provide grants to assist in building human capital and relieve the short-term social costs resulting from sweeping changes in the investment climate, the human capital facility would be used to finance the retraining of workers displaced by privatization of public enterprises or the restructuring of the host country industries. Grant money can be used to retrain displaced workers and provide other social support during the restructuring phase. This assistance can make the conditions of the investment sector loan less politically difficult to achieve.

Programs funded by the human capital facility can include grants for retraining of workers displaced as a result of changes in the investment climate and education grants to develop "human capital" essential to help attract investment (e.g., to improve legal, accounting and computer education). Grants would be available for the relocation expenses of displaced workers and clearinghouses to match newly trained workers with emerging job opportunities. Temporary food and shelter support can also be provided when needed.

Enterprise Development

To assist micro and small-sized firms in presenting projects to potential investors and develop revolving equity financing for small and medium size enterprises, the enterprise development facility will provide venture capital to stimulate higher levels of private investment. Seed capital will be used to open new channels of funds. Revolving funds where the equity investment is sold off at a later time and then reinvested will be used to encourage the flow of private capital.

Project Development

This part of the facility will be used to assist micro and small entrepreneurs in preparing investment proposals. Many small entrepreneurs often do not have the expertise to do the studies and analyses necessary to present their basic financial information and business plan to potential sources of capital. The facility will help position potential lenders and investors to more effectively evaluate the enterprises and their proposals, thus catalyzing the flow of investment to these projects.

Equity Financing

The equity portion of this facility will support specialized financial intermediaries to fund and assist micro and small enterprises in Latin America. Currently, most small scale entrepreneurs are not reachable because of the high overhead cost of assisting their development. Financial intermediaries are needed to provide business advice and capital for the development and expansion of these enterprises which are not currently reached by existing arrangements. These financial intermediaries will primarily take equity positions in and provide technical advice to these enterprises.

The Administration is requesting $100 million in budget authority in FY 1992 for the Multilateral Investment Fund. This request is the first of five anticipated $100 million annual budget authority requests.

U.S. TREASURY DEPARTMENT

ENTERPRISE FOR THE AMERICAS INITIATIVE FUND

(Dollars in Thousands)

Authorization	Total Authorized U.S. Participation	Appropriations	Amount
Proposed Legislation:			
Enterprise For The Americas Initiative Fund.....	500,000	1992 REQUEST.....	100,000

February 4, 1991

EXPORT-IMPORT BANK OF THE UNITED STATES

REPORT TO THE CONGRESS ON EXIMBANK'S BUDGET ESTIMATES FISCAL YEAR ENDING SEPTEMBER 30, 1992

February 1991

EXPORT-IMPORT BANK OF THE UNITED STATES

FISCAL YEAR 1992 BUDGET REQUEST

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BOARD OF DIRECTORS

John D. Macomber	President and Chairman of the Board
Eugene K. Lawson	First Vice President and Vice Chairman
Richard C. Houseworth	Director
Rita M. Rodriguez	Director
Cecil B. Thompson (Nominated)	Director

OFFICERS

John D. Macomber	President and Chairman of the Board
Eugene K. Lawson	First Vice President and Vice Chairman
Hart Fessenden	General Counsel
James R. Sharpe	Executive Vice President
James K. Hess	Treasurer-Controller
Joan P. Harris	Corporate Secretary

EXPORT-IMPORT BANK OF THE UNITED STATES

FISCAL YEAR 1992 BUDGET REQUEST

The Export-Import Bank is chartered by Congress by the Export-Import Bank Act of 1945, as amended. Its basic purpose is to assist in financing the export sale of U.S. goods and services. The Bank's authority and resources are used to assume commercial and political risks that exporters or private sector institutions are unwilling or unable to undertake, overcome maturity and other limitations in private sector export financing, assist U.S. exporters to meet foreign officially sponsored export credit competition, and provide leadership and guidance in export financing to the U.S. exporting and banking communities and to foreign borrowers. The Bank is also actively assisting small and medium-size businesses to increase their exports.

To accomplish its objectives and in accordance with the Budget Enforcement Act of 1990, which implements new credit scoring procedures beginning in FY 1992, the Bank is requesting appropriations totaling $555,778 thousand for fiscal year 1992. Specifically, the Bank is requesting:

- an appropriation of $517 million for the cost of providing loan, guarantee, and insurance commitments,
- a limitation of $9,525 million on total loan, guarantee, and insurance activity,
- an appropriation of $25,113 thousand for administrative expenses, and
- an appropriation of $13,500 thousand for contracting for the issuance and servicing of insurance, or in lieu of contracting, for the performance of such services by the Export-Import Bank.

These levels provide for an increase over actual FY 1990 activity levels and also an increase over probable FY 1991 activity levels.

BUDGET REFORM FOR CREDIT PROGRAMS

The Federal Credit Reform Act of 1990 introduced major changes in the way federal credit programs are treated in the budget. Under the current system, a direct loan is recorded in the budget as a cash outlay in full when it is disbursed. In contrast, the guarantee of a loan disbursed by a private lender is recorded in the federal budget only upon the default of the borrower. The difference in the budgetary treatment between direct loans and guaranteed loans creates a bias in favor of guarantees because their costs are deferred. Credit reform attempts to institute a consistent and comparable basis of measuring the costs of cash and credit transactions by recognizing and appropriating the subsidy costs of the program up front. The essence of credit reform is to separate the subsidy costs from the nonsubsidized cash flows of credit transactions and to focus on the former for budgeting and analysis.

Under the new treatment all appropriations for subsidy costs arising from direct loan obligations and loan guarantee commitments made in FY 1992 and beyond will be recorded in program accounts shown in the budget. Beginning in FY 1992, Exim is requesting several appropriations totaling $556 million for the estimated cost of providing loans and guarantees and for the Bank's administrative expenses. The appropriation for loans, guarantees, and insurance activity is $517.1 million, a $25.1 million appropriation is requested for administrative expenses and a $13.5 million appropriation is requested for contracting for the issuance and servicing of insurance. The individual appropriations will be limitations and in addition, the Bank is requesting a limitation on total combined loan, guarantee, and insurance commitments of $9,525 million.

Under the new budget concepts, the subsidy appropriations requested by the Bank each year will build up the Bank's reserves over time to enable it to handle any reasonably expected contingency associated with our credit activity. Such things as reschedulings, claim payments, and write offs, as well as any negative carry in the funding of these credits, will be provided for.

SUBSIDY CALCULATION

The subsidy was calculated by an OMB model which used projected cash flows on each of the Bank's programs to compute a subsidy value. The cash flows were generated using estimates of disbursement and repayment patterns, interest and fee income, and the effect and timing of potential reschedulings, delinquencies, claim payments and recoveries. The projected cash flows were then discounted by the OMB model to arrive at a present value subsidy for the budgeted level of activity.

Any subsidy total generated is a speculative figure. We do not know what interest rates will be in 1992, we do not know the exact mix of countries for which loans will be approved or the risk we will perceive next year for those countries, we do not know

the precise terms on which these loans will be approved, nor do we know precisely when delinquencies will occur (although they surely will occur) or the duration of the delinquencies.

The subsidy appropriation for program activity represents the Bank's best estimate of the maximum potential cost of the FY 1992 credit programs over time. The appropriation provides for a reserve for contingencies, defaults, and losses in future years. Given all of the economic and financial variables which could change, the Bank believes that the total appropriation requested for its credit programs permits a high degree of confidence that the Bank will have sufficient appropriations to commit the entire requested $9.5 billion in loans, guarantees, and insurance.

Loans vs Guarantee Subsidies

At first glance it appears that the subsidy value of two transactions, one loan and one guarantee, having the same fee structure and the same risk should differ only by any profit or loss from funding the loan (guarantees are not funded by the government, thus they have no funding profit or loss). Consequently, if the interest rate on the loan is set at or above the Treasury borrowing rate for the term of the loan, it would seem that the loan should have a subsidy value at or below the guarantee.

This does happen. However, for credit programs with certain characteristics, the impact of the funding profit or loss calculation is larger than it may appear from looking at the interest rate spread of the loan compared to market rates at the time of commitment.

For fixed interest rate programs with multi-year disbursement patterns and which have the lending rate for the transaction set at the commitment date and close to market rates, such as Eximbank's programs, the OMB subsidy calculation model and interest rate assumptions favor loan programs.

This is because the subsidy calculation model discounts each cash flow from the point of disbursement, and uses for a discount rate an interest rate appropriate to the remaining term of that cash flow. The Administration's economic assumptions, which are built into the OMB model, show declining Treasury interest rates over time.

In Exim's case, the fixed interest rate on the loan is set at the beginning of the transaction usually at a rate at or above the current Treasury rate and as loan disbursements proceed over time the OMB model selects lower and lower interest rates for discount purposes and discounts the related cash flows over shorter and shorter periods of time, thus creating on a present value basis a profit on the loan larger than one would expect by looking at the original interest rate spread.

This profit acts to partially or fully offset any risk subsidy. Since guarantees are not funded by the government, there is no equivalent calculated profit on the guarantee to

offset any risk subsidy, thus a guarantee becomes more expensive than a loan from a budget perspective - and even more expensive than it would appear from looking at the interest rate spreads at the time of commitment.

Loan vs Guarantee Usage

Although it may appear from a budget subsidy calculation perspective that it would be preferable to do all transactions by direct lending instead of guarantees, there are benefits to using financial institutions to deliver Exim export credit support which are not taken into account in the financial model used to calculate subsidies.

The Bank is a small institution located in Washington. It frequently is easier and more convenient for the exporter, particularly the small exporter, to deal with a financial institution in his or her community, rather than come to Washington to deal with Exim directly. The local financial institution can handle the coordination with Eximbank and, with Exim's guarantee, can fund the export transaction.

By servicing in the local community many small and medium sized exporters' transactions guaranteed by Eximbank the local financial institution will efficiently and effectively serve its local exporters. In this way U.S. exports will go forward, servicing profits will accrue to the local financial institution and cost savings will be realized by the local small and medium sized exporters, savings which will make those exporters more competitive in the international marketplace.

Cost savings will also accrue to Eximbank, since we will be dealing with a financial institution experienced in the conditions and characteristics of our export support programs. Consequently, the export transactions can be structured properly more quickly, efficiently, and effectively than when dealing with individual exporters who are unfamiliar with our programs. This will result in more efficient operations at Eximbank and better service to the exporting community.

Therefore, we anticipate that under credit budget reform, we will continue to have a vigorous export credit guarantee program.

IMPLEMENTATION

The implementation of credit budget reform has resulted in major changes to the budget schedules and accounts. In the past, all of Exim's activity was shown in one budget account. Now, activity will be in four different budget accounts:

Liquidating Account - this account shows activity for obligations incurred prior to FY 1992. The current fiscal year 1991 limitations are shown in this account. It shows $750 million for loans and $10,599 million for guarantees and insurance. Outlays from the activity in this account are counted in the budget totals and affect the government deficit. For FY 1991, outlays are projected to be $542 million and for FY 1992, $405 million.

Program Account - this account shows the amount of the FY 1992 subsidy by program and the estimated activity supported by the subsidy. The direct loan subsidy is $27,304 thousand based on an estimated loan level of $800 million for a subsidy rate of 3.4%. War chest authorizations are estimated at $115 million. Since these are 100% grants, the subsidy is $115 million. The guarantee and insurance subsidy is $371,259 thousand based on an estimated authorization level of $8,610 million for a subsidy rate of 4.4%. The subsidy amounts will be "disbursed" to the financing accounts (described below) over time as loan disbursements and claim payments are made on the underlying transactions. The amount of the subsidy disbursed in a given year to the financing accounts will be counted as outlays in the budget totals and will affect the government deficit. For FY 1992 these outlays are estimated to be $185 million.

Loan Financing Account - the loan financing account will show all of the cash flows associated with loans authorized in FY 1992 and beyond; disbursements, repayments, interest income, interest expense, and subsidy payments from the program account. The outlays, or net cash flows of the financing account will not be counted in the budget totals and will not affect the total government deficit.

Guarantee Financing Account - identical to the loan financing account except that it will reflect the cash flows associated with the guarantee and insurance program.

DIRECT CREDIT PROGRAM

The direct credit program addresses the inability of the private sector to offer financing for U.S. capital goods exports on terms sufficiently competitive to enable a sale to go forward when compared to financing offered by foreign official export credit agencies

to their exporters. By addressing this problem, the U.S. Government attempts to ensure that U.S. exporters do not suffer widespread losses of export sales as a result of subsidized financing offers by other governments to their exporters.

The decision to operate a subsidized U.S. Government supported direct credit program is based on a belief that the long-run benefits to the U.S. economy resulting from U.S.

capital goods manufacturers being competitive from a financing standpoint with their foreign counterparts outweigh the costs of offering subsidized credits to finance such exports. That is, the economic benefit of a subsidized direct loan program arises from using the program's resources to neutralize the effect of export credit subsidies offered by other governments. If Exim targets its resources to those export transactions which face such foreign credit competition, the Bank permits foreign buyers' purchase decisions to be based on market factors (price, technology, service) as opposed to a non-market factor (the availability of subsidized credit from a foreign government). To the extent that Exim activities allow market forces to determine purchase decisions, Exim helps to maintain the optimal level of U.S. productivity by ensuring that U.S. capital goods industries operate at market-determined (not foreign government determined) output levels.

The interest rates charged by Eximbank are the minimum rates adopted by member nations of the Organization Of Economic Cooperation and Development (OECD) and are revised semiannually, except for loans for aircraft, to reflect changes in the weighted average of interest rates on government bond issues in a basket of five currencies: (the U.S. dollar, the Japanese yen, the English pound, the German mark, and the French franc). In accordance with the review of rates in January 1991, loans of over five years are currently 10.55% for intermediate countries and 9.20% for relatively poor countries. The only exceptions allowed to the minimum rate structure are: (1) when the prevailing market rate of a particular currency is below the minimum rate currently allowed, or (2) if one of the bidders offers a mixed credit where official aid and an export credit are blended into one financing package.

Interest rates for aircraft loans are reviewed every two weeks. At January 8 they were 9.20% for loans up to 10 years and 9.75% for loans over 10 years. Due to the market related nature of aircraft financing, credit support is generally offered under the Financial Guarantee Program rather than Direct Loan Program to effectively meet foreign competition.

From FY 1987 to FY 1990 the Bank has used all of its direct loan authority. It is expected that the loan authority for FY 1991 of $750.0 million will be entirely used. For FY 92 it is estimated that loan authorizations will total $800 million.

WAR CHEST GRANTS

The tied aid "war chest" is reviewed annually. In FY 91 Congress appropriated $150 million to counter foreign tied aid credits. The issue of tied aid credits will be re-initiated within the framework of the OECD. The negotiations will be long, arduous and will require significant resolve and leverage on the part of the U.S. Hence, the Bank will need a war chest in FY 92 to achieve progress in the negotiations. The Bank's budget requests $115 million for war chest grants. Given this financial leverage,

it may be possible, with a combination of negotiations and a war chest facility, to limit the "predatory" uses and amounts going to largely commercially oriented projects.

INTERMEDIARY CREDIT PROGRAM

Commercial banks and other parties are frequently reluctant to provide fixed interest rates on export transactions because of the substantial fluctuations in their cost of funds. In many instances, however, fixed rate financing is necessary for the U.S. exporter to obtain a foreign order. Exim's Intermediary Credit Program enables responsible parties to extend O.E.C.D. minimum fixed-rate, medium-term or long-term export loans to buyers of U.S. exports that face officially subsidized competition. Intermediary loans

are structured as "stand-by" loan commitments with the intermediary lender eligible to request disbursement by Exim at any time during the life of the loan to the foreign buyer. An intermediary lender must lend to the foreign borrower at the minimum OECD fixed rate, but may charge fees.

Eximbank's loan commitment covers up to 85% of the contract price of an export sale financed by the lender. Currently, Eximbank's lending rate to the Intermediary on these commitments can be up to 150 basis points below the applicable O.E.C.D. lending rate, depending on the amount of the loan involved. The intermediary is required to lend to the borrower at the O.E.C.D. minimum rate. In FY 1990 the Bank authorized $240.4 million of intermediary loans.

GUARANTEE AND INSURANCE PROGRAMS

The Bank increases private financial participation in U.S. export sales by guaranteeing or insuring banks and exporters against certain commercial and political risks of non payment involved in export transactions. Since financing is a critical element in many export sales, the guarantee and insurance programs help exporters increase their export sales through increased availability of financing from private capital markets.

FY 1990 combined insurance and guarantee authorizations were $8,787.0 million, including $1,344 million in support of military exports to Turkey.

The exporter insurance program encourages additional exports by overcoming financing and risk perception constraints by efficiently providing risk protection for those exports requiring short-term (up to 180 days) and medium-term (up to five years) credit terms and for which private sector credit insurance is not available. At the present time the capacity of the private sector to offer export credit insurance is extremely limited,

indicating an important role for public assistance in this area, particularly with regard to small and medium-size businesses.

For FY 1992 it is estimated that guarantee and insurance authorizations will be $8,610 million, including up to $1 billion of guarantee or insurance credit for certain military export sales.

Currently, the Bank's export credit insurance program is serviced by the Foreign Credit Insurance Association (FCIA). The Bank is in the process of restructuring its relationship with the FCIA in connection with that organization's plans to issue its own fully private policies. As discussed earlier, the cost of contracting with FCIA or a successor company for issuing and servicing the Bank's insurance policies in FY 1992 is estimated to be $13.5 million.

FINANCIAL CONDITION

At the end of FY 1990, the Bank's reserve for possible loan and claim losses amounted to $5.3 billion. The reserve is based on the Bank's evaluation of its loan, guarantee, and insurence portfolio taking into consideration a variety of factors, including repayment status of loans, assessment of future risks, and worldwide economic and political conditions. The $5.3 billion reserve, composed of $3.6 billion for loans and $1.7 billion for guarantee and insurance claims is equal to about 44% of the Bank's outstanding loans and outstanding and pending guarantee and insurance claims.

It is important to emphasize that a loss reserve does not mean that loans are written off. It is simply a recognition that because of current economic conditions, the prospects at this point in time for full collection of some loans and guarantees is sufficiently far into the future that a reduced value for these types of loans should be recorded in the Bank's financial statements. This is reviewed on a semiannual basis and adjustments are made to the reserve as appropriate.

The provision for loan and claim loss will reduce the Bank's gross income in FY 1990 by $372.1 million. This added to an operating loss of $275.0 million results in a total reported net loss for FY 1990 of $647.1 million. The loss for FY 1991 is projected to be $478 million and for FY 1992, $509 million.

These losses will further reduce the Bank's retained earnings and result in $6.1 billion negative retained earnings as of September 30, 1992.

The Bank's negative equity position will not impair its ability to carry on its export support programs. The Bank's obligations carry the full faith and credit of the U.S. Government. Consequently, Exim can still fund its operations and operate its export financing support activities.

The existence of a loan loss reserve will not change the analysis or judgments currently being made to approve or deny new loan applications. Since the inception of the Bank, in order to approve a new loan, the Board of Directors has had to determine that the loan provides reasonable assurance of repayment. This criteria will continue to be met.

ADMINISTRATIVE EXPENSES

The administrative expense budget of the Bank provides funding for personnel, support services, and operating expenses. The Bank's FY 1992 request of $25,113,000 for administrative expenses will support a full-time equivalent personnel level of 361. Of the $25,113,000 requested, $19,589,000 (78%) is for compensation and benefits, $2,452,000 (10%) is for rent of office space, and $528,000 (2%) is for travel. The remaining balance of $2,544,000 will be used for necessary operating expenses such as telecommunications, purchases of supplies, support services, equipment leasing and maintenance, printing, postage, and other service contracts.

Many of the more experienced commercial banks have largely withdrawn from the export finance market. The result has been a broader range and less export experienced applicant seeking assistance in more difficult markets. This has increased staff time in processing applications and the Bank's response time per case has been increasing. Additional staff are needed to properly handle this increased workload. Additional staff are also needed to step up efforts to collect outstanding claim payments.

The Bank is committed to providing necessary services to the exporting community on a timely basis, increasing debt collection efforts, processing claim payments expediently and attempting recoveries of those payments to the fullest extent possible, providing a thorough portfolio and risk analysis on a regular basis, reaching new exporters and expanding small business awareness of their export potential, and continuing an intensive Management Information System effort which will provide critical information to help management evaluate risk, target program resources and evaluate program results. The Bank cannot operate at current personnel levels for an extended period of time without impairing its ability to properly execute the Bank's mandates from the Executive and Legislative Branches.

ADVISORY AND ASSISTANCE SERVICES

The Bank is currently developing new mainframe computer information and operational support systems. The existing systems were developed almost 20 years ago and no longer meet the Bank's financial and management needs. Many of these systems were designed to run on equipment that is now obsolete, and although they have been converted to run on existing equipment, many of their original design constraints remain.

As a result, they are difficult and expensive to maintain and do not provide the range of information which is needed today.

Some specific effects produced by this situation include:

- The tendency to develop micro-computer based systems which results in numerous independent systems scattered around the Bank.

- The record keeping for accounting and certain other purposes requires excessive computer and maintenance time from the Treasurer-Controller and Information Management Divisions.

- Differences in the type of data collected between the claims systems at FCIA and the Bank, and between the Bank's Claims Division and the Treasurer-Controller's Office prevents efficient interaction of files, thus requiring extensive manual work.

- Information for Paris Club reschedulings, as well as the provision of figures for implementing agreements, often requires several weeks to prepare.

A redesign of the information systems was not only desirable but essential in order to fulfill the Bank's mandates in an efficient and effective manner.

The use of outside consultants for this project provide several benefits:

- The Bank can quickly obtain certain expertise related to systems development which Bank staff do not have.

- The Bank can avoid building a large permanent staff that would be needed to develop and implement the new systems but would not be needed to maintain the systems once they were in place.

- By working with the consultants in developing and implementing the new systems, the Bank's staff can obtain the knowledge required to maintain the systems once the development process is complete.

ADVISORY AND ASSISTANCE SERVICES
EXPORT-IMPORT BANK OF THE UNITED STATE
($ THOUSANDS)

Account Title and Symbol		FY 1990	FY 1991	FY 1992
Export-Import Bank of the U.S.				
No. 83-4027-0-3-155				
I. Contractual Services				
Management &	B.A.	2,517	1,255	1,869
Professional	Oblig.	2,517	1,255	1,869
Support Services	Outlays	2,517	1,255	1,869
II. Personnel Appointments	B.A.			
	Oblig.			
	Outlays			
III. Advisory Committees 1/	B.A.			
	Oblig.			
	Outlays			
TOTAL	B.A.	2,517	1,255	1,869
	Oblig.	2,517	1,255	1,869
	Outlays	2,517	1,255	1,869

1/ Less than $500.

FOR FISCAL YEAR ENDING SEPTEMBER 30, 1992
EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation; Provided, that none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

REQUESTED LIMITATION OF PROGRAM ACTIVITY
FOR FISCAL YEAR ENDING SEPTEMBER 30, 1992
EXPORT-IMPORT BANK LOANS PROGRAM ACCOUNT

For the cost, as defined in section 13201 of the Budget Enforcement Act of 1990, including the cost of modifying loans, of direct loans, loan guarantees, and tied aid grants in accordance with section 15 of the Export-Import Bank Act of 1945, as amended, there is hereby appropriated $517,165,000 for fiscal year 1992: Provided, That these funds are available to subsidize gross obligations for the principal amount of direct loans, and tied aid grants, and total loan principal, any part of which is to be guaranteed, including insurance, of not to exceed $9,525,000,000.

In addition, there is hereby appropriated for fiscal year 1992 $25,113,000 for administrative expenses necessary to carry out the direct and guaranteed loan programs (to be computed on an accrual basis) including hire of passenger motor vehicles and services as authorized by section 3109 of title 5, United States Code, and not to exceed $16,000 for official reception and representation expenses for members of the Board of Directors: and there is hereby appropriated $13,500,000 during fiscal year 1992 for administrative expenses incurred in connection with contracting for the issuance and servicing of insurance and reinsurance, or in lieu of contracting , for the performance of such services by the Export-Import Bank: Provided, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Export-Import Bank or in which it has an interest, including expenses of collection of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan, guarantee or insurance has been made, and (3) expenses (other than internal expenses of the Export-Import Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes of this heading. (Additional authorizing legislation to be proposed).

EXPORT-IMPORT BANK OF THE UNITED STATES

BUDGET REQUEST
($ THOUSANDS)

	FY 1990 Actual	FY 1991 Estimate	FY1992 Estimate	FY 1992 Subsidy Budget Authority
LOAN AUTHORIZATIONS:				
Regular Loans	$ 556,814	$ 580,000	$ 800,000	$ 27,304
War Chest	53,411	150,000	115,000	115,000
IEP	2,131	20,000	-0-	-0-
TOTAL	$ 612,356	$ 750,000	$ 915,000	$ 142,304
GUARANTEE and INSURANCE AUTHORIZATIONS:				
Guarantees	$ 3,332,723	$ 4,000,000	$ 3,430,000	$ 228,267
FCIA Insurance	4,841,127	6,599,064	5,180,000	146,594
TOTAL	$ 8,173,850	$10,599,064	$ 8,610,000	$ 374,861
GRAND TOTAL	$ 8,786,206	$11,349,064	$ 9,525,000	$ 517,165

EXPORT-IMPORT BANK OF THE UNITED STATES
COMPARATIVE STATEMENT OF ADMINISTRATIVE EXPENSES
($ THOUSANDS)

	FY 1990 Actual	FY 1991 Estimated	FY 1992 Estimated
Personnel compensation:			
Full-Time in permanent positions	$12,740	$14,175	$15,529
Non Full-Time in permanent positions	962	920	1,052
Overtime	162	103	107
All Other	223	246	265
	14,087	15,444	16,953
Personnel benefits contribution:			
Retirement	1,243	1,204	1,266
Health benefits	589	609	651
Employee life insurance	28	28	31
FICA taxes	344	357	379
All Other	276	144	309
	2,480	2,342	2,636
Travel and transportation of persons	422	490	528
Transportation of things	33	31	31
Rent, communications and utilities:			
Standard level user charges	2,201	2,319	2,452
Communications	495	496	499
Postage	38	49	52
All Other	267	360	339
	3,001	3,224	3,342
Printing and reproduction	119	135	130
Other services:			
Contractual services and supplies	949	1,059	1,056
Official reception and representation expense	14	16	16
	963	1,075	1,072
Supplies and materials	457	430	421
Total expenses	$21,562	$23,171	$25,113
Savings	47	-	-
Budget Limitation	$21,609	$23,171	$25,113

EXPORT-IMPORT BANK OF THE UNITED STATES

POSITION WITH RESPECT TO LENDING, GUARANTEE AND INSURANCE AUTHORITY (IN MILLIONS OF DOLLARS)

	1990 Actual	1991 Estimate	1992 Estimate
Statutory authority	$40,000.0	$40,000.0	$40,000.0
CHARGES AGAINST AUTHORITY:			
LOAN PROGRAM:			
Outstanding Loans	9,408.5	9,257.5	9,020.2
Undisbursed Loans	1,726.8	1,573.2	1,706.5
Rescheduled Claims	1,632.4	1,606.2	1,553.8
Subtotal	12,767.7	12,436.9	12,280.5
GUARANTEE AND INSURANCE PROGRAM:			
Guarantees	1,933.4	2,282.0	2,708.4
Insurance	2,241.2	3,156.9	3,175.2
Subtotal	4,174.6	5,438.9	5,883.6
Total charges against authority	$16,942.3	$17,875.8	$18,164.1
Unused authority	$23,057.7	$22,124.2	$21,835.9

OVERSEAS PRIVATE INVESTMENT CORPORATION

FISCAL YEAR 1992
BUDGET REQUEST

FEBRUARY 1991

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OVERSEAS PRIVATE INVESTMENT CORPORATION

FY 1992 FOREIGN OPERATIONS APPROPRIATION

Limitation on Direct Loans

Fiscal Year 1990 Actual.....	($19,914,000)
Fiscal Year 1991 Actual.....	($40,000,000)
Fiscal Year 1992 Budget Request.....	($25.000.000)

Limitation on Guaranteed Loans

Fiscal Year 1990 Actual.....	($211,537,000)
Fiscal Year 1991 Actual.....	($250,000,000)
Fiscal Year 1992 Budget Request.....	($375,000,000)

Limitation on Pilot Equity Program

[Authorized program as provided by OPIC Amendments Act of 1988, contained in PL 100-461]

Fiscal Year 1992 Budget Request.....	($5,000,000)

Administrative Expenses to Carry Out the Direct and Guaranteed Loan Programs

[As required for this program under Federal Credit Reform Act of 1990]

Fiscal Year 1992 Budget Request.....	$8,250,000

2/4/91

International Organizations and Programs

Congressional Presentation
Fiscal Year 1992

United States International Development Cooperation Agency

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

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INTERNATIONAL ORGANIZATIONS AND PROGRAMS (IO&P)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
274.137	284.730	250.212

This account will fund U.S. multilateral voluntary contributions primarily to United Nations (UN) system international organizations and programs (IO&P) that support development, humanitarian, scientific and environmental activities. Some programs in the account serve specific U.S. interests in such areas as free market economies, nuclear non-proliferation, climate change, deforestation, biodiversity and weather forecasting. Other programs serve our broad interests and support for economic and social development. Resources are allocated in a manner that maximizes their impact and preserves the leadership role the United States traditionally plays.

In 1990, there were significant steps taken which should improve the effectiveness and responsiveness of the UN system to global concerns. On the development side, a major restructuring of the financial relationships among the various partners in the UN development system was initiated, to become effective in 1992. The changes are designed to foster the technical role of the specialized and technical agencies of the UN system, not only in executing projects, but in conducting analysis and providing technical advice to recipient governments. The changes also are intended to increase the degree to which UN system activities build national capacity to manage indigenous development efforts and make the most of external assistance.

President Bush gave the keynote address to the seventy heads of state at the World Summit for Children which was called by six initiating countries (Canada, Egypt, Mali, Mexico, Pakistan, Sweden) with the encouragement of the United Nations Children's Fund (UNICEF), to focus global attention on the needs of children worldwide. Both the World Summit for Children and the International Conference on Education for All, sponsored by the United Nations Development Program (UNDP), UNICEF, the International Bank for Reconstruction and Development (IBRD) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), resulted in agreement on plans of action to protect and develop the individual capacities of the populations of developing countries. Both these gatherings were remarkable in their focus on the practical and on the mobilization of domestic capacity to address development problems. The year 1990 also saw the world take another step toward addressing the links among global issues, the environment and prospects for economic development in individual countries.

One new item is proposed in the account this year. Contributions to the Organization for Economic Cooperation and Development (OECD) Center for Cooperation with the European Economies in Transition (CCEET) will foster political and economic integration of reforming economies in Eastern Europe and the Soviet Union into the western community of market economy democracies and will provide policy advice to support the process of economic and social reform

In 1990, the United States proposed an OECD "Center for Economies in Transition" which would focus and expand OECD East-West programs. This proposal led to the creation of the CCEET.

Basic Interests

U.S. voluntary contributions to these multilateral organizations and programs provide the basis for U.S. influence in the substantive direction of their programs. U.S. contributions through this account:

--serve U.S. national interests that cannot be met solely through unilateral or bilateral action; e.g., collection of worldwide weather data and coordination of global responses to such dangers as ozone depletion, tropical deforestation, and global climate change and nuclear safeguards;

--encourage the acceptance of international responsibilities by other nations;

--strengthen U.S. efforts to integrate and coordinate multilateral assistance for programs to improve the economic and social well-being of individuals, complementing U.S. bilateral assistance programs;

--provide tangible demonstration of U.S. support for assistance to those who suffer from natural or man-made disasters;

-- advance U.S. support for free markets and broad-based economic growth.

Examples of the multilateral programs and activities that serve U.S. interests follow:

--Financing multilateral technical assistance through the UN Development Program (UNDP), strengthens the ability of the United States to address effectively development problems, such as those related to the environment, which cross national boundaries and are regional or global in nature.

In 1990, important steps were taken toward restructuring the financial relationships between UNDP and the technical agencies of the UN system to increase the system's overall effectiveness as a provider of technical advice and builder of developing country capacity. In addition, UNDP's Governing Council adopted a decision which increases the proportion of resources directed toward the poorer countries (from 80 to 87 percent of the resources allocated to country programs), and strengthens the graduation principle applicable to the countries with more resources.

--The UN Children's Fund (UNICEF) has continued to play a role in focusing world attention and efforts on the many problems affecting children in the world. In addition to its time-proven programs in water and sanitation and in primary health care, UNICEF has aggressively pursued a major program thrust aimed at decreasing mortality rates for children. The program emphasizes the use of inexpensive technology, such as oral rehydration salts and vaccination.

--Since the establishment of the International Atomic Energy Agency (IAEA) in 1957, the United States consistently has provided support for both the Agency's safeguards program and technical cooperation activities which were initiated with the intent to promote the peaceful application of nuclear energy. The IAEA develops and implements technical programs to assist member states in their peaceful nuclear activities, e.g., safe handling and use of nuclear materials. It also provides technical cooperation in the form of project assistance, training, fellowships and equipment to approximately two-thirds of the organization's 113 members. To provide assurance that the assistance it offers is used exclusively for peaceful purposes, the IAEA applies international safeguards. The safeguards system is designed to deter, through threat of timely detection, the diversion of nuclear material from peaceful to non-peaceful applications.

--The International Fund for Agricultural Development (IFAD) provides concessional loans for innovative capital projects aimed at increasing food production in developing countries and improving the lot of the rural poor, including small farmers and the landless. The IFAD engages nontraditional donors such as the Organization of Petroleum Exporting Countries (OPEC) and the more advanced developing countries in a significant development partnership with OECD donors.

--The unique catalytic and coordinating role of the UN Environment Program (UNEP) has been instrumental in the development and implementation of international agreements on the environment such as the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer.

UNEP has stimulated an increased awareness and action on the resolution of global enviromental problems of particular concern to the United States.

The U.S. private sector benefits from UNEP's promotion and development of uniform, international standards for transfer of toxic chemicals and hazardous materials. UNEP is actively involved in attempting to reverse the destruction of biological diversity. UNEP also is expected to make important contributions toward a successful 1992 UN Conference on Environment and Development in Brazil.

--Organization of American States (OAS) Development Assistance Programs concentrate on multinational cooperative programs in basic education, education for work, drug prevention education, biotechnology and food, informatics and materials technology. The environment program focuses on the rational utilization of natural resources for sustainable development with emphasis on protection of the environment. Special attention is given to integrated development of geographic regions including international river basins such as the Amazon River Basin and border zones.

--The United Nations Afghanistan Emergency Trust Fund, established in 1988, provides humanitarian assistance and relief to the Afghan people, who have become internally displaced inside Afghanistan, and to those who are returning to their homes to rebuild their farms, villages and country. U.S. contributions to the Fund fulfill our repeated pledges over the years that we will support the Afghan people in rebuilding their country.

--The International Convention and Scientific Organization Contributions (ICSOC) program facilitates continued U.S. participation in activities serving U.S. domestic interests. The programs proposed for funding in this request protect the more important direct benefits to American scientific, educational, cultural and business communities formerly derived through membership in the United Nations Educational, Scientific and Cultural Organization (UNESCO).

--Activities financed through the World Meteorological Organization's (WMO) Voluntary Cooperation Program (VCP) include the Climate Computer (CLICOM) project, wherein developing countries use computer equipment to enhance their knowledge of climate data. This information is, in turn, shared with other countries. CLICOM was largely developed by the United States, using American technology.

--Financing projects that are smaller than those usually considered by other multilateral or bilateral financial institutions, the UN Capital Development Fund (UNCDF) helps recipients in the least developed countries by providing concessional capital assistance for small-scale investment projects designed to promote socioeconomic development at the community level and national self-reliance.

--The International Tropical Timber Organization (ITTO) is the only international forum for engaging both producing and consuming countries in efforts to address all aspects of the world tropical timber economy, including sustainable logging practices and timber management.

--The Organization for Economic Cooperation and Development (OECD) Center for Cooperation with the European Economies in Transition (CCEET) will serve to increase U.S. contact with the countries in transition and to enhance economic liberalization in those countries.

--U.S. contributions to the UN Educational and Training Program for Southern Africa (UNETPSA) and the UN Trust Fund for South Africa (UNTFSA) provide tangible evidence of a U.S. commitment to peaceful change in that region by funding many recipient students attending school in the United States.

--The World Meteorological Organization's Climate Studies Fund is intended to provide support, especially in the developing countries, for increased scientific activities in climatology, including global observations of climate and greenhouse gases, ozone depletion and the atmospheric environment.

--The Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora provides an international mechanism for protecting endangered species of wildlife and plants against over-exploitation through international trade.

--The UNIDO Investment Promotion Service (UNIDO/IPS) offers investment promotion officers from developing countries first-hand knowledge of U.S. business and financial practices, thereby facilitating their dealings with potential investment partners from the U.S. private sector.

--The Tropical Forestry Action Plan (TFAP) holds much promise for coordinating, among both donor and recipient countries, support for sustainable development of the forestry sector in the tropics.

--The UN Development Fund for Women (UNIFEM) is of importance because it has played a lead role in assuring attention to bringing women - as producers, not just beneficiaries - into the mainstream of the UN's economic development efforts.

--U.S. contributions to the Intergovernmental Panel on Climate Change (IPCC) reflect the continuing, significant responsibilities of the Panel in the course of multilateral climate negotiations and the mounting need for technical assessment.

--UN Voluntary Fund for Victims of Torture (UNVFVT) provides worldwide humanitarian assistance to victims of torture and their families and serves to strengthen our worldwide human rights efforts.

INTERNATIONAL ORGANIZATIONS AND PROGRAM
'Voluntary Contributions)
Budget Authority ($000)

	FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
UN Development Program (UNDP)	$107,752	$109,000	$115,000
UN Children's Fund (UNICEF)	64,350	75,000	55,000
International Atomic Energy Agency (IAEA)	21,646	23,555	25,000
International Fund for Agricultural Development (IFAD)	34,438	30,000	18,362
UN Environment Program (UNEP)	11,807	15,800	13,000
OAS Development Assistance Programs	9,839	10,000	10,000
UN Afghanistan Emergency Trust Fund	13,283	6,500	2,000
International Convention and Scientific Organization Contributions (ICSOC)	1,967	2,000	2,000
WMO Voluntary Cooperation Program	1,968	2,000	2,000
UN Capital Development Fund (UNCDF)	1,476	2,000	1,500
International Tropical Timber Organization (ITTO)	0	1,000	1,000
OECD Center/European Economies in Transition (OECD/CCEET)	0	0	1,000
UN Educational and Training Program for Southern Africa (UNETPSA)	788	800	800
WMO Special Fund for Climate Studies	0	500	800
Convention on International Trade in Endangered Species (CITES)	738	750	600
UNIDO Investment Promotion Service	492	500	500
Tropical Forestry Action Plan (TFAP)	0	500	500
UN Development Fund for Women (UNIFEM)	787	800	500
Intergovernmental Panel on Climate Change	98	200	300
UN Trust Fund for South Africa (UNTFSA)	492	500	250
UN Voluntary Fund for Victims of Torture	98	100	100
UN Fellowship Program	241	245	0
World Heritage Fund (WHF)	216	450	0
World Food Program (WFP)	964	1,000	0
UN Trust Fund for the International Research and Training Institute for the Advancement of Women (INSTRAW)	197	200	0
UN Institute for Namibia (UNIN)	107	0	0
UN Center on Human Settlements (HABITAT)	393	400	0
International Union for Conservation of Nature (IUCN)	0	680	0
Ramsar Convention on Wetlands	0	250	0
Total	$274,137 a/	$284,730 b/	$250,212

a/ Reflects deductions to meet war on drugs (.43 percent) and Gramm-Rudman-Hollings (1.18 percent) requirements.

b/ Excludes 1.9 percent sequester since the Department of State assumes that this technical error will be corrected.

UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
107.752	109.000	115.000

Purpose: UNDP coordinates and funds technical assistance activities implemented by agencies of the UN system as well as by its own Office for Project Services with emphasis on the poorest countries. It is the largest single source for grant multilateral technical assistance.

Background: UNDP was established in 1965 through the UN General Assembly's decision to merge two United Nations organizations: the Expanded Program of Technical Assistance (EPTA), set up in 1949, and the Special Fund which was set up in 1958 to provide pre-investment assistance to relatively large development projects. UNDP was created to improve the coordination and effectiveness of assistance that 35 UN agencies and programs were providing. UNDP emphasizes five types of project activities: (a) surveying natural resources and identifying industrial and commercial potential; (b) stimulating capital investment; (c) vocational and professional skill training; (d) transferring appropriate technologies and enhancing recipient absorptive capacity; and (e) promoting the coordination and integration of economic and social development efforts.

Governments provide voluntary contributions for the core resources of UNDP. The recipient developing countries supply 60 percent of required project resources through cash contributions, physical facilities and services, locally procured supplies and the provision of counterpart personnel. Additional financing comes from third parties, e.g., governments co-financing special projects or programs which UNDP funds from general resources.

Its coordinating role within the UN system permits a multi-sectoral approach to the needs of developing countries. Implementation of UNDP programs, which cover all sectors of economic development, are increasingly focusing on building recipient countries' national capacity to manage their own development, policy planning, human resources development, and environmental protection. UNDP complements the aid programs of the United States, the World Bank, and other important donors. Although its annual program is modest in size, public and private follow-up investment well exceeds the UNDP contribution.

Through its 112 field offices and resident representatives, UNDP helps host governments to define development goals and formulate comprehensive development plans. UNDP's roundtable process provides prospective donors -- UN agencies, multilateral development banks, and bilateral contributors -- with a forum to discuss a country's economic situation and development needs.

U.S. Interests: The 1992 request is in keeping with the need for the United States to maintain its long-standing leadership role in UNDP in the face of increasing pressure from the Nordic countries and Japan to wield greater influence in the organization commensurate with their increasing contributions. The UNDP Administrator is currently, and always has been, an American citizen. Many of the Administrator's key subordinates also are Americans. The United States has retained its position as UNDP's largest donor with Sweden and Denmark close behind. A U.S. contribution at our requested level should assist in retaining the influential role of the United States in moving UNDP toward further improvements in programming and management reform as well as operational activities for development at the field level.

U.S. support for UNDP is tangible evidence of U.S. commitment to solving the problems of developing countries. Financing multilateral technical assistance through UNDP helps the United States and other like-minded donors to resist expanded and proliferating funding for technical assistance through the assessed budgets of the UN specialized agencies. Similarly, it strengthens the UN system's ability to address effectively development and environmental problems which are regional or global in nature. Increasing our contribution at the time we are calling upon other major donors to do the same will ensure that we continue to play a leadership role in addressing these issues. UNDP serves U.S. interests by promoting international stability and helping to create an environment conducive to U.S trade and investment activities. UNDP's emphasis on agricultural production and rural development is directed to areas which the U.S. agrees are key. We have encouraged UNDP to direct a substantial portion of its resources toward strengthening management capacity in developing countries.

UNDP during the Fifth Cycle: The FY 1992 contribution to UNDP will be the first U.S. contribution toward UNDP's fifth cycle. The 1990 UNDP Governing Council took a number of landmark decisions that have far-reaching implications for the UN development system and UNDP's role in it. Among them,

the Council decided to allocate a greater share of UNDP's grant resources to the poorest countries. In addition, a greater proportion of UNDP's grant resources will remain under the central control of the UNDP Administrator to be integrated with those resources allocated to indicative planning figures (IPFs). Member oversight of the use of these resources should be substantially improved by the changes in governance also approved by the Governing Council, whereby a Standing Committee on Program Matters was created. The Committee will have the effect of cutting down the time the Council itself spends on formalities and details, and increases member oversight of UNDP operations. Creation of this Committee is of great importance to the United States and other major donors to UNDP.

The Council also adopted an important decision which will readjust the financial relationships between UNDP and UN executing agencies, and should result in improved program quality and more awareness of implementation costs. The United States has been the leader in conceptualizing this restructuring. The new arrangements distinguish between support to programs and support to projects, as well as delink technical and administrative support to UN technical cooperation projects.

The United States, as the UNDP's largest donor, has a significant interest in the adoption of efficient programming management and budgetary measures by the Program, and is interested in promoting ideas which streamline the Program's structure and operations in a way that makes possible the best use and greatest impact of its limited resources.

Other Donors: The U.S. pledge of $107.75 million for FY 1990 was 10.26% of $1.05 billion in total voluntary contributions pledged. Other major pledges to the Program included: $97.50 million (9.28%) from Sweden; $87.76 million (8.35%) from Denmark; $86.63 million (8.25%) from Japan; $83.49 million (7.95%) from the Netherlands; $81.37 million (7.74%) from Norway; $80.16 million (7.63%) from the Federal Republic of Germany; $80.06 million (7.62%) from Italy; $58.33 million (5.55%) from Canada; $50.89 million (4.84%) from France; $49.89 million (4.75%) from Finland; $48.34 million (4.6%) from the United Kingdom; and $45.92 million (4.37%) from Switzerland.

UNITED NATIONS CHILDREN'S FUND (UNICEF)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
64.350	75.000	55.000

Purpose: UNICEF encourages and assists the long-term humanitarian development and welfare of children in developing countries. UNICEF does so through education and information programs which make governments, communities, and private groups aware of the plight of children and the possibilities for improving their situation. It also provides goods and services to help meet basic needs in maternal and child health, sanitation, clean water, nutrition, primary education and social services in support of self-help efforts. UNICEF also provides emergency assistance in the event of disasters.

Background: The United Nations General Assembly created UNICEF in 1946 to aid impoverished children left in the wake of World War II. Initially an emergency aid program, UNICEF, by 1953, had evolved into a long-term, voluntary development fund aimed at improving conditions for the poorest children of the developing world.

UNICEF has programs in 118 developing countries. In its work, UNICEF cooperates closely with governments, private groups and local communities in developing nations, as well as with other UN entities and aid donors to protect children and enable them to develop their full mental and physical potential. Individual governments establish their priorities as a result of studies of major needs, and UNICEF assists in implementing mutually agreed upon programs.

UNICEF's assistance is allocated on a sliding scale according to such factors as the number of children, the wealth of the country, and, especially, the infant and child mortality rate. Allocations are scaled so that the larger countries do not monopolize most of the assistance and so that the per-child allocation among countries of similar size favors the poorest countries which receive approximately five and a half times as much per child as do the middle-income developing countries.

UNICEF has a small emergency assistance unit and continues to play a key role in many international relief efforts. Because it is careful to maintain an apolitical approach to its work, UNICEF frequently finds acceptance in countries seriously destabilized by civil strife. For example, in 1989, UNICEF coordinated Phase I of "Operation Lifeline Sudan," the UN's emergency relief effort in the Sudan. In 1990, UNICEF was called upon to assist the emerging democracies of Eastern Europe in assessing the needs of their children. Although most resources to meet these needs will come from other sources, UNICEF's Executive Board authorized UNICEF to offer its expertise in low-cost technologies and approaches to health, nutrition, early childhood education and other sectors.

UNICEF inspired and provided the secretariat for the World Summit for Children held on September 29-30, 1990, in New York, which was attended by 71 heads of state. President Bush gave the keynote address, emphasizing the United States' continued support and leadership role in the areas of child welfare and development. The Declaration issued by the heads of state endorsed a plan of action to guide national efforts to address children's needs.

U.S. Interests: UNICEF's approaches have generally been consistent with U.S. humanitarian development assistance priorities and programs. There is a close and continuous dialogue between the United States and UNICEF on technical matters of common interest, and strong cooperation in field activities.

All UNICEF programs are directly related to the welfare of children and mothers. Some programs -- such as clean water and sanitation -- also benefit other members of the community. Programs are designed to involve local communities as much as possible and to use equipment and materials which can be locally obtained and maintained. Such projects are frequently linked to resources from other bilateral and multilateral aid agencies, e.g., the UN Capital Development Fund and the bilateral Agency for International Development (A.I.D.) program, including child survival activities. At the urging of the United States and other donors, UNICEF is increasing the attention it gives to assure that the programs it supports can be maintained and sustained by local resources over the longer term. UNICEF has also reviewed its external relations activities, and, with the encouragement of its membership, is taking steps to assure these activities (which include advocacy, fund-raising, information and education) are more effectively integrated into its operations, and achieve their intended objectives without diverting resources from those operations.

Official U.S. support for UNICEF conforms with the humanitarian ideals of the American people, who have supported UNICEF generously through private donations over the years. U.S. participation enables the United States to serve humanitarian aims in some nations where direct bilateral assistance is not politically feasible or desirable. The position of UNICEF Executive Director (currently James P. Grant) has always been held by a U.S. citizen.

Other Donors: The United States has always been a leader for UNICEF and is one of its largest contributors. For calendar year 1990, the United States contributed $64.35 million, over 16 percent of $396 million in estimated total contributions. Other major contributions included: $54.3 million from Sweden, $49.3 million from Italy, $36.7 million from Norway and $35.8 million from Finland.

FY 1992 Program: According to the State of the World's Children 1990 report, if present trends hold, over 100 million children will die in the 1990s - 50 million of them from just three common diseases which can be inexpensively treated or prevented. Many times that number will grow up malnourished, unhealthy, and illiterate.

As the acknowledged leader in the field of child survival and development, UNICEF has made major contributions to reducing infant and child mortality rates in developing nations. Perhaps best-known are UNICEF's emphases on childhood immunization and oral rehydration therapy (ORT). The 1990 State of the World's Children report estimates that these basic low-cost health interventions save the lives of over one million children every year. Indicative of the effect UNICEF's galvanization of world-wide health efforts are the achievements in childhood immunization. In just eight years, vaccination coverage for diptheria, pertussis and tetanus increased from 24% to 66%; while polio immunizations grew from 20% to 66% and coverage for measles prevention increased from 15% to 59%. Such is the concrete evidence of UNICEF's leadership in this area.

UNICEF is dedicated to helping nations meet the goals set forth in the World Summit for Children's Declaration and Plan of Action. These goals cover the next ten years and include:

(a) Reduction of infant and under-5 child mortality rates by one-third, or to 50 and 70 per 1,000 live births respectively, whichever is less;

(b) Reduction of maternal mortality rate by half;

(c) Reduction of severe and moderate malnutrition among under-5 children by half;

(d) Universal access to basic education and completion or primary education by at least 80% of primary school-age children; and

(e) A reduction in the incidence of low birth weight (2.5 kg or less) to less than 10%.

UNICEF's programs have a widespread, positive impact on the well-being of the neediest, most vulnerable population groups. A contribution of $55 million will signal the continued U.S. commitment to support the work of UNICEF which complements and reinforces other humanitarian aid efforts, notably A.I.D.'s own Child Survival Fund.

INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
21.646	23.555	25.000

Purpose: The International Atomic Energy Agency (IAEA) is the central element of international efforts to prevent the spread of nuclear weapons. Through its system of international safeguards, the IAEA provides assurances that fissionable or related materials used in civil nuclear programs are not diverted for non-peaceful purposes. The IAEA is also the primary focal point for international cooperation in nuclear safety. The U.S. voluntary contribution is used in part to strengthen the IAEA's safeguards system in ways that improve its effectiveness and enhance its ability to use the most advanced techniques and equipment available. In addition, the U.S. voluntary contribution is used to encourage adherence to and support for the Nuclear Non-Proliferation Treaty (NPT) and the Treaty of Tlatelolco by assisting nuclear projects in a number of developing countries that are party to these important nuclear arms control treaties.

Background: The United States historically has strongly supported the IAEA and its safeguards system, which serve critical U.S. security and non-proliferation interests. Under Article III of the NPT, all non-nuclear weapon states party to the Treaty (nearly 140) are required to accept IAEA safeguards on all nuclear material in peaceful uses under their jurisdiction. Thus the NPT and IAEA are inextricably linked as the cornerstones of international efforts to prevent the further spread of nuclear weapons.

IAEA Technical Assistance and Cooperation Fund (TACF): The IAEA's program of technical cooperation was initiated in the late 1950s to assist developing countries in the peaceful uses of nuclear energy. At present, the IAEA is providing assistance in the form of nuclear training, expert services, and equipment to approximately 80 of its 113 member-states. Although contributions to the TACF are voluntary, target "indicative planning figures" (IPFs) are agreed upon annually by the Agency's members. These targets have provided (since 1981) steadily increasing technical assistance resources, which a number of developing states regard as essential for continued support of the IAEA and its important safeguards function. Proportionate contributions to the TACF are sought from members guided by the UN scale of assessments, so that the suggested U.S. share is 25% of the nominal IPF target.

Program of Technical Assistance to IAEA Safeguards (POTAS): The U.S. POTAS program began in 1975 as a means to assist the IAEA in the development and continued implementation of the most effective safeguards system possible. Working primarily through the U.S. Department of Energy and U.S National Laboratories, POTAS supports vital research aimed at the development and transfer of new technology for international safeguards.

The work of POTAS and similar programs in other countries is the key component of the Agency's efforts to develop and apply effective safeguards to increasingly complex nuclear facilities. In addition, POTAS supports necessary training in safeguards equipment maintenance, and makes U.S. experts available to the IAEA Safeguards Department to assist inspectors and other staff in carrying out their duties.

Non-Proliferation and Other (NP/O) Activities: Funds provided under this account support initiatives -- which fall outside the purview of POTAS -- related to the development of IAEA safeguards approaches for sophisticated technologies and facilities of specific concern and interest to the United States. In addition, funds in the NP/O account are used to provide training to Third World personnel directly involved with the application of IAEA safeguards, and to resolve problems which could materially affect non-proliferation efforts in other countries.

"In-Kind" Technical Cooperation: In addition to its cash contribution to the TACF, the United States provides technical assistance to IAEA members through project support, fellowships at U.S. institutions and facilities, and training courses in peaceful nuclear technologies, including nuclear safety and radiation protection. States party to the NPT and the Treaty of Tlatelolco receive preferential treatment in the allocation of these resources.

Cost-Free Experts (CFE): In an effort to assist the Agency with key program initiatives on a short-term basis, the United States provides American experts to the IAEA on a "cost-free" basis. U.S. experts have, historically, served the Agency in a broad range of program areas including nuclear safety, research and isotopes, technical cooperation and public information.

Technical Assistance Contingencies: A limited amount of funds are made available each year to provide assistance directly to the IAEA for specialized, short-term needs (e.g., equipment, training courses, expert services, laboratory and facility construction).

U.S. Interests:

o Strengthening the IAEA: Given the fact that the IAEA fulfills a vital role in promoting U.S. security and non-proliferation interests, the U.S. voluntary contribution serves important U.S. interests by strengthening IAEA

programs and, in particular, its safeguards activities. Moreover, the U.S. contribution promotes specific and concrete measures in support of the President's pledge to Congress to "strengthen the hand" of the IAEA.

o Support of U.S. nuclear non-proliferation objectives: As part of U.S. efforts to maintain and strengthen the critical components of the international non-proliferation regime, the United States implements its long-standing policy of providing preferential funding in nuclear assistance to NPT/Tlatelolco parties almost exclusively through the IAEA's technical cooperation program. This practice enables the United States to point to some of the tangible benefits of participation in these important arms control treaties, and thereby strengthens support for the treaties among developing states. The NPT is the principal international political barrier to nuclear weapons proliferation. Technical assistance to NPT parties will be of special concern in 1992 as preparations begin in earnest for the critical 1995 NPT Review Conference.

o Cost-savings to the U.S. Government: The United States supported the substitution of international safeguards by the IAEA for U.S. bilateral safeguards on nuclear materials and equipment which the United States has provided to recipient countries worldwide. Reimposition of bilateral safeguards arrangements would require a sizable organizational effort and would be prohibitively expensive for the United States. Guarding against diversion of U.S.-supplied nuclear material and equipment is accomplished most cost-effectively through the use of the IAEA safeguards system.

o Promotion of nuclear safety: Part of the U.S. voluntary contribution is used to fund nuclear safety activities related to technical cooperation projects, thereby promoting the safe handling and use of nuclear materials.

o Furtherance of U.S. political and economic interests: Provision of U.S. technical assistance to developing states generates valuable political support for U.S. objectives in the IAEA and elsewhere. In addition, IAEA technical cooperation activities enhance economic and social development in many states with which the U.S. wishes to maintain strong economic and commercial ties.

Other Donors: In addition to the U.S. contribution of nearly $10.7 million to the Technical Assistance and Cooperation Fund (TACF) in 1990, other major contributors to the TACF include: Japan ($5.1 million); U.S.S.R. ($4.5 million); Germany ($4.2 million); France ($2.8 million); United Kingdom ($2.2 million); Canada ($1.1 million).

FY 1992 Program: In 1992, the United States voluntary contribution of $25 million will be divided as follows:

Technical Assistance and Cooperation Fund ($12 million): U.S. assistance to TACF is increased to meet agreed guidelines for contributions. It supports projects involving the safe application of nuclear energy and radiation sources to promote human health, agriculture, power production, industrial development, and related research activities in developing states.

Program of Technical Assistance to Safeguards ($7.2 million): POTAS will continue to address a number of essential safeguard activities. These include new technology for facilities in states of particular regional security concern, and a number of projects, many in cooperation with allies (Japan, Germany, United Kingdom and France), to develop and implement advanced safeguards systems for large automated facilities producing and fabricating plutonium. This latter effort is important both to maintain effective international safeguards and to minimize the resource requirements needed to implement them at these new facilities.

Non-Proliferation and Other Activities ($800,000): The United States will continue to utilize funds under this account to develop safeguards approaches related to new uranium-enrichment processes and spent-fuel management. Prospects for implementation of full-scope safeguards in two additional countries with substantial nuclear programs create the need for the United States to prepare technical support for consultations with those countries and the IAEA. A small percentage will be reserved to address critical short-term non-proliferation problems that may arise.

In-Kind Technical Cooperation ($4.45 million): Funds designated for in-kind technical cooperation will be used to support 20-25 projects (equipment, experts, training), 175-200 IAEA fellowships, and 5-6 training courses, to benefit primarily NPT and Treaty of Tlatelolco parties. The additional funds requested for technical cooperation in 1992 provide the means and flexibility to direct technical assistance to priority programs, such as nuclear safety in Eastern Europe, and to strengthen support for the NPT in the critical period prior to the 1995 NPT Extension Conference.

Cost-Free Experts ($450,000) and Technical Assistance Contingencies ($100,000): These funds will be used to respond to requests from the IAEA for U.S. experts and assistance with high-priority initiatives.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY1992 Request
34.438	30.000	18.362

Purpose: IFAD seeks to reduce hunger and malnutrition by stimulating the agricultural production of small-holder farmers in developing countries and developing employment opportunities for those rural inhabitants with incomes that are not sufficient to assure adequate food and nutrition. In addition, IFAD engages nontraditional donors such as the OPEC countries and the more advanced developing countries in a significant development effort with the more traditional OECD donors.

Background: IFAD is a UN specialized agency created in 1977 with strong leadership from the United States. At IFAD's inception, OPEC countries were experiencing large balance-of-payments surpluses, and one of the reasons for IFAD's creation was to provide a vehicle to leverage OPEC resources for international development. Accordingly, a tripartite governing structure was established, dividing voting strength in the Fund's Governing Council and Executive Board equally among OECD members (Category I), OPEC members (Category II) and the less-developed countries (LDCs) themselves (Category III).

In addition to providing direct loans and grants, IFAD continues to be a facilitating and co-financing institution for projects to benefit the world's poorest people. In 1989, 60% of project funding came from co-financiers (30%) and host countries (30%), compared to a 40% investment by IFAD. During 1989, IFAD initiated 90% of the projects it funded. Of the countries receiving IFAD loans in 1989, 63% had per capita gross domestic product (GDP) levels below $500 (37% had per capita GDP levels below $300).

An important aspect of IFAD lending is its singular focus on poverty alleviation through sustainable agricultural development. IFAD has become a recognized expert in this type of development assistance. The strength of the Fund's impact on its borrowers continues to grow through the application of innovative approaches to sustainable agricultural development and of lessons learned from completed projects.

In developing its projects, IFAD closely studies the policy environment of a potential loan to identify potential obstacles to small-holder production. If host country policies discourage small farmer agricultural production (through controlled prices, state-owned marketing channels, etc.), IFAD will encourage the recipient government to make the adjustments necessary for market-based incentives.

In addition to working to liberalize local market and incentive structures, many of IFAD's activities strengthen the private sector in member countries. The small-holder farmers who are the most usual beneficiaries of IFAD financing are from the private sector. Also, in many cases, IFAD seeks to develop systems in which small entrepreneurs play a major role in supplying farm inputs, market and related services.

IFAD's small staff and simple management structure allow for a transparent picture of the operation of the organization. The fund's administrative budget is funded entirely through the interest earned on its investments, and the institution has been successful in maintaining a lean operating style. However, in order to further fine tune operations, an external team of experts (funded by the Government of Canada) is conducting a management study of the institution at the request of the Fund's management and Board of Directors.

U.S. Interests: The United States is the only country which enjoys a permanent seat on IFAD's Executive Board, the body which approves projects and determines policy (all other countries must rotate on and off the 36 member Board). As a result of this permanent seat, the United States is always able to monitor closely the consistency of IFAD's projects. The A.I.D. Administrator is the United States Governor of the Fund, and the Assistant Secretary of State for Economic and Business Affairs is the Alternate Governor.

U.S. support for IFAD reflects the Administration's continuing commitment to programs that directly benefit needy people in developing countries and that engage private voluntary organizations in development.

Funding Status: The Congress appropriated $34.438 million toward IFAD's third replenishment in FY 1990 and $30 million in FY 1991. The Administration's request for 1992 is $18.362 million, the amount needed to complete the U.S. pledge to the third replenishment. The total amount of the third replenishment for the period 1990 to 1992 is $566.3 million, with the U.S. share $82.8 million. The third replenishment agreement stipulates that final contributions are due by June 30, 1992. The $566.3 million replenishment, together with loan reflows and income, will support a lending program of $250-$350 million a year. Lending levels averaged $154 million for the 1984-1988 period. Future funding and lending levels are currently being examined through meetings of the High Level Intergovernmental Committee on IFAD's Future Financial Basis and Structure.

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UNITED NATIONS ENVIRONMENT PROGRAM (UNEP)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
11.807	15.800	13.000

Purpose: UNEP plays a catalytic and coordinating role on international environmental issues. Although UNEP conducts a number of specific project activities, particularly in the developing world, its focus increasingly has been to collect and disseminate information, and to generate and stimulate international responses to environmental problems.

Background: In December 1989, the United Nations General Assembly (UNGA resolution 44/228) requested UNEP to contribute fully to the preparations of the UN Conference on the Environment and Development to be held in Brazil in 1992. The UNGA recognized UNEP as "the main organ on the environment," a role it has fulfilled within the UN system since its founding in 1973, in response to a recommendation of the 1972 UN Conference on the Human Environment.

UNEP in 1992 will be called upon in various ways to prepare for and participate in the UN Conference on Environment and Development, which will review twenty years of UN efforts to improve the environment and will attempt to establish an international agenda for action for the rest of the decade and into the 21st century. All UN members are expected to attend the conference to discuss means of halting or reversing deleterious global trends, which can only be addressed through multilateral efforts.

UNEP headquarters are in Nairobi, with regional offices in Bangkok, Geneva, Mexico City, Manama and Washington, and specialized offices are in Geneva and Paris. Its policy oversight body is the Governing Council, consisting of 58 member countries elected by the UNGA to three-year terms, with seats apportioned regionally.

U.S. Interests: By their very nature, many environmental problems are regional or global in scope. Effective multilateral action, based on sound scientific and economic data and analysis, is required. It is in the U.S. interest to work for a strong and effective UNEP, which is able to facilitate the efforts of nations in addressing environmental issues on a cooperative basis.

The six broad areas of concentration that UNEP has identified are concerns shared by the Administration and the Congress. They are the atmosphere (including climate change, global warming, ozone depletion, and acidic deposition); pollution and shortage of fresh water resources; human impact on oceans and coastal areas; land degradation (including desertification and deforestation); loss of genetic resources and biological diversity; and hazardous wastes and toxic chemicals.

In addition to UNEP's important role in preparations for the 1992 UN Conference on Environment and Development, UNEP maintains environmental networks and data bases, and provides expertise in environmental management techniques, environmental impact assessment, and environmental aspects of certain industrial processes. UNEP data bases are already being used by U.S. industry and government agencies through cooperative arrangements with EPA. A strengthening of these UNEP capabilities will enable UNEP to support and facilitate the work of regional environmental centers, such as the U.S.-initiated Budapest Regional Center.

Other Donors: In FY 1990, the United States contributed $11.5 million or 22.6 percent of about $50.8 million pledged to UNEP's Environment Fund. Other major pledges to the Fund included: Japan - $6.5 million (12.8%); U.S.S.R. - $5.65 million (11.1%); Federal Republic of Germany - $5.61 million (11.0%); United Kingdom - $4.9 million (9.6%); Sweden - $3.5 million (6.9%); Finland - $2.11 million (4.1%); and Norway - $2.0 million (3.9%). The United States also contributed a total of $300,000 to a variety of UNEP-related environmental multilateral activities.

FY 1992 Program: Of the $13 million requested, $12 million will be contributed to UNEP's Environment Fund to help finance a variety of ongoing programs, including special projects undertaken in response to the heightened interest in the climate change issue and the 1992 UN Conference on Environment and Development. A total of $1 million will be used for UNEP-related multilateral environmental activities, including support for the Vienna Convention for Protection of the Ozone Layer and the related Montreal Protocol on Substances that Deplete the Ozone Layer, the Basel Convention on Hazardous Waste, the South Pacific Regional Environment Program (SPREP), the Caribbean Environment Program and the Protocol on Specially Protected Areas and Wildlife (SPAW) and biodiversity activities.

ORGANIZATION OF AMERICAN STATES (OAS) DEVELOPMENT ASSISTANCE PROGRAMS (DAP)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
9.839	10.000	10.000

Purpose: OAS Development Assistance Programs mobilize multilateral resources in the hemisphere, non-member countries and international public and private institutions to promote economic development.

Background: The OAS undertook in the sixties to strengthen the underpinnings of representative government through mutual economic assistance. It created the Inter-American Development Bank (IDB) and, together with the IDB, prepared feasibility studies which the IDB, the World Bank and the private sector used to justify more than $6.5 billion in down-stream financing of major development projects. The OAS focused its limited resources on human development -- education, training, scientific and technological specialization and institutional development -- economic planning, foreign trade promotion, tourism, commercialization of traditional crafts, etc. Over 93,000 specialists benefited from these programs and, in turn, helped disseminate new technologies and mobilize heretofore untapped human and natural resources.

The progress achieved by some countries -- Argentina, Brazil, Mexico, and Venezuela -- has converted them from beneficiaries of OAS program into net donors. In 1989, Brazil contributed $2.3 million, Mexico $1.8 million and Argentina, $800 thousand. The OAS, therefore, is no longer so predominantly dependent on the United States for voluntary contributions even though the United States, with 76% of the gross national product (GNP) of OAS members, remains the overwhelmingly dominant economy in the hemisphere.

In keeping with U.S. objectives of budgetary austerity and streamlining of management and administration in international organizations, the OAS has drastically restructured its General Secretariat. Personnel has been cut by a total of 55% since 1975. Some programs have been dropped and new programs adopted consistent with current priorities, e.g., environment protection. With overhead costs sharply reduced, program direction, execution and accountability have been significantly enhanced. Today, the OAS infrastructure matches the specific needs of member countries and delivers effective, low-cost technical assistance.

U.S. Interests: The United States seeks the strengthening of OAS as a forum for dealing with hemispheric issues. The outcome of the Nicaragua issue is an example of how well such issues can be handled in the OAS.

The level of U.S. contributions to the OAS is perceived as a measure of the U.S. commitment to the Inter-American system and willingness to continue mutual efforts in development.

Other Donors: OAS development programs funded by members' voluntary contributions in 1990 totalled $14.1 million, of which the U.S. contribution of $10 million accounted for nearly 70%. Other voluntary contributions, including those from non-member observer countries (Spain, Israel, Italy, etc.), bring the overall total to $17.2 million.

FY 1992 Programs: Priority areas are the following: education in drug abuse, financing and external debt management, environment, tourism, foreign trade, education technological services (metrology equality control, standardization), and skills training and marketing of handicrafts.

--Special Development Assistance Fund (CIES) - $4 million. This fund specializes in regional planning and pre-feasibility studies for financing by the public (Inter-American Development Bank) and private sectors. The 1992 program will focus principally on environmental protection, food processing, export and tourism promotion and employment generation. The Caribbean is the special target area. Projects are carried out principally by OAS specialists and externally contracted experts. OAS members contributed $5.9 million in 1990. The estimated budget for 1992 is $10.0 million.

--Special Multilateral Fund - $4.75 million. This fund supports programs with national institutions to strengthen education, science, and technology. The 1991 program will focus mainly on drug abuse education, basic education and education for work. Other programs will be carried out in biotechnology and food processing, environment and natural resources, materials and microelectronics and informatics. OAS members contributed $6.1 million to the fund in 1990. The estimated 1992 budget is $10.0 million.

--Special Project Fund - $1 million. Its priorities are the same as for the Special Multilateral Fund, but the method of cooperation permits the more developed countries to pool resources for the benefit of the less developed members. Educational projects, including drug abuse, will absorb approximately 50% of the budget, science and technology the remaining 50%. OAS members contributed $1.4 million to the fund in 1990. The estimated 1992 budget is $4.2 million.

--Special Cultural Fund - $250,000. This fund's focus is on job creation to preserve traditional artisanal techniques and also to upgrade products to commercial standards for export.

A network of Inter-American Centers, which receives supplemental funding from countries, is the principal vehicle in carrying out the program. The fund also supports restoration of monuments, libraries, information and communications as well as the integration of folk culture into formal and informal education to convert it into a more positive factor of overall development. OAS members contributed $617,000 to the fund in 1990. The budget estimate for 1992 is $900,000.

UN AFGHANISTAN EMERGENCY TRUST FUND

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
13.283	6.500	2.000

Purpose: The Trust Fund was established in June 1988 to provide relief and assistance to the Afghan people as they begin to return to their homes and rebuild their lives and country.

Background: Nine years of Soviet occupation and war have devastated Afghanistan. Countless thousands of Afghans were killed. Approximately three million Afghans fled to Pakistan in the years following the Soviet invasion; another two million are estimated still to be living in Iran. In addition, several million have been displaced within Afghanistan itself, putting significant pressure on the fragile infrastructure and slender food resources of many regions of the country.

In addition to its human losses, Afghanistan has also suffered extensive damage to all sectors of its economy. Homes, and indeed whole villages, have been destroyed, fields are laced with mines, and irrigation systems vital in arid Afghanistan have been decimated. Health care and educational systems among the refugees and in many sections of Afghanistan are minimal or non-existent.

The United Nations system is working to meet this massive relief and reconstruction challenge. On January 1, 1991, the UN Secretary General appointed Benon Sevan to succeed Prince Sadruddin Aga Khan as the Special Coordinator for Afghan humanitarian affairs. Mr. Sevan, who also serves as the personal representative of the Secretary General in Afghanistan and Pakistan, is responsible for coordinating the work of the UN agencies involved in Afghan relief and reconstruction efforts (including the UN High Commissioner for Refugees (UNHCR), UNDP, UNICEF, and the WFP) to ensure adequate, cost-effective and non-duplicative UN actions, organizing specially needed projects, such as a mine-clearing program and seeking donor contributions. The Trust Fund was established to receive these contributions.

A donors pledging conference was held on October 12, 1988, four months after the initial donors meeting in July. Almost $900 million was pledged to the United Nations for humanitarian assistance for Afghanistan. As its first contribution to the Fund, the United States made available $17 million in food aid in June 1988.

U.S. Interests: The United States has an enormous investment in Afghanistan. We have taken world leadership on an issue of major significance to much of the non-aligned movement, the Muslim world, and Western Europe. We have done this in countless fora: in the United Nations and its agencies, in the North Atlantic Treaty Organization (NATO), and throughout the world with an active political and diplomatic offensive.

In our public diplomacy and diplomatic initiatives, we have committed ourselves not only to support the Afghans in their struggle for freedom, but also to participate in rebuilding their country. The enormity of this task demands an international response. We believe the United Nations must play a major role in mobilizing international resources and expertise to help Afghan refugees and displaced persons to resettle and reconstruct their war-devastated country. The Trust Fund administered by the UN Coordinator for Humanitarian Assistance for Afghans is a critical component of this international effort.

U.S. contributions to the Trust Fund serve our interests in several ways, including maintaining a substantial level of influence with all parties concerned, giving us an authoritative voice with which to encourage other donor states to contribute to the Trust Fund, demonstrating to other Islamic countries that we have a genuine interest in what happens to the Afghan people and that we were not just interested in them as long as the Soviets were in their country, and fulfilling the repeated pledges which we have made over the years to support the Afghan people as they rebuild Afghanistan.

Other Donors: The U.S. payment of nearly $13.3 million in 1990 amounted to 35% of $37.8 million received in unearmarked cash contributions. Other major donors include: Japan - $20 million (53%); Sweden - $1.6 million (4.2%); Denmark - $.9 million (2.4%); and Norway - $.8 million (2.1%).

Program Focus: Trust Fund programs and projects have been defined and developed. The UN Office of the Coordinator for Afghanistan (UNOCA) has been established and is operating. The main focus of UNOCA is to coordinate all UN relief efforts inside Afghanistan for internally displaced persons and returning refugees. Two broad phases are envisaged in the overall Afghan project. Phase one is the preparation and implementation of basic relief programs for the refugees as they return to their homes. A continuing mine education and mine-clearing program has been established.

Food aid and agricultural supplies (seed and tools) have been provided. Projects rebuilding Afghanistan's irrigation networks, delivering basic health care and rebuilding the education system have been supported. It is envisaged that food and cash for work programs will be initiated as soon as possible to establish and support a fledgling, private sector economy. Phase two will focus on major reconstruction projects. The United States will seek to monitor the emerging programs closely to assure that they are appropriate and make the best use of the scarce resources available.

INTERNATIONAL CONVENTION AND SCIENTIFIC ORGANIZATION CONTRIBUTIONS (ICSOC)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
1.967	2.000	2.000

Purpose: To continue support for U.S. participation in, and to meet U.S. commitments to, international conventions and scientific organizations engaged in work considered essential and important to U.S. interests and formerly funded through membership in the United Nations Educational, Scientific and Cultural Organization (UNESCO).

Background: The United States withdrew from UNESCO effective December 31, 1984. Annual contributions through the ICSOC program, beginning in FY 1986, have enabled the U.S. Government to assist U.S. scientific and other communities to maintain positions of leadership in multilateral programs and to take initiatives to implement new activities that serve U.S. interests. ICSOC would not be presented as a separate line item in the IO&P budget request should the United States resume membership in UNESCO.

U.S. Interests: The U.S. withdrawal from UNESCO does not alter the U.S. policy of supporting international cooperation in educational, scientific, cultural and communication activities where there are technical, economic and political benefits to the United States. The programs proposed for funding in this request protect the more important direct benefits to American scientific, educational, cultural and business communities formerly derived through membership in UNESCO. The Intergovernmental Oceanographic Commission, the Man and the Biosphere Program, the International Hydrological Program, and the International Geological Correlation Program were of U.S. origin or created with the encouragement of the United States, and we have a continuing interest in the work they do.

Largely based on U.S. initiatives and leadership, new global long-range investigations are being implemented to better understand natural and man-influenced processes effecting change in the earth's environment and to take steps to protect this environment as well as mitigate the effects of natural hazards. The International Council of Scientific Unions and associated bodies, in collaboration with other governmental and nongovernmental organizations, are undertaking a major, decade-long, collaborative effort entitled the International Geosphere-Biosphere Program--a Study of Global Change.

The interplay between global change and ecological complexity is also receiving increased attention as studies are defined to examine how changes in biodiversity will be affected by, and will influence, global change. The UN-sponsored International Decade of Natural Disaster Reduction will provide opportunities for nongovernmental scientific, engineering, and social science communities to focus attention, through multilateral collaboration during the 1990s, to reduce loss of life, property damage and social and economic disruption caused by natural disasters. Data exchange networks associated with all the above efforts provide information on a global scale essential for comprehending global problems, and not otherwise available through bilateral or regional agreements.

Through a grant to the National Academy of Sciences (NAS), support is provided to a variety of U.S. affiliates of international nongovernmental organizations in the educational, scientific, cultural, and engineering sectors, engaged in work considered essential to U.S. interests and formerly funded through membership in UNESCO. The grant includes funds to cover NAS overhead in overseeing disbursement, management, and peer review consistent with Office of Management and Budget (OMB) guidelines.

FY 1992 Program: The U.S. voluntary contribution of $2 million is currently planned to be allocated as follows:

Intergovernmental Oceanographic Commission (IOC). The IOC is the only intergovernmental body for coordinating oceanographic programs on a global scale. Maintaining U.S. membership provides a unique mechanism for promoting U.S. interests in a number of high-priority areas. These include:

Global Climate Change Research - The IOC is responsible for coordinating a number of programs essential for the collection of oceanographic data to support global climate research programs. These activities directly benefit U.S. interests as defined by Congress in the Global Climate Protection Act of 1987.

Oceanographic Data Exchange - Cost savings derived by the United States through this IOC program are estimated at $3.5 billion (archive replacement value) for bathymetric and oceanographic data.

Tsunami Warning System - This system monitors earthquakes in the Pacific and warns of resulting tsunami (tidal wave) travel time and impact. U.S. interests in the Pacific and coastal states benefit directly. In addition, support through the IOC for the International Tsunami Information Center in Honolulu is $5.25 million annually.

Bathymetric Charting - A project of particular interest to the United States is the International Bathymetric Chart of the Caribbean and Gulf of Mexico, the first phase of a longer-term project for geological and geophysical mapping of the region.

Global Sea-level Observing System - A new global network of 250 sea-level monitoring stations is being implemented to provide data essential to global climate change research.

Marine Pollution Research and Monitoring - The global assessment of oceanic contaminants and biological effects of pollution is expected to provide a scientific basis for regulatory actions under various international conventions, e.g., the London Dumping Convention. The IOC cooperates closely in this program area with the UN Environment Program (UNEP).

Global Ocean Services - The IOC coordinates a global system of real-time marine meteorological and oceanographic observations used by U.S. forecasters for medium and long-range forecasts, and by U.S. shipping and maritime interests to promote safety at sea. They also are vital for global climate change research.

Given the documented direct benefits received by the United States, and the key role the IOC is expected to play in support of climate research, a contribution of $550,000 is warranted.

International Geosphere-Biosphere Program (IGBP) - A Study of Global Change. This long-range program was authorized by the International Council of Scientific Unions in 1986 with the objective of describing and understanding the interactive physical, chemical and biological processes that regulate the total earth system, the unique environment that it provides for life, the changes that are occurring in this system, and the manner in which they are influenced by human actions. The U.S. Global Change Research Program will be implemented, in part, within the IGBP framework. The coordination of multilateral activities, including national contributions, are being guided by a Special Committee of the International Council of Scientific Unions (ICSU), which has identified ten core projects for implementation. There is strong collaboration between IGBP and the World Climate Research Program and, at the U.S. initiative, developing interest in the interaction between global change and biological diversity. A core project on biodiversity, designed by relevant units of ICSU, will be articulated.

The Special Committee includes prominent U.S. scientists. Partial support of the international coordination of this program, now budgeted by ICSU at over $1.6 million per year, would be provided by an award of $150,000 to the U.S. member of ICSU, the National Academy of Sciences, in the form of a grant.

Natural Hazards Program (NHP). This UNESCO program, in collaboration with other international governmental and nongovernmental organizations, promotes cooperative efforts on the assessment, prediction, and mitigation of natural hazards such as earthquakes, volcanic eruptions, tsunamis, floods and land slides. Particular attention will be given to supporting scientific, engineering and social science contributions to natural disaster reduction in the 1990s within the framework of the UN International Decade for Natural Disaster Reduction (IDNDR). Support of activities of particular benefit to U.S. interests (e.g., post-disaster evaluation visits, research projects, workshops, manual preparation and other data exchange mechanisms) at a rate of $100,000 per year would be provided to bodies of the International Council of Scientific Unions (ICSU) and other nongovernmental organizations, including U.S. affiliates, in the form of a grant to the National Academy of Sciences, the U.S. member of ICSU.

International Nongovernmental Cooperative Research and Training Programs. Also associated with UNESCO are a variety of research and training activities sponsored by nongovernmental organizations of direct benefit to U.S. scientific, educational, cultural, and engineering interests not included in the above categories. These funds are of particular value in supporting high-quality projects sponsored by the Scientific Unions and Associated Bodies of the International Council of Scientific Unions (e.g., training workshops, multidisciplinary symposia, cooperative research projects, educational activities, data and information collection and dissemination efforts). A contribution of $455,000 in the form of a grant to the National Academy of Sciences to support the work of the U.S. affiliates of international nongovernmental organizations is merited.

International Geological Correlation Program (IGCP). This program directs the attention of geologists worldwide to projects on mineral and petroleum deposits and correlates data on geological strata, sedimentary and Quaternary research projects, and standards for geological maps and earth science projects. Continued participation in more than 50 IGCP projects, heretofore funded through the UNESCO budget, would be funded through a grant to the National Academy of Sciences in the amount of $80,000.

Man and the Biosphere Program (MAB). This is an interdisciplinary program of ecological research that enables U.S. Government agencies and American scientists to carry out studies abroad among its 114 member states, acquire data, and cooperate in the development of new resource management techniques for ecosystems of particular interest to the United States, e.g., tropical forests and ecosystems, Caribbean islands, temperate ecosystems and high latitude polar regions. Although the United States no longer serves on the MAB Intergovernmental Coordinating Council, $390,000 per year would support U.S. participation in selected international projects and workshops. U.S. influence on the MAB Secretariat, made possible with funds from this account, has helped to direct MAB research toward programs of interest to the United States, such as global climate change and its effects on biological diversity and sustainable development.

International Hydrological Program (IHP). This program undertakes studies and promotes standards and cooperation among UN specialized agencies and nongovernmental organizations that provide the United States with information on water resources worldwide. Although the United States no longer serves on the IHP Intergovernmental Council because of withdrawal from UNESCO, a contribution of $100,000 per year would permit the United States to remain active in important IHP projects.

International Libraries, Archives and Science Documentation Program. This activity sets standards for and provides data on international library, information, and archival activities. The U.S. contribution strengthens U.S. participation and leadership in key research areas and in the development of international information policies and standards favorable to U.S. interests. These include trans-border data flow, security of data transmitted internationally, and exchange of scientific and technical information. Other programs include education and training in library, information, and archival sciences and preservation of cultural records. There has been much progress in the development of standards for information products and services as a result of the U.S. contribution. Continued U.S. participation is of particular benefit to the American information storage and retrieval industry. Support is estimated at $175,000 per year.

WORLD METEOROLOGICAL ORGANIZATION VOLUNTARY COOPERATION PROGRAM (WMO/VCP)

PROGRAM SUMMARY
(In millions of dollars)

FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
1.968	2.000	2.000

Purpose: The World Meteorological Organization's Voluntary Cooperation Program (WMO/VCP) provides training and equipment to help developing countries improve their meteorological and hydrologic services. Developing countries are thereby better able to obtain, utilize, and share weather data necessary to their national economies. The WMO/VCP helps developing countries participate in WMO programs, particularly the World Weather Watch (WWW) and the World Climate Program (WCP). The WWW provides real-time, two-way communication of vital atmospheric and oceanic data from the world to international centers (including Washington, D.C.) which use the data to produce analyses and forecasts, many of which are then distributed globally or regionally. Of particular recent interest is the WWW's collection of otherwise unavailable information about the world's climate for use in the WCP. The WCP monitors global climate conditions including droughts and climate change, and promotes understanding and prediction of climate.

Background: The WMO established the WMO/VCP in 1967 in response to a U.S. initiative. The WMO/VCP is a program of the WMO Technical Cooperation Department which manages assistance projects in developing countries. As a result of WMO/VCP support to the WWW, all nations are aware of impending problems and natural disasters such as severe weather, tsunamis, and tropical cyclones which may affect personal safety, crop yield, and water use. The WWW also plays an important role during man-made disasters such as accidental release of hazardous materials as occurred during the Chernobyl nuclear incident. Real-time, global meteorological information is vital on a daily basis for civil aviation.

Each year, the WMO Panel of Experts composed of members of the WMO Executive Council meet to review use of WMO/VCP resources as well as to consider requests. Approval is based on how well the request fits into the objectives of the WMO, an analysis of the suitability of the project for the country, and the ability of the country to sustain the project. The WMO maintains close coordination with other international and regional organizations such as UNDP, Food and Agriculture Organization (FAO), UNEP, and the European Community (EC) to ensure the WMO/VCP is not duplicating or competing with their efforts. The bulk of the U.S. contribution to WMO/VCP is spent in the United States, for U.S. equipment and facilities. Only a small part of the total of the contribution (approximately $100,000) is actually transferred to the WMO Secretariat for a special WMO/VCP fund, VCP(F), which is managed by WMO based on the advice of the WMO Panel of Experts.

The VCP(F) covers some WMO overhead expenses and enables the Secretariat to finance those projects which no individual member has offered to fund, but which are necessary to achieve the overall objects of WMO. The National Oceanic and Atmospheric Administration (NOAA), Department of Commerce, administers the U.S. contribution to the WMO/VCP on behalf of the United States.

During 1990, the U.S. in-kind contributions provided equipment, supplies, and experts' services to approximately 54 developing countries, and also supported a major training seminar in the United States on tropical storm meteorology and two regional training seminars; one on climatology (Santiago, Chile) and the other on tropical cyclones (Manila). Through the VCP, about 30 students study at American universities in meteorological and hydrological undergraduate and graduate programs.

U.S. Interests: WMO/VCP provides a means for the United States to join with other nations and international organizations to fund and implement projects too large for one country to fund alone. One example is the WMO/VCP program to enhance meteorological telecommunications in the Caribbean and Central America, which is vital to American hurricane detection and forecasting responsibilities. The United Kingdom, France, Netherlands, and Brazil joined with the United States to fund and implement this project. Another example is the CLICOM (Climate Computer) project of the World Climate Program, whereby developing countries receive computer hardware and software which allows them to make practical use of their climate data and encourages them to increase their coverage and share the data with other countries. The CLICOM project was largely developed by the United States using American technology.

Through the WMO/VCP, the United States contributes support for projects in the areas of severe weather detection and forecasting, flood mapping, agricultural and marine meteorology as well as the monitoring of air pollution. A.I.D. uses the information from these projects for early warning of natural disasters around the world. The U.S. Department of Agriculture also uses information from these programs to forecast global agricultural production.

Almost all the equipment the U.S. contributes is U.S.-manufactured. This creates a natural market in the United States for the recipient countries to purchase spare parts and supplies, and to obtain training and expert services.

In addition to playing a strong role in the WMO Panel of Experts which advises on the WMO/VCP, the United States actively assists with management of WMO/VCP projects. In the WMO, U.S. citizens head the Technical Cooperation Department's Program Support and Coordination Division as well as the World Weather Watch Department.

Since the inception of the program, the United States has been the major WMO/VCP donor, a key factor in maintaining a leadership role in all WMO activities. The United States has fostered program enhancements and management reform, and sought to set realistic priorities to requests for WMO/VCP support.

Other Donors: WMO/VCP pledges amounted to about $8.5 million in 1990, of which the United States contributed $1.968 million (23%). Contributions have been steadily increasing from the 1986 level of $5.4 million.

FY 1992 Program: In FY 1992, support is planned in the following areas:

1. Meteorological communications in Africa, Central America, and the Caribbean are based on old technology that is becoming increasingly difficult and expensive to maintain. Satellite communication, using U.S. satellites, is the logical solution to this problem, and the U.S. could take a leadership role, particularly in the Caribbean and Central America.

2. The demand for graduate level education, for specialized training courses, especially in computer and satellite use, and for training in advanced technologies, has increased substantially over the past two to three years. The United States should continue to offer the courses and university training most in demand. Experience has shown that U.S.-trained people from developing countries often assume influential positions.

3. The recent importance of the WMO in the environmental issues of ozone monitoring and climate change will require WMO/VCP support to developing countries for their continued participation in the international effort.

UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
1.476	2.000	1.500

Purpose: The United Nations Capital Development Fund (UNCDF) provides concessional capital assistance to the least developed countries (LDCs) for small-scale investment projects designed to promote socioeconomic development and national self-reliance.

Background: The General Assembly established UNCDF in 1966 and, in 1967, placed it under the Administrator of the United Nations Development Program (UNDP), subject to policy guidance from the UNDP Governing Council. UNCDF is headed by an Executive Secretary and is supported by a small secretariat staff. UNCDF's structural link with UNDP allows it to draw on UNDP's central services and to utilize its network of resident representatives in developing countries, thereby keeping operating costs to a minimum.

A combination of special features makes UNCDF's role in the multilateral financing system unique. UNCDF's mandate and operational policies enable it to (a) focus on the poor by working at the grassroots level with laborers, small farmers micro-entrepreneurs the unemployed, low-income urban dwellers and other vulnerable groups; (b) help meet basic needs for food, safe drinking water, and sanitation as well as develop the productive sectors and income-generating activities in agricultural and small-scale industries; and (c) invest in small-scale projects ($200,000 to $5 million) that are not large enough to be considered by other multilateral financing institutions.

UN agencies, working with host governments, international development banks and private entities, execute UNCDF projects. In 1987, UNCDF amended its project funding process to allow expansion in annual new project starts and synchronize commitments of project funds more closely with actual annual funding requirements. In 1989, UNCDF approved a total of $78.3 million in new commitments. Project expenditures for 1989 were $42.5 million.

U.S. Interests: U.S. support of UNCDF is consistent with our policy of helping the poorest people. Two-thirds of the countries served by UNCDF are located in Africa, where drought and the cumulative effects of desertification have exacerbated chronic economic problems. While reflecting current economic realities, our continued support demonstrates our view that UNCDF is a well-run program.

Other Donors: Voluntary pledges for 1990 amounted to about $39.8 million, of which the U.S. pledge of nearly $1.5 million represented 3.77%. Major pledges to UNCDF in 1990 follow: Sweden - $9.33 million (23.43%); the Netherlands - $6.7 million (16.83%); Denmark - $5.6 million (14.07%); Norway - $4.64 million (11.65%); Switzerland - $4.2 million (10.56%); and Finland - $3.76 million (9.44%).

FY 1992 Program: UNCDF will continue its efforts to expand the scope and volume of its project commitments. In addition, UNCDF will continue to coordinate its activities with UNDP and other development agencies so that there is follow-up to pre-investment activities, capital and technical assistance, and financing of operating costs.

INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO) PROJECT ACCOUNT

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
0	1.000	1.000

Purpose: The International Tropical Timber Organization (ITTO) is the only international forum for engaging both producing and consuming countries in efforts to address all aspects of the tropical timber economy, including sustainable logging practices and timber management.

Background: The text of the International Tropical Timber Agreement was established by the 1983 United Nations Conference on Tropical Timber to provide a forum in which producing and consuming countries cooperate in funding solutions to problems facing the tropical timber economy. The United States was actively involved in negotiation of the Agreement which entered into force in April 1985, becoming the first international commodity agreement to have a conservation mandate. There are currently 44 member governments (including the EC) representing 95 percent of world trade in tropical timber and more than 70 percent of the earth's remaining tropical rainforests.

The Agreement is administered through the International Tropical Timber Organization (ITTO) with primary objectives in areas of improved forest management, market transparency and industry. Forestry priorities include promoting research, development and implementation of improved forest management and reforestation practices for sustained timber production, and encouraging the development of national policies aimed at sustainable use and conservation of tropical forests and their genetic resources and at maintaining ecological balance within affected regions and the biosphere.

ITTO pursues its objectives through a Council comprised of all member governments and three permanent committees open to all members. The committees correspond to ITTO's priority interest areas of reforestation and forest management, forest industry and market information.

ITTO administration is funded by annual assessments on member governments. However, ITTO carries out its primary operational programs through a special project account supported by voluntary contributions from member countries. Contributions to the project fund have been the major source of ITTO financing in the area of forest management and conservation.

U.S. Interests: ITTO uniquely serves U.S. interests as the only international forum for engaging both producing and consuming countries in efforts to improve sustainable development of dwindling tropical forest resources. ITTO's recognition of the timber market's dependency on resource conservation and sustainable use links U.S. market interests with U.S. priorities for conservation and sound management of tropical forests.

ITTO project activities in the field of forest management also closely parallel U.S. interests in tropical forestry. In keeping with the mandate of Congress (Public Law 99-529), the United States places great importance on conservation and sustainable development of tropical forests. Natural forest management based on sustainable use for timber production is a priority goal of ITTO.

President Bush joined other Western leaders at the Houston and Paris Economic Summits of July 1990 and 1989, respectively, in pressing for greater efforts to promote sustainable use of tropical forests. ITTO was recognized as a key multilateral mechanism toward this end.

In FY 1991, the United States will make a first-time voluntary contribution of $1 million to the ITTO project account. Donor countries have adopted the practice of earmarking donations for projects they endorse. A U.S. contribution would be used only for projects conforming to U.S. priorities, including humanitarian concerns (e.g., protection of indigenous forest populations) and reliance on the private sector.

Other Donors: Estimated pledges by consumer countries to ITTO's voluntary project account total over $35 million. Of the major donors, Japan's estimated pledge totaled $26 million (72%); France - $2 million (5.56%); United Kingdom - $1.62 million (4.5%); Federal Republic of Germany - $1.35 million (3.76%); United States - $1 million (2.78%); Italy (2.78%); Denmark - $1 million (2.78%).

FY 1992 Program: In FY 1992, ITTO will begin implementing an integrated action plan. The organization will focus efforts and funding on priorities consistent with the action plan. High priority is expected to be given to promoting sustainable forest management, including further work on model forestry projects in key ecosystems, assisting producer countries in developing human resource capabilities and forestry expertise, and examining possible incentives for managing forests on a sustainable basis. In addition, the U.S. intends to press for a strengthened project cycle to ensure projects are technically sound and linked closely to ITTO priorities.

THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT CENTER FOR COOPERATION WITH THE EUROPEAN ECONOMIES IN TRANSITION

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
0	0	1.000

PURPOSE: The OECD Center for Cooperation with the European Economies in Transition (CCEET) facilitates conduct of policy dialogue. The CCEET enhances political and economic integration of reforming economies in Eastern Europe and the Soviet Union into the Western Community of market economy democracies and provides policy advice to support the process of economic and social reform.

The OECD promotes policies among the industrialized democracies designed: (1) to achieve the highest sustainable economic growth and employment and a rising standard of living in member countries, while maintaining financial stability, and thus contribute to the development of the world economy; (2) to contribute to sound economic expansion in member as well as non-member countries in the process of economic development; and (3) to contribute to the expansion of world trade on a multilateral, nondiscriminatory basis in accordance with international obligations.

BACKGROUND: Secretary of State James A. Baker has noted that the vast changes underway in Eastern and Central Europe represent an historic opportunity and a challenge to the Western World. In early 1990, OECD Secretary General Jean-Claude Paye and U.S. Secretary of State James A. Baker agreed that the OECD should develop a policy dialogue with Eastern Europe.

The United States proposed an OECD "Center for Economies in Transition" which would focus and expand OECD East-West work. This proposal led to the creation of the CCEET. The OECD is an organization of like-minded, market-economy democracies uniquely suited to assume a leadership role in this dialogue and to coordinate work with other international organizations. During the last year, the OECD has received numerous requests for assistance from Eastern European nations and the Soviet Union in the areas of statistics, tax systems, capital markets, energy and environmental policy.

Governments will provide voluntary contributions to finance the CCEET. OECD Secretary General Jean-Claude Paye has proposed an original target of 20 million Francs ($4 million). The CCEET will fund only the "cooperative" activities with the transition countries and the analytic work which is necessary to carry them out; work which responds to ongoing OECD work programs will continue to be financed through the regular budget of the OECD.

U.S. Interests: The Center for Cooperation with the European Economies in Transition is a U.S. Government proposal and has high-level support. Major U.S. funding would help maintain our leadership role and ensure that the type of Center envisaged by the United States will emerge. The Center will serve to increase U.S. contact with the countries in transition and will increase the U.S. role in economic liberalization in those countries.

Other Donors: The U.S. pledge for FY 1991 was $1 million, or nearly 25 percent of $4.1 million in total voluntary contributions pledged. These funds were provided on a one-time basis from the Eastern Europe Assistance Account. Other major donors include: Japan ($940,400); Germany ($450,192); France ($315,326); Italy ($287,356); United Kingdom ($241,326). Contributions are reflected in U.S. dollar equivalents rather than French Francs.

OECD and CCEET in the 1990s: The OECD plays a central role in building consensus among the industrial democracies on critical economic issues. One of the most crucial challenges facing the Western democracies in the 1990s is how best to contribute to the economic reform process in Eastern Europe and the Soviet Union. The OECD's store of technical expertise and information on market economies is unmatched, and its ability to harness those resources to assist the nations in transition is unique. The OECD's task, to be carried out by the CCEET, will become increasingly important and complex as the Eastern European nations and the Soviet Union attempt to make the transition to free-market economies.

UNITED NATIONS EDUCATIONAL & TRAINING PROGRAM FOR SOUTHERN AFRICA (UNETPSA)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
.788	.800	.800

Background: The UN Educational and Training Program for Southern Africa (UNETPSA) was established by the UN General Assembly in 1967 by integrating earlier special programs designed to assist in the education and training of persons in minority-ruled southern Africa. Following the independence of the Portuguese territories and of Zimbabwe (Rhodesia), UNETPSA ceased giving new grants to students from those nations, although renewals will continue to be made until existing students finish their studies. UNETPSA's objective is to enable these young people to play a full role in their societies as they become independent or as majority rule is achieved and to provide general support for the concept of peaceful transition in southern Africa.

UNETPSA's ability to award new scholarships is based on total annual contributions and pledges received, balanced against the increasing cost of education and the need to renew the awards of continuing students. During September 1989-August 1990, scholarship holders totalled 1,200, of which 542 new awards were granted and 658 awards were extended.

U.S. Interests: The primary U.S. interest in supporting UNETPSA is to indicate U.S. support for the aspirations of the young people in southern Africa to be a vital part of their societies as they become independent or as majority rule is achieved. U.S. support will help develop a core of specialists, technicians, and administrators who are able to assume positions in the governments.

Other Donors: In 1990, the U.S. contribution of $788,000 represented 18% of the total contributions and pledges of $4.36 million. Other major donors included: Norway - $984,848, (22.6%); Denmark - $615,385, (14.1%); Finland - $496,278, (11.38%); Sweden - $365,854 (8.4%) and Canada - $296,610 (6.8%).

FY 1992 Program: Faced with an ever-increasing demand for a static or decreasing resource, the Advisory Committee on UNETPSA (with 13 members, including the United States and three observer states and four observer organizations) is consistently seeking new ways to provide scholarships to students from southern Africa. These include scholarships in Commonwealth countries at no cost to the program, the promotion of co-financing arrangements and tuition waivers, and the encouragement of study in Africa and other low-cost regions.

WORLD METEOROLOGICAL ORGANIZATION
CLIMATE STUDIES FUND

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
0	.500	.800

Purpose: The World Meteorological Organization's Special Fund for Climate and Atmospheric Environment Studies (Climate Studies Fund) is intended to provide support for increased scientific activities in climatology and atmospheric studies, including global observations of climate and greenhouse gases, support for a global effort to detect climate change, training in developing countries on the local effects of climate change, and scientific studies of climate change, ozone depletion, and the atmospheric environment. The goal of the Climate Studies Fund is to initiate scientific activities which respond to current international needs, using extra-budgetary contributions over a limited period of time.

Background: Resolution 5 of the 41st Session of the World Meteorological Organization's Executive Council in 1989 established the Climate Studies Fund with an initial target of $22 million. In passing the resolution, the Executive Council recognized that additional demands are being placed on the Organization as a result of increasing environmental concerns. The 42nd Session of the Executive Council (1990) noted that the need for the fund will continue for the next few years.

U.S. Interests: WMO plays an important role in providing most of the scientific information and expertise which forms the basis for international agreement and action on such issues as global climate change and the protection of the ozone layer. Through the WMO, the United States is particularly involved in global climatological analyses and forecasts, routine climate monitoring, climatological reference stations, detection of climate change, and improved climate predictions. The current demands for long-term climate information go beyond the primary thrust of the WMO for shorter-term weather information which is supported by the WMO regular budget and the Voluntary Cooperation Program. Climate information to support research, climate prediction, and impact studies requires a different approach to data collection and analysis, data quality assurance, observational coverage, and processing of information. The modest climate-related portion of technical assistance under the Voluntary Cooperation Program would be massively supplemented and reinforced by a much larger special program of limited duration, through the Climate Studies Fund.

While the United States conducts much of the lead work in the area of climate and environmental quality, it is not possible to gather global information without the cooperation of all other nations. To carry out adaptation or limitation strategies to ameliorate the dangers to the global environment, the United States must rely on multilateral support. Moreover, without scientifically sound global participation and understanding, suggestions for international action are likely to be ill-conceived, and possibly counter-productive. The White House Conference on Global Warming held in 1990 called for more scientific studies to resolve th uncertainties about the extent of the climate change.

Other Donors: Canada pledged $1 million to the WMO Climate Studies Fund for 1991, while the United States pledged about $500,000. In addition, Finland, Japan, Germany and the United Kingdom, each, plan to contribute about $500,000 to the Fund for 1991.

FY 1992 Program: The Climate Studies Fund aims to support the following six major new or enhanced climate-related areas of activity:

-- Education and training on issues and aspects of atmospheric and climate change, through special regional scientific seminars, fellowships for individual study, and public information programs, following the recommendations of the Intergovernmental Panel on Climate Change.

-- Expanded oceanic and atmospheric observations in the tropics and southern hemisphere.

-- Establishment of a Global Atmosphere Watch, a global climatological reference network, and a climate change detection project.

-- Assistance for scientists from developing countries in conducting climate modeling and analysis.

-- Enhanced monitoring of background air pollution.

-- Expanded ozone observation and analysis

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (CITES)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
.738	.750	.600

Purpose: The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) provides a mechanism for protection of endangered species of wildlife and plants against over-exploitation through international trade.

Background: CITES resulted from a conference held in Washington, D.C. in 1973 at U.S. invitation, to promote conservation of endangered and potentially threatened species of wild fora and fauna. It has since become the key instrument for international wildlife conservation, with 107 countries as parties to the Convention including most major producers and consumers. CITES is also a significant element of U.S. conservation policy and continues to receive broad public support domestically.

CITES' principal achievements are the identification of over-exploited species and establishment of trade controls to protect those species. Other notable accomplishments include: (1) designation of wildlife authorities for the first time in many countries; (2) development of guidelines for the safe shipment of live specimens of plants and animals; (3) preparation of a species identification manual for use by custom officials at ports of entry; (4) improved standardization of documentation, annual reporting on worldwide wildlife trade, and information requirements to amend listings of endangered and threatened species (5) more effective trade controls for specimens such as elephant ivory, rhinoceros horn, whale products, reptilian leather, exotic plants and rare birds; (6) improved acquisition and exchange of wildlife trade data and statistics; and (7) improved cooperation among Party members in conservation of endangered species.

U.S. contributions to the CITES trust fund support meetings of Parties and certain operations of the Secretariat such as enforcement of the Convention's trade regulations and identification of appropriate levels of trade control. The Trust Fund is administered by the United Nations Environment Program (UNEP), which provides administrative support to the Secretariat.

U.S. Interests: All countries, including the United States, benefit from CITES protection of the endangered and potentially threatened species of wild plants and animals which represent the world's irreplaceable living resources. The Convention was concluded after Congress in response to strong public support, directed the Administration (in the Endangered Species Act) to negotiate an international agreement to prevent over-exploitation of wildlife.

The United States has been actively involved in CITES since its inception. Such participation provides the primary vehicle for U.S. leadership in an area of wildlife protection having unusually broad international acceptance of common policy goals and complements U.S. implementation of the Convention domestically through the Endangered Species Act. U.S. participation is also a principal means by which U.S.-based conservation and trade organizations, strongly supportive of CITES, exert influence internationally on wildlife issues directly through the U.S. Government.

In addition, CITES facilitates private American commercial ventures in wildlife. Farming and ranching of some endangered species have resulted in successful breeding of certain animals, such as the American alligator, and their subsequent removal from endangered status. Such actions substantially benefit U.S. producers and traders.

Both the American public and other countries look to the United States to remain in the vanguard of international conservation and preservation of endangered plants and animals.

Other Donors: Contributions to the CITES trust fund in 1990 are expected to amount to nearly $2.76 million, of which the United States contributed $738,000. Other major donors include: Japan ($336,974); Federal Republic of Germany ($239,258); France ($185,069); United Kingdom ($143,910). Contributions are reflected in U.S. dollar equivalents rather than Swiss Francs.

FY 1992 Program: The U.S. contribution will support Secretariat efforts in several important areas. Most important is the continuation of studies now underway through the Secretariat to evaluate trade in several plants and animals such as the South American caiman and some species of cacti, which may warrant trade protection under CITES. These studies will clarify the status of subject species and determine levels of trade control, if any, needed. In addition, the Secretariat will pursue its work with producer governments to develop domestic implementing legislation for improved enforcement of trade controls, and will continue to assist member parties with general implementation of convention provisions as necessary.

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO) INVESTMENT PROMOTION SERVICE (IPS)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
.492	.500	.500

Purpose: The UNIDO Investment Promotion Service (IPS) Washington office's main function is to assist and encourage U.S. private investment in developing countries. It matches potential investors with direct investment opportunities, possible joint ventures, and industrial development projects. The IPS office also receives and acts on requests from institutions in developing countries who are interested in identifying sources of American financial and technical expertise.

Background: UNIDO became a specialized agency of the United Nations on January 1, 1986 with a mandate to encourage industrial development in the underdeveloped countries, and to support and encourage industrial cooperation among all nations. UNIDO is a major executing agency for UNDP-financed development projects, and also has major programs for providing direct technical assistance and industrial and managerial training to the developing world. The IPS system is the focus for private investment activities supported by UNIDO as a necessary part of the industrial development process.

There are at present nine host-country financed IPS offices (Washington, Zurich, Vienna, Cologne, Milan, Paris, Seoul, Tokyo, and Warsaw). Negotiations are underway for new offices in Portugal and Turkey. All have the mandate to encourage outward investment from the home country to the developing nations. In addition, there are two Investment Promotion Centers in Moscow and Beijing -- which are financed by the host country and foreign investors and administered, on a reimbursable basis, by UNIDO -- with mandates to encourage both outward and inward investment. All are backstopped by the Industrial Investment Division of the UNIDO secretariat.

The Washington IPS office works closely with the Departments of State and Commerce, the World Bank, the International Finance Corporation, the Overseas Private Investment Corporation, other multilateral lending institutions, chambers of commerce and regional business associations.

U.S. Interests: The U.S. strongly supports the increased emphasis in UNIDO on securing private investment for developing countries represented by the expansion of the IPS system and by such activities as regional investment forums. Major U.S. companies have their own sources of information and rarely need intermediaries in deciding on foreign investment opportunies. Small and medium-sized U.S. firms, however, which are interested in expanding their operations and markets, can and have benefited from IPS efforts to match them with investment opportunities.

A $500,000 contribution will sustain the core activities of the office and demonstrate continued U.S. interest in UNIDO's investment promotion activities.

Other Donors: None

FY 1992 Program: The efforts of the Washington IPS office will be directed toward (1) continuing promotion of investment opportunities identified in South America, Asia, Africa, and Eastern Europe; (2) expansion of promotional activities through increased cooperation with state development and federal agencies; and (3) an increase in specific country projects via use of the country delegate program.

TROPICAL FORESTRY ACTION PLAN (TFAP)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
0	.500	.500

Purpose: The Tropical Forestry Action Plan (TFAP) provides the framework for donor coordination and assistance for the conservation and sustainable development of tropical forests.

Background: The TFAP was launched in 1985 under the joint sponsorship of the UN Development Program (UNDP), the UN Food and Agriculture Organization (FAO), the World Bank and the World Resources Institute as a coordinated donor response to the tropical deforestation crisis. The primary objective of the TFAP process is to promote sustainable use of forest resources at the country level in five priority areas: integration of forestry into improved land-use practices, conservation of forest ecosystems, restoration of fuelwood supplies, improvement of forest-based industries, and building country institutions.

The core effort of the TFAP process involves providing coordinated multi-donor technical assistance to countries in conducting sector reviews, developing national forestry action plans, and identifying priorities for donor assistance. On a broader scale, TFAP provides a forum for continued exchange of information and a vehicle for coordinated international action on forest issues. The two high-level Bellagio Tropical Forest Strategy Conferences held in 1987 and 1988 are examples.

The mechanism for donor coordination under TFAP is the TFAP Forestry Advisers, an informal group of senior forestry officials representing over 40 donor countries and multilateral agencies (including the World Bank and regional development banks) and accounting for virtually all development assistance provided to the forestry sector. Included among the Advisors group, which is chaired by Canada, are several international organizations (e.g. UNEP, UNESCO, ITTO) and nongovernmental organizations (e.g. International Union for the Conservation of Nature and Natural Resources, World Wide Fund for Nature, International Institute for Environment and Development). The United States participates primarily through A.I.D.

Administrative support and coordination for TFAP is provided by a small TFAP Coordinating Unit housed in FAO. Support and funding for country sector review and planning exercises is provided by members of the Forestry Adviser group through the temporary services of expert personnel and through voluntary contributions to the TFAP trust fund, which became operational in 1987.

U.S. Interests: U.S. interests and priorities regarding the wise use and conservation of tropical forest resources can be well-served by TFAP. TFAP has succeeded in focusing the attention of the international community on the rapid rate of forest loss in the tropics and the urgent need for remedial action. It also provides an unprecedented framework for donor coordination and has generated broad participation among tropical countries. As of December 1990, over 80 tropical countries were involved in the TFAP process.

The unexpectedly large response to TFAP by the tropical world, and the complex multi-sector nature of the tropical deforestation crisis, have exceeded TFAP's institutional capacity and funding resources. Several studies undertaken in 1990, including an in-depth Independent Review commissioned by FAO at the urging of the Forestry Advisers, endorse the TFAP concept but conclude that, for a variety of reasons, TFAP as currently implemented is not achieving many of the plan's original objectives. Operational and institutional changes to strengthen the TFAP process are recommended. Instituting all measures necessary to make TFAP an effective forest management mechnism is a U.S. priority.

President Bush joined other Western leaders at the Houston Economic Summit in July 1990 in pressing for greater efforts to conserve and sustainably manage tropical forests. A reformed and strengthened TFAP, placing more emphasis on forest conservation and protection of biological diversity, was recognized as a key mechanism in this regard.

In FY 1991, the United States will make a first-time contribution to TFAP consistent with Congressional guidance regarding the need to reorganize TFAP with an independent international committee, broaden TFAP responsibilities to include areas outside the forestry sector, and institute procedures for a participatory process. A U.S. contribution in FY 1992 is essential if the United States is to continue to have a role in shaping the TFAP reform process along these lines. Since contributions to the TFAP trust fund are earmarked by donors for specific purposes, the U.S. contribution would be used only to support measures consistent with U.S. priorities.

Other Donors: As of January 1991, contributions pledged to the TFAP trust fund totalled nearly $5.9 million. Donors include: Germany ($1.5 million - 25.51%); Japan ($1.2 million - 20.41%); Netherlands ($680,000 - 11.56%); France ($600,000 - 10.20%); Belgium ($500,000 - 8.5%); Switzerland ($500,000 - 8.5%); Finland ($450,000 - 7.65%); Sweden ($350,000 - 5.95%); Austria ($100,000 - 1.7%). Discussions with the Italian Government may result in an additional contribution of $2 million to TFAP.

FY 1992 Program: In FY 1992, the process of strengthening and reforming TFAP will be in a critical phase. Efforts will focus on refining and implementing new operational and institutional measures. This should include implementation of new guidelines for policy reform, meaningful public involvement and improved quality control in developing country plans, within the framework of an appropriate international management structure. Completed national action plans judged to have shortcomings will be tasked for revision. The TFAP for Guatemala and the Central American regional TFAP, both led by A.I.D., are expected to be in their final stages of development in FY 1992.

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UN DEVELOPMENT FUND FOR WOMEN (UNIFEM)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
.787	.800	.500

Purpose: The purpose of the United Nations Development Fund for Women is to improve significantly the status of, and opportunities for, women in the least developed countries through greater participation in the economic and social development processes.

Background: The United Nations Voluntary Fund for the UN Decade for Women was created by the UN General Assembly in 1976 (Resolution 31/133). In 1984, the UN General Assembly, in resolution 39/125, decided that the activities of the Voluntary Fund should be continued beyond the end of the UN Decade for Women. Thus, the Fund was renamed the UN Development Fund for Women, with the acronym UNIFEM. Although UNIFEM is a separate entity, since July 1, 1985, it has had an autonomous association with the UN Development Program (UNDP).

UNIFEM gives priority to the least developed countries. Its resources are used: (1) as a catalyst to ensure that women are involved in mainstream development activities, particularly at the pre-investment stage; and (2) to support innovative and experimental activities benefiting women in line with national and regional priorities.

UNIFEM has an active portfolio in Africa of 93 projects with an approximate value of $15.2 million; in Asia, 52 projects with an approximate value of $6.1 million; and in Latin America and the Caribbean, 67 projects with an approximate value of $8.9 million.

U.S. Interests: In 1973, the United States Foreign Assistance Act was amended to require that U.S. bilateral development assistance programs be administered so as to give particular attention to those programs, projects, and activities, which tend to integrate women into the national economies of their countries, thus improving their status and assisting the total development effort. This requirement, which is known as the "Percy Amendment," gives Congressional endorsement to the increasing concern that women participate fully in the tasks and benefits of economic growth.

UNIFEM is the only UN voluntary fund whose primary concern is the integration of women into the national economies of their countries. Thus, it achieves for multilateral assistance programs what the Percy Amendment achieves for U.S. bilateral assistance programs. UNIFEM plays a unique role in showing how increased access by women to sources of business finance, technology, and related services can be a powerful and effective tool for private sector development.

Other Donors: Voluntary contributions for 1990 amounted to $7.06 million. The United States contributed $787,000 (11% of total voluntary contributions). Other major donors included: Finland - $1,176,470 (16%), Netherlands - $742,574 (10.5%), Federal Republic of Germany - $614,525 (8.7%), and Sweden - $546,875 (7.7%).

UNIFEM in the 1990s: UNIFEM will continue to focus on women's access to food cycle technologies in order to reduce post-harvest losses and increase food security and food production. Included in this effort will be training in improved agriculture production methods and financing for agricultural machinery. UNIFEM will also intensify negotiations with banks and financial institutions in order to make formal credit accessible to women.

Since women are extensively engaged as producers and distributors of basic commodities in many developing countries, UNIFEM will also continue to promote the role of women in the development of viable private sector initiatives. Women form well over 50 percent of the entrepreneurs in the informal sector in most countries, yet they receive a very small portion of total credit, training, or other facilities available to small entrepreneurs. UNIFEM will continue to introduce innovative schemes to allow improved access to credit, non-traditional technical skills, and business training methods. It is expected that this will have a positive impact on per capita incomes, domestic markets, and international trade.

INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
.098	.200	.300

Purpose: The Intergovernmental Panel on Climate Change (IPCC) is an international mechanism established to provide an intergovernmental forum to analyze and respond to the growing changes in the Earth's atmosphere as a result of natural and human-induced fluxes of greenhouse gases. The IPCC provides technical support on request to the related Intergovernmental Negotiating Committee (INC), the international forum established in December 1990 under the auspices of the UN General Assembly to develop a framework convention on climate change.

Background: Climate changes resulting from emissions of greenhouse gases (e.g., chlorofluorocarbons (CFCs), carbon dioxide, methane and nitrous oxide) have consequences for every nation and every aspect of human activity. The United States took the lead in promoting the establishment of the IPCC under the auspices of WMO and UNEP, and has chaired the IPCC's Response Strategies Working Group (RSWG). In August 1990, the IPCC adopted its First Assessment Report on the science, impacts and response strategies with respect to potential climate change. The report set the stage for negotiations on a framework convention on climate change. The IPCC will continue as a scientific and technical resource throughout these negotiations, and may become the Conference of the Parties under the framework convention.

The IPCC is already engaged in assessing various targets and timetables for limiting emissions of greenhouse gases as well as certain reforestation targets. The IPCC will continue these and other efforts and will most likely develop or coordinate key economic studies designed to enable countries to assess the costs and benefits of various actions to mitigate or adapt to potential climate change and to assess the costs of inaction.

The FY 1992 funding request is in keeping with the need for the United States to maintain its leadership role in this area. It reflects the continuing, significant responsibilities of the Panel anticipated throughout 1992 in the course of climate negotiations and the mounting need for technical assessment.

In December 1990, the UN General Assembly adopted resolution 45/212 on the "Protection of Global Climate for Present and Future Generations of Mankind." The resolution established a single negotiation process under the auspices of the General Assembly for the preparation by an Intergovernmental Negotiating Committee (INC) of an effective framework convention on climate change.

The INC will meet in sessions of no longer than two weeks duration at approximately 3-4 month intervals beginning in February 1991. The resolution called for the framework convention to be completed prior to the UN Conference on Environment and Development in June 1992 and to be opened for signature during the Conference.

The resolution also established an ad hoc secretariat, based in Geneva, and called on the head of the ad hoc secretariat to cooperate closely with the Intergovernmental Panel on Climate Change to ensure that the IPCC can respond to the needs and requests for objective scientific and technical advice made during the negotiating process.

In the resolution, the UN General Assembly further decided that the negotiating process should be funded through existing UN budgetary resources and through voluntary contributions to a trust fund established specifically for that purpose for the duration of the negotiations and administered by the head of the ad hoc secretariat under the authority of the Secretary General of the United Nations.

The Intergovernmental Negotiating Committee thus represents the second phase of the effort initiated in 1988 by the IPCC -- preparation of a framework convention on climate change -- and will rely upon the IPCC for technical advice and expertise. As noted, the IPCC may become the Conference of the Parties under the framework convention. It is proposed to allocate $100,000 of the amount requested for the IPCC in FY 1992 for a U.S. contribution to the voluntary trust fund established to support the negotiating process.

U.S. Interests: The results to date of the IPCC's efforts, as well as several national scientific assessments, have alerted the U.S. Government to increasing contributions in the atmosphere of greenhouse gases from human activities, and the need to develop a sound international basis to consider response strategies.

Actions to limit emissions of greenhouse gases and actions to adapt to climate change could have far-reaching implications for national economies and global competitiveness. Thus, the United States must remain at the forefront of international efforts to deal with potential climate change.

The President endorsed the work of the IPCC both at the Paris Economic Summit and at the IPCC's Third Plenary Session. He also offered the United States as the venue for the first session of the Intergovernmental Negotiating Committee, which was held in Chantilly, Virginia, from February 4-14, 1991.

Other Donors: In addition to the U.S. contribution for FY 1990 of $98,000, other major contributions include: Denmark ($121,429); Netherlands ($120,146); United Kingdom ($68,432); Italy ($66,270); Australia ($66,262); Japan ($59,921) and the Federal Republic of Germany ($55,948). (NOTE: Althqugh contributions are reflected in U.S. dollars, IPCC records reflect contributions in Swiss francs (SFr). An exchange rate of $1.00=1.26 SFr. has been used to arrive at the above U.S. dollar amounts.)

FY 1992 Program: As the rapid pace of international activity on the global climate change issue increases, it will be critical for the United States to play an active role in shaping the future framework climate convention and in supporting expanded analysis of the science of potential climate change and the strategies that may be needed to respond to it.

UNITED NATIONS TRUST FUND FOR SOUTH AFRICA (UNTFSA)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
.492	.500	.250

Purpose: The UN Trust Fund for South Africa (UNTFSA) provides humanitarian assistance to victims of apartheid and racial discrimination in South Africa.

Background: The Trust Fund for South Africa was established in 1965 to provide assistance to persons living in South Africa and pre-independent Namibia who were being victimized by legal and social discrimination. At present, the Fund provides legal assistance to victims of apartheid, offers relief to such persons and their dependents, and provides relief assistance for refugees from South Africa.

The Trust Fund is administered by a five member Committee of Trustees which disburses grants to voluntary organizations and other appropriate bodies concerned with relief and assistance to victims of apartheid, and facilitates the activities of these organizations.

In spite of dramatic improvements in South Africa's political climate in the past year, the black majority remains economically disadvantaged and subject to discriminatory legislation. The widespread violence which erupted in 1990 worsened this situation. The Trust Fund can play an important, if limited, role in ameliorating the problems facing the black population and the United States remains committed to contributing to the Fund.

U.S. Interests: Support of the Trust Fund demonstrates U.S. commitment to the cause of freedom for all in South Africa and provides a positive indication of our commitment to peaceful change in South Africa.

Other Donors: Our FY 1990 contribution of $492,000 represents nearly 14 percent of pledges and contributions of $3.6 million to the Trust Fund. Other major contributors for 1990 include: Sweden $813,008 (22.5 percent); Denmark $676,923 (18.8 percent); Norway $666,667 (18.5 percent); and Finland $372,208 (10.3 percent).

FY 1992 Program: Statutes and procedures based upon racial discrimination continue to exist in the Republic of South Africa. The fund in FY 1992 will continue to support efforts through the South Africa judicial system to provide assistance to those prosecuted under existing, repressive legislation and to their families.

UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE (UNVFVT)

PROGRAM SUMMARY (In millions of dollars)		
FY 1990 Actual	FY 1991 Estimated	FY 1992 Request
.098	.100	.100

Purpose: The United Nations Voluntary Fund for Victims of Torture (the Fund) provides worldwide humanitarian assistance to victims of torture and to their families. Its major goal is to provide medical and psychological assistance to victims and to their families. Secondary goals are legal, financial, and social assistance to victims and their families.

Background: The United Nations General Assembly established the Fund in 1981. The United States strongly supported the Fund's establishment. Since the fund began operations in 1983, more than 96 grants totalling nearly $4 million have been authorized for over 65 projects in collaboration with about 40 organizations. The projects are from 30 countries on four continents. These grants are aimed at the medical and psychological rehabilitation of victims of torture, including grants to the well-known and respected International Rehabilitation and Research Center for Torture Victims in Copenhagen, Denmark and to the Medecins san Frontiers (Doctors Without Borders), France. Furthermore, several rehabilitation projects are carried out for the UN High Commissioner for Refugees. Ninety percent of the Fund expenditures are made in developing countries. Grants are awarded by the Fund's Board of Trustees who report directly to the UN Secretary General. The Board's mandate requires it to distribute aid through "established channels of humanitarian assistance," such as hospitals, research and training centers, and overseas doctors projects. The Board may contribute to ongoing projects or it may give to a humanitarian operation, providing detailed criteria of the Board's desires for a particular project. These projects fall essentially into the following fields: psychotherapy, medical care, social rehabilitation, and training of professionals and volunteers (doctors, psychologists, physiotherapists, para-medical personnel, social assistants) for the specialized treatment of victims of torture.

U.S. Interests: U.S. contributions to the Fund are important to our multilateral human rights objectives in the UN Human Rights Commission and supplement U.S. bilateral human rights efforts. They demonstrate clearly to world opinion that the United States is dedicated to support for the unfortunate victims of human rights violations. Equally as important, the very nature of the Fund singles out for censure those nations that chronically violate human rights. Furthermore, the Fund works through nongovernmental organizations (NGOs) and private sector facilities.

Other Donors: During the period from October 16, 1989 to October 16, 1990, a total of $761,797 in contributions and pledges were received from governments. The U.S. pledge of $98,000 represents approximately 12.86% of the total. Other major donors include: Finland - $171,198 (22.47%); Federal Republic of Germany - $112,549 (14.77%); France - $91,097 (11.96%); United Kingdom - $50,733 (6.66%); Japan - $50,000 (6.56%).

FY 1992 Program: The Fund plans to expand its operations from its present purely medical and psychological concentration to include some social services to torture victims and their families in rebuilding shattered lives through self-help projects and small stipends while rehabilitated victims look for work. The Fund will place increased emphasis on emergency relief for political prisoners, rehabilitation, and training doctors in the care of torture victims.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Abbreviations and Acronyms

AID	-	Agency for International Development
CCEET	-	Center for Cooperation with the European Economies in Transition (OECD)
CFC	-	Chlorofluorocarbon
CFE	-	Cost-Free Expert
CIES	-	Special Development Assistance Fund (OAS)
CITES	-	Convention on International Trade in Endangered Species
CLICOM	-	Climate Computer Project (World Climate Program, WMO)
DAP	-	Development Assistance Programs (OAS)
EC	-	European Community
EPTA	-	Expanded Program of Technical Assistance
FAO	-	Food and Agriculture Organization
GDP	-	Gross Domestic Product
GNP	-	Gross National Product
HABITAT	-	United Nations Center on Human Settlements
IAEA	-	International Atomic Energy Agency
IBRD	-	International Bank for Reconstruction and Development (the "World Bank")
ICSOC	-	International Convention and Scientific Organization Contributions
ICSU	-	International Council of Scientific Unions
IDB	-	Inter-American Development Bank
IDNDR	-	International Decade for Natural Disaster Reduction
IFAD	-	International Fund for Agricultural Development
IGBP	-	International Geosphere-Biosphere Program
IGCP	-	International Geological Correlation Program
IHP	-	International Hydrological Program
INC	-	Intergovernmental Negotiating Committee (UNGA)
INSTRAW	-	United Nations Trust Fund for the International Research and Training Institute for the Advancement of Women
IO&P	-	International Organizations and Programs
IOC	-	Intergovernmental Oceanographic Commission
IPCC	-	International Panel on Climate Change
IPF	-	Indicative Planning Figure
IPS	-	Investment Promotion Service (UNIDO)
ITTO	-	International Tropical Timber Organization
IUCN	-	International Union for Conservation of Nature
LDC	-	Less-Developed Country
MAB	-	Man and Biosphere Program
NAS	-	National Academy of Science
NATO	-	North Atlantic Treaty Organization
NHP	-	National Hazards Program (UNESCO)
NOAA	-	National Oceanic and Atmospheric Administration
NP/O	-	Non-Proliferation and Other Accounts (IAEA)
NPT	-	Nuclear Non-Proliferation Treaty
OAS	-	Organization of American States
OECD	-	Organization for Economic Cooperation and Development

OMB	-	Office of Management and Budget
OPEC	-	Organization of Petroleum Exporting Countries
ORT	-	Oral Rehydration Therapy
POTAS	-	Program of Technical Assistance to IAEA Safeguards
RSWG	-	Response Strategies Working Group (IPCC)
SPAW	-	Protocol on Specially Protected Areas and Wildlife
SPREP	-	South Pacific Regional Environment Program
TACF	-	Technical Assistance and Cooperation Fund (IAEA)
TFAP	-	Tropical Forestry Action Plan
UN	-	United Nations
UNCDF	-	United Nations Capital Development Fund
UNDP	-	United Nations Development Program
UNEP	-	United Nations Environment Program
UNESCO	-	United Nations Educational, Scientific and Cultural Organization
UNETPSA	-	United Nations Educational and Training Programs for Southern Africa
UNGA	-	United Nations General Assembly
UNHCR	-	United Nations High Commissioner for Refugees
UNICEF	-	United Nations Children's Fund
UNIDO	-	United Nations Industrial Development Organization
UNIFEM	-	United Nations Development Fund for Women
UNIN	-	United Nations Institute for Namibia
UNOCA	-	United Nationsl Office of the Coordinator for Afghanistan
UNTFSA	-	United Nations Trust Fund for South Africa
UNVFVT	-	United Nations Voluntary Fund for Victims of Torture
VCP	-	Voluntary Cooperation Program (WMO)
VCP(F)	-	Voluntary Cooperation Program Fund (WMO)
WCP	-	World Climate Program
WFP	-	World Food Program
WHF	-	World Heritage Fund
WMO	-	World Meteorological Organization
WWW	-	World Weather Watch

United States Department of State
Bureau for Refugee Programs

Migration and Refugee Assistance

Emergency Refugee and Migration Assistance

Fiscal Year 1992

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MIGRATION AND REFUGEE ASSISTANCE

AND

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

FY 1992

CONGRESSIONAL BUDGET PRESENTATION

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MIGRATION AND REFUGEE ASSISTANCE

FY 1992

SUMMARY STATEMENT

(dollars in thousands)

1990 Enacted		1991 Estimate		1992 Request		Inc./Dec. (-)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
107	$428,473	107	$485,648	107	$490,557	--	$4,909

I. Summary

The Department of State's refugee and migration program upholds humanitarian principles which the United States shares with others in the international community by aiding victims of persecution and civil strife who are compelled to flee their homes. Our objectives include the protection of refugees and conflict victims, the provision of basic needs to sustain life and health, and to resolve refugee situations through repatriation, local integration, or resettlement, including to the United States. We achieve these objectives largely by providing assistance for refugee and conflict victim populations through multilateral organizations and by a substantial resettlement program in the United States. In carrying out these objectives, the Department sustains U.S. leadership in the world community in providing help to refugees and victims of conflict.

Refugee Assistance

In recent years, the number of conflict victims and refugees, as well as their needs, have risen dramatically. Serious life support activities have gone underfunded because contributions from the international community have not kept pace with the increased needs. The Department has recognized this need by seeking an increase in funds for assistance in the Migration and Refugee Assistance (MRA) requests for both FY 1991 and 1992.

Our FY 1992 request for refugee assistance and other overseas activities shows an increase of more than $20 million over the FY 1991 estimate with the largest increases for Asia and Africa. We are focusing our program efforts in FY 1992 on vulnerable groups such as refugee women and children and on refugees in asylum in the poorest countries, where their survival is most at risk. Our assistance budget request also incorporates programs which were funded out of the Emergency Refugee and Migration Assistance (ERMA) Fund in earlier years when they first arose. These programs include those under the Comprehensive Plan of Action (CPA) for Indochinese Refugees and emergency assistance programs for new refugee populations such as Liberians.

The assistance request also encompasses a funding increase for the promotion of lasting solutions to refugee situations, most notably repatriation. Durable solutions are essential to relieve the burden in future years on the international assistance budgets which provide for care and maintenance in asylum. We expect that the vigorous pursuit of lasting solutions, in the absence of new refugee flows, will enable future ca e and maintenance costs to be significantly reduced.

MIGRATION AND REFUGEE ASSISTANCE

Refugee Admissions

U.S. refugee admissions programs for persons in first asylum countries serve as the durable solution for certain refugees of special humanitarian concern to the United States, and have, over the past decade, enabled hundreds of thousands of refugees to begin a new life in the United States. Direct departure programs from Vietnam, Cuba, and the Soviet Union obviate the need for persons with a well-founded fear of persecution to seek temporary asylum. These programs constitute the majority of U.S. refugee admissions.

The FY 1992 budget request includes funding for the admission of an estimated 120,000 refugees, nearly 100,000 of whom would likely be admitted directly from their countries of origin. Family reunification will continue to be a priority in our resettlement program, as will resettlement of persecuted religious minorities and former political prisoners. For budget purposes, an average admissions level of 120,000 was used to estimate the required funding. Specific regional ceilings will be set by a Presidential Determination after consultations with the Congresss.

II. Current Programs

The Migration and Refugee Assistance Appropriation is used to fund (1) contributions to multilateral organizations and voluntary agencies, (2) activities to admit refugees to the United States, (3) programs of the International Committee of the Red Cross and the International Organization for Migration, (4) bilateral efforts, and (5) administrative expenses of the Bureau for Refugee Programs.

In order to present the most accurate picture of our current programs, FY 1991 estimates for Western Hemisphere assistance and Other Activities reflect a proposed reprogramming in the amount of $1,570,000.

Refugee Assistance

The care of refugees and conflict victims is properly an international responsibility. Accordingly, the Department contributes most of its refugee assistance funds to programs administered by international organizations and for which most contributions come from other donors. In certain situations, the Department supports the programs of private voluntary agencies that carry out relief services overseas -- many in conjunction with the programs of international organizations. The Department may provide bilateral assistance directly to governments if required to fulfill specific assistance needs.

The level of U.S. contributions to any organization is influenced by U.S. foreign policy interests, the nature and urgency of the needs, the prospects for successful project implementation, the economic conditions in the asylum countries, the responses of other donors, and the availability of funds. No standard formula or uniform U.S. percentage share is appropriate for all situations. The humanitarian traditions of this country and intense domestic interest in many refugee situations call for generous responses to the needs of most refugees and conflict victims.

MIGRATION AND REFUGEE ASSISTANCE

In the recent past, however, neither the United States nor the rest of the international community has been able to increase its contribution level at the same rate as that of the increase in refugee and conflict victim populations. As a result, the responses of the multilateral and private organizations to growing needs have been constrained by budget limitations. Programs such as those in Malawi, the Horn of Africa, and Pakistan, as well as those for the displaced Khmer on the Thai-Cambodian border have been affected. In particular, education, health and in some cases food programs have been curtailed. Meanwhile, new emergencies, such as the crisis in Liberia and its neighboring countries, the problem of relief delivery in Ethiopia, and repatriation opportunities, such as in Nicaragua, Cambodia and Ethiopia/Somalia, have arisen which have required additional funding. An intensive review of United Nations High Commissioner for Refugees (UNHCR) budget priorities during 1989-90 resulted in tighter controls over costs and priority selection. UNHCR reports that this has led to a healthier, if not yet fully sufficient, financial condition at the beginning of 1991. United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and United Nations Border Relief Operation (UNBRO) have undertaken similar exercises.

Refugee Admissions

In FY 1989 and FY 1990, the Bureau for Refugee Programs focused its admissions program management on reducing the high processing costs for Soviet refugees in Europe. Our success in reducing per capita costs by operating the program in Moscow, supported by the Department of State's Washington Processing Center, has had a dramatic effect on reducing the overall admissions budget. Those reductions were reflected in the FY 1991 budget request. We will continue our efforts to reduce the per capita admissions costs during FY 1991 by expanding the transportation prepayment system for refugees from the Soviet Union and by striving to achieve increased efficiencies in our processing activities in East Asia.

In FY 1990, we admitted very close to the full number of authorized funded refugee admissions (111,500) worldwide. In FY 1991, we plan to admit increasing numbers of refugees from Africa, primarily Ethiopians. We have witnessed welcome political changes in Eastern Europe; however, we continue to process refugees from Albania, Romania and Bulgaria. The number of Soviet admissions is expected to be approximately the same as the FY 1990 level. Refugee admissions from the Near East and South Asia are focused on Iranians, Iraqis (primarily Kurds) and Afghans. For the Western Hemisphere, the U.S. admission program primarily supports the admission of refugees from Cuba. Within the context of the Comprehensive Plan of Action for refugees in East Asian countries of first asylum, the U.S. admissions program will continue to include Vietnamese and Lao refugees. The Orderly Departure Program in Vietnam will continue to expand and will focus on former reeducation center detainees, former U.S.G. employees and Amerasians, including qualifying family members.

Administrative Funds

Funds for the administrative expenses of the Bureau for Refugee Programs finance the salaries and operating costs associated with a staff of 107 permanent positions, of which 78 are in Washington and 29 are at overseas posts.

MIGRATION AND REFUGEE ASSISTANCE

III. FY 1992 Plans

The FY 1992 request shows a net increase of almost $5 million over FY 1991. We believe that there may be some significant progress made in FY 1992 to bring some refugee situations to conclusion for which we have included increased funds. This increase in assistance funds is offset largely by a decrease in funds for admissions. Administrative cost increases are largely accounted for by non-discretionary items, and computer and communications upgrading.

As part of the Department's ongoing effort to improve the quality of refugee activities, we will use a small portion of the Bureau's program funds to finance studies and Bureau oversight necessary to evaluate program needs and the effectiveness of current activities conducted by recipients of U.S. funds. Such studies are instrumental in helping the Department fulfill its responsibilities to evaluate and determine the optimum use of the funds appropriated for these activities.

Refugee Assistance

Although the composition of the refugee and conflict victim population may change somewhat in FY 1992, the number of refugees in first asylum worldwide is expected to remain at approximately 15 million.

Refugee women and children will continue to account for nearly 8 out of every 10 refugees worldwide -- many of whom will have little hope for more than mere survival if the current financial constraint faced by the international organizations continue. Within our overall levels of assistance in FY 1992, increased emphasis will be placed on the special needs of women, children and other vulnerable groups and on efforts to provide permanent solutions to their situations. This is consistent with a policy adopted by the Executive Committee of the UNHCR in October 1990.

Particularly in prolonged refugee situations, education, self-sufficiency, and mental health care are essential to a refugee's well-being and to establish normal and productive lives, which would also prepare beneficiaries either for repatriation, local settlement or third-country resettlement. These programs will receive added attention in FY 1992.

We expect that other donors will carry at least as great a share of the total refugee needs in FY 1992 as at present.

Refugee Admissions

The FY 1992 budget request includes funds to finance the resettlement of an estimated 120,000 refugees in the United States. Although a specific number is necessary to calculate estimated costs, the regional allocations will be determined during the annual consultations process with Congress later in the fiscal year. For budget purposes, we are assuming regional allocations similar to those in FY 1991.

MIGRATION AND REFUGEE ASSISTANCE

The admissions level from the Soviet Union is expected to be at about the same level as in the 1991 Presidential Determination. This program will continue to be implemented through the Washington Processing Center and enhanced processing services in Moscow. For East Asia, we intend to continue to operate the program under a combined regional ceiling to include resettlement from first asylum nations as well as via the Orderly Departure Program from Vietnam. The combined level will enable us to respond to the continuing needs in first asylum in light of whatever progress is made on refugee screening programs under the CPA, and combine this with an expanding OOP.

The reception and placement grant for refugees resettling in the United States in FY 1992 is continued at the FY 1991 level of $588 per capita.

Administrative Funds

Administrative funding for refugee programs has been limited over several years to immediate salary, travel and supply needs, forcing the deferment of most equipment purchases. In FY 1992, the Department is requesting funds to make systems upgrades that will enable the Refugee Bureau to link into the Department's overall new communications system, replace aging systems equipment and increase the frequency of Bureau monitoring and evaluation travel.

IV. Outyear Estimates

In accordance with Section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, outyear estimates for Migration and Refugee Assistance are provided as follows: 1993, $495,960,000; 1994, $500,000,000 and 1995, $515,000,000.

MIGRATION AND REFUGEE ASSISTANCE

FY 1992

SUMMARY BY PROGRAM

(dollars in thousands)

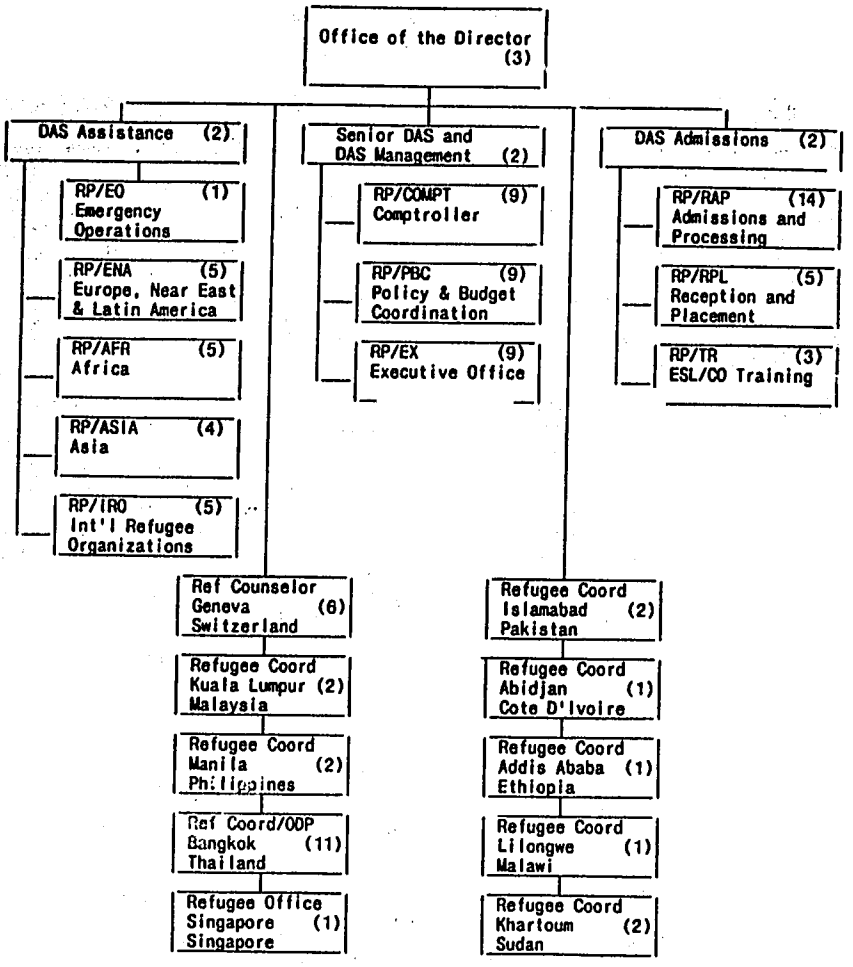
	1990 Enacted*	1991 Estimate	1992 Request	Inc./Dec.(-)
REFUGEE ASSISTANCE				
East Asia.....	$23,815	$39,000	$49,900	$10,900
Africa.....	54,981	75,200	87,100	11,900
Near East/South Asia...	71,900	88,300	92,400	4,100
Western Hemisphere.....	8,000	9,830	4,000	-5,830
Resettlement Assistance Ethnic Turks/Bulgaria..	9,957	--	--	--
Sub-total.....	168,653	212,330	233,400	21,070
REFUGEE ADMISSIONS	246,885	205,220	192,330	-12,890
Transfer to HHS.....	-14,936	--	--	--
No-year Supplemental Carryover.....	-21,273	--	--	--
Sub-total.....	210,676	205,220	192,330	-12,890
OTHER ACTIVITIES				
Refugees to Israel....	29,893	45,000	40,000	-5,000
Other International Organizations.....	11,036	14,570	14,533	-37
Sub-total.....	40,929	59,570	54,533	-5,037
ADMINISTRATIVE EXPENSES..	8,215	8,528	10,294	1,766
APPROPRIATION TOTAL.....	428,473	485,648	490,557	4,909

Program level reflects use of FY 1990 $75,000,000 supplemental appropriation.

MIGRATION AND REFUGEE ASSISTANCE

FY 1992
Organization Chart
Bureau for Refugee Programs

Total Positions: 107



MIGRATION AND REFUGEE ASSISTANCE

FY 1992

JUSTIFICATION OF PROGRAM ACTIVITIES

Protection and Assistance Overseas

(dollars in thousands)

1990 Enacted	1991 Estimate	1992 Request	Inc./Dec.(-)
$168,653	$212,330	$233,400	$21,070

The FY 1992 overseas assistance request is $233,400,000, an increase of $21,070,000 from the FY 1991 level of $212,330,000.

The initial focus of international protection and assistance will continue to be on short-term humanitarian assistance needs of refugees and conflict victims. Priority will be given to basic life-sustaining activities in support of the host countries' efforts. Many host nations are among the world's least developed countries. The presence of large groups of refugees and conflict victims often results in serious problems which affect U.S. foreign policy interests. This linkage has been taken into consideration in the specific regional request levels.

In FY 1992, an increasingly important element of the assistance effort will be the search for lasting solutions to refugee problems through opportunities for voluntary repatriation and local integration. Voluntary repatriations in FY 1992 are expected to occur in increasing numbers and on a more spontaneous basis, unlike past voluntary repatriations which occurred on a massive and organized basis as the result of some decisive political or military event. The FY 1992 request includes funds to respond on a multilateral basis to programs as they evolve from care and maintenance or self-sufficiency efforts in first asylum countries to assistance for voluntary repatriation. Funds have been included to encourage beginning or pilot repatriation efforts to Afghanistan and Cambodia, but not for full-scale repatriation.

Some organizations issue urgent appeals in the fourth quarter of their program/calendar year. Therefore, this request seeks the flexibility to use FY 1992 funds to respond to urgent requirements in the first quarter of the fiscal year when necessary.

U.S. policy will continue to be based on the premise that the care of refugees and conflict victims, and the pursuit of permanent solutions are international responsibilities. Accordingly, most overseas assistance funds will be contributed to programs administered by international organizations for these purposes.

Chief among the international organizations receiving refugee assistance funds is the United Nations High Commissioner for Refugees (UNHCR), which has world-wide responsibility for assisting host governments to protect and care

for refugees (except for Palestinians under UNRWA mandate and the Khmer assisted by UNBRO), as well as for promoting lasting solutions to refugee problems. In 1989 and 1990, the UNHCR Executive Committee required UNHCR to restrict and then retire its 1989 deficit and constrain the growth in its overall budget. This led to reduction of many lower priority programs but also cut into vital programs of sustenance and protection. By FY 1992 we expect that the UNHCR will be able to mainstream protection activities for women and children, and restore minimum support programs to all those under its care. Particular attention in this regard will be given to programs to increase the self-sufficiency of women refugees in Pakistan, Malawi and other major programs. Specifically, increased FY 1992 funds are requested for UNHCR to respond more adequately to the needs of refugees and conflict victims in Africa. Increased funds also are requested to support the UNHCR programs of the Comprehensive Plan of Action (CPA) for Indochinese Refugees. While U.S. support for the CPA initially required use of the U.S. Emergency Refugee and Migration Assistance Fund. The FY 1992 assistance request will fully finance U.S. support for this vitally important program. For FY 1992 we project a substantial reduction in UNHCR programs in Central America as a result of the successful repatriation of Nicaraguan and Salvadoran refugees.

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the United Nations Border Relief Operation (UNBRO) are also high priority programs for U.S. assistance. UNRWA has a continuing mandate from the United Nations to provide educational, medical, and relief assistance to the 2.4 million (June 1990) Palestinian refugees located in Jordan, Syria, Lebanon, the Gaza Strip, and the West Bank. UNBRO provides food, shelter, and medical care for the 310,000 displaced Khmer living in camps along the Thai-Cambodian border. These organizations' programs are discussed specifically in the regional presentation which follows.

The International Committee of the Red Cross (ICRC) is an independent, internationally funded, humanitarian institution which acts as a neutral intermediary in situations of armed conflict. The United States is signatory to the Geneva Conventions, underwhich the ICRC is called upon to provide assistance and protection to prisoners of war and political detainees; assist civilian populations affected by armed conflict, especially by providing needed medical assistance; trace missing persons and separated family members; and disseminate information on the rules of humanitarian law.

The International Organization for Migration (IOM) provides vital services which support member countries' international migration and refugee resettlement programs worldwide and administers other activities such as the transfer of qualified human resources for development, technical cooperation in training, and research and planning for migration policy and legislation.

As appropriate, the Department may reallocate funds within regional programs. Such reallocations may be in response to changing situations or by implementing organizations. The Department may provide funds directly to private voluntary agencies with proven skills in addressing specific refugee needs, or may provide bilateral assistance to governments of first asylum or resettlement countries in the region.

MIGRATION AND REFUGEE ASSISTANCE

Assistance Programs in East Asia
(dollars in thousands)

1990 Enacted	1991 Estimate	1992 Request	Inc./Dec.(-)
$23,815	$39,000	$49,900	$10,900

The Department requests $49,900,000 in FY 1992 for the East Asia assistance program, an increase of $10,900,000 from the FY 1991 level. In FY 1990, in addition to the use of MRA funds, $10,000,000 from the Emergency Refugee and Migration Assistance Fund provided emergency support for the Comprehensive Plan of Action for Indochinese Refugees (CPA). In FY 1992 U.S. contributions in support of the CPA are fully funded in the MRA account.

The number of people fleeing their native countries (Vietnam, primarily) throughout the region declined during 1990 in comparison with 1989. However, there were notable increases of persons seeking asylum in Thailand and Indonesia during this period, which are attributed in part to push-offs from Malaysia. This respite allowed the international community to focus its attention on maintaining the consensus of the Comprehensive Plan of Action and further developing the elements of the plan aimed at durable solutions for Vietnamese asylum seekers. These measures include counselling of asylum seekers, screening, voluntary repatriation and safeguards for returnees and resettlement for those determined to be refugees. In the first 18 months following the adoption of the CPA (June 1989), 63,000 asylum-seekers left Vietnam, and there were 112,000 Vietnamese in first asylum camps in the region as of December 1990. The CPA appeal in 1992 is anticipated to total at least $130 million. Also covered by the CPA are screening, repatriation and resettlement programs for both the highland and lowland Lao in Thailand, who number some 63,000.

Cambodian displaced persons (ranging from 270,000 to 320,000 in Thai camps in 1990), supported by UNBRO and not under the CPA, are also of priority concern and will continue to require U.S. support until a comprehensive settlement in Cambodia leads to possibilities for repatriation and reintegration. We expect such programs to begin in 1992, if not sooner, and that UNBRO programs will be integrated into UNHCR's plans for repatriation.

In FY 1992 the request includes funds to support continued assistance for the Burmese which will be provided through the UNHCR, other international organizations or private voluntary agencies as appropriate.

United Nations High Commissioner for Refugees, $33,650,000

UNHCR programs in East Asia are concerned with assistance to Indochinese who have been provided first asylum in the region and include a very modest program for non-Indochinese refugees. At the end of 1990 Indochinese asylum-seekers numbered 216,000. However a major change affecting UNHCR programs has been the institution since 1989 of CPA programs for screening and voluntary repatriation of Lao and Vietnamese. Care and maintenance for the screened-out population is being provided. UNHCR programs under the CPA

MIGRATION AND REFUGEE ASSISTANCE

(counselling, screening, voluntary repatriation, adjudicating unaccompanied minors and monitoring returnees to Vietnam) are labor intensive and will require additional staff and resources. In FY 1992 UNHCR will be operating a major voluntary repatriation effort which, despite its one-time cost, will be of critical importance to the resolution of the problem of Vietnamese asylum seekers. The United States will contribute up to $33,650,000 for the region including funding for the CPA (Lao and Vietnamese) and for others including the Burmese and those Khmer who are under UNHCR mandate.

The FY 1992 request would permit the use of funds in support of preliminary start-up costs for Cambodian repatriation. UNHCR is the designated UN lead agency for the repatriation of displaced Cambodians.

Anti-Piracy/Rescue-at-Sea, $1,500,000

The United States contributes to both the UNHCR program and a U.S.-Thai program which are both designed to combat pirate attacks on refugees in the Gulf of Thailand and encourage the rescue-at-sea of refugees by merchant and other ships. This funding supports improvements in law enforcement measures against suspected pirates, medical treatment, counselling for victims of violence and witness protection of piracy victims, and reimburses ship owners for expenses incurred in rescuing refugees in distress at sea. Since its inception, the number of pirate attacks has decreased and the number of prosecutions has risen dramatically. Nevertheless, violent attacks continued in 1990 justifying continued support for this program.

PVO/Special Projects, $250,000

This funding continues direct U.S. funding for PVO programs based at Thai camps that provide health care for Indochinese refugees and asylum seekers including out-patient clinics, maternal/child health clinics, mental health counselling and special programs for the disabled.

United Nations Border Relief Operation (UNBRO), $12,500,000

Continued efforts to resolve peacefully the Cambodian conflict give hope for eventual repatriation of some 310,000 Cambodians in camps on the Thai-Cambodian border. If a political settlement is reached, repatriation will be able to proceed based on principles established as part of the peace process. It has been agreed that UNHCR will be the lead international agency for Cambodian repatriation.

Even with the prospect that Cambodian repatriation will have begun by 1992, UNBRO will continue to incur substantial costs in caring for the Cambodians prior to their return to Cambodia. UNBRO will continue to provide essential services such as shelter, water, food, medical care, education and security to the Cambodians in the camps along the border. UNHCR, in preparing for repatriation, plans to coordinate closely with UNBRO and take account of its programs in preparing the Cambodians for return to Cambodia.

MIGRATION AND REFUGEE ASSISTANCE

United States contributions in support of UNBRO operations are estimated at $12,500,000 an increase of $1,000,000 above the FY 1991 request level.

International Committee of the Red Cross, $2,000,000

The Department will continue to support the efforts of the ICRC in the region. The ICRC provides essential protection, medical and tracing/family reunification services for the Cambodian population on the Thai border will play an important role in the Cambodian repatriation.

This request includes an estimate for U.S. contributions in support of the ICRC regional program in Asia of $2,000,000, an increase of $500,000 over the FY 1991 request level of $1,500,000.

MIGRATION AND REFUGEE ASSISTANCE

Protection and Assistance Programs in Africa
(dollars in thousands)

1990 Enacted	1991 Estimate	1992 Request	Inc./Dec.(-)
$54,981	$75,200	$87,100	$11,900

The 1990 African refugee situation was exacerbated by the addition of over 750,000 Liberian refugees who fled to Guinea, Cote d'Ivoire, and Sierra Leone as well as other West African countries to escape civil war that took on the character of an ethnic conflict. New refugees from the conflicts in Somalia, Sudan, Rwanda/Uganda, and Mozambique were registered -- notably in Djibouti, Ethiopia, Uganda, Zaire, Central African Republic, Malawi, and Swaziland -- and intensified fighting in Angola stymied the planned refugee repatriation from Zaire. Angola, Ethiopia and Sudan were also hit by severe droughts, which combined with the conflicts, increased the needs of internally displaced persons. There was no net improvement in the numbers of displaced in Mozambique. Fortunately, relief was able to move across battle lines to Ethiopian conflict victims, mitigating an influx of new refugees into Sudan. Also on the positive side of the balance, Namibia peacefully achieved full independence in March 1989, effectively closing the books on a longstanding refugee situation involving over 50,000 people. Welcome political changes in South Africa, led to hopes for a similar resolution to the situation of some 40,000 South African refugees and exiles.

International refugee assistance organizations, especially the UNHCR, found themselves constrained in responding to these emergencies and new opportunities by the overall funding crisis in international humanitarian assistance that began to be felt in 1989 and which kept African protection and assistance programs far too close to the margin. Resolution of the longstanding Ethiopian refugee situation in Somalia through voluntary repatriation and permanent settlement in Somalia of those who chose essentially to become Somali nationals rather than refugees was also delayed in part by slow donor response to UNHCR's special appeal. U.S. public attention -- for example from the Women's Commission on Refugee Women and Children -- has focused on the need for a better distribution of basic life saving and life support resources for African refugees and conflict victims.

The Department's FY 1992 budget request of $87,100,000 reflects a mix of optimistic assumptions (for example, resolution of the Ethiopian refugee situation in Somalia, return home of most Liberian refugees) and pessimistic assumptions (for example, continued conflict in Angola and Mozambique despite moves toward peace talks) so as not to risk underestimating needs. The overall African refugee population in need of assistance is expected to remain at roughly the 1990 level of about 4 million refugees (of the estimated 5 million African refugees) while protection will be needed for all refugees. In addition, African conflict victims in need of assistance are expected to continue to number some one to two million. The composition of these assisted groups will likely change by FY 1992.

MIGRATION AND REFUGEE ASSISTANCE

United Nations High Commissioner for Refugees, $63,000,000

As outlined above, UNHCR activities must address the needs of new and growing refugee populations as well as seize the opportunities for repatriation and local settlement that hold promise for reducing international assistance requirements in succeeding years. UNHCR programs in the region have sought to respond to the special needs of women and children and to reduce the refugees' dependence on relief assistance in preparation for their eventual repatriation. The U.S. contribution to UNHCR programs in Africa will fund protection and the most basic material assistance to save and maintain lives of refugees and others of concern designated by UNHCR. To the extent possible, it will also focus on local settlement/integration projects which help the refugees to grow or pay for their own food and otherwise lower the cost of short-term material assistance for basic needs, while creating conditions conducive to the continued provision of first asylum. Repatriation programs cover costs of transportation home, a small package of household and agricultural items to facilitate the returnees' reestablishment, and limited rehabilitation of social infrastructure to accommodate the returnee population.

International Committee of the Red Cross, $20,600,000

The ICRC, often in partnership with other elements of the international Red Cross movement, is called upon to provide a first relief response in new humanitarian crises resulting from armed conflict such as the Liberian one. The ICRC program in Africa also offers relief and medical assistance to conflict victims cut off from other avenues of aid or where ICRC's recognized neutrality that comes from dealing concurrently with all parties to a conflict is required -- for example in Angola, Ethiopia, Liberia, Mozambique, Somalia, and Sudan. ICRC works to protect and assist political prisoners and prisoners of war as well as provide tracing services and even refugee repatriation services where UNHCR is in need of ICRC help -- for example, in South Africa and Somalia. The ICRC Emergency Appeal for the region in 1990 benefited over one million conflict victims at a cost that exceeded $130 million; ICRC is expected to require increased funding in 1992.

PVO/Special Projects, $3,500,000

These funds will be used for ongoing South African refugee scholarship programs administered by private voluntary organizations as well as for special relief and rehabilitation needs. It is anticipated that voluntary organizations will implement most of these activities since UNHCR will continue to seek private voluntary agency implementing partners that can assure increased amounts of the necessary funding from their own resources. There will be continued needs for special contractors and studies to ensure the development and implementation of optimal programs to meet the needs.

MIGRATION AND REFUGEE ASSISTANCE

Assistance Programs in the Near East and South Asia

(dollars in thousands)

1990 Enacted	1991 Estimate	1992 Request	Inc./Dec.(-)
$71,900	$88,300	$92,400	$4,100

The FY 1992 budget request is based on the assumption that by FY 1992 the repatriation of Afghan refugees from Pakistan and Iran, begun in FY 1991, will continue although this request is not sufficient to finance a large-scale movement of refugees. Those portions of the repatriation program which address reconstruction and development in Afghanistan will not be supported from the MRA account. The UNHCR will be increasingly involved in protection and integration activities in Afghanistan; however, a sizeable residual refugee population in Pakistan will continue to require food aid, medical care, preventive health care and education.

Palestinian refugees under the mandate of the United Nations Relief and Works Agency (UNRWA) in the Occupied Territories, Jordan, Syria and Lebanon will continue to receive United States support.

The Department is requesting $92,400,000 in FY 1992 for the Near East and South Asia assistance programs, an increase of $4,100,000 from the FY 1991 request. Although these funds are requested to assist refugees and displaced persons throughout the region as required, the MRA request for FY 1992 does not specifically address emergency needs in the Persian Gulf region.

United Nations High Commissioner for Refugees, $19,400,000

The primary concern of the United States with regard to UNHCR programs in the Near East and South Asia is the Afghan refugee population. By FY 1992 these refugees may be in the process of returning to Afghanistan which will promote stability in the region. UNHCR, as well as other international organizations, will assist returning refugees with food, housing materials, agricultural kits, and other resettlement assistance. Special provisions will need to be made for groups of vulnerable refugees, such as orphans and handicapped persons, to ensure their protection and well-being.

UNHCR will continue in 1992 to maintain camps for the refugee population remaining in Pakistan until conditions in Afghanistan allow for their return. Much of UNHCR's fixed costs for health, education, sanitation and administration of the camps in Pakistan cannot be significantly decreased in 1992 while substantial numbers of refugees remain in Pakistan.

MIGRATION AND REFUGEE ASSISTANCE

International Committee of the Red Cross (ICRC), $8,000,000

The International Committee of the Red Cross (ICRC), which has programs in both Pakistan and Afghanistan, expects to expand its operations inside Afghanistan. ICRC provides emergency medical assistance to civilian hospitals, runs a number of surgical hospitals and field hospitals for war-wounded Afghans, and operates orthopedic centers which provide complete rehabilitative services to the disabled. In FY 1990 ICRC requested approximately $33 million to support its activities, which will become even more critical as refugees return home. In FY 1992, we plan to contribute $4,500,000 toward ICRC programs related to the Afghan conflict.

Sri Lanka has for the past several years been the scene of bitter and bloody internecine warfare. ICRC has been involved in protection, tracing, medical assistance, and human rights training in Sri Lanka and, since the latest round of warfare broke out in June 1990, has initiated medical assistance activities. There are over 100,000 refugees and displaced persons from this conflict and there are many instances of brutality. We are planning to contribute $500,000 to help continue ICRC's protection/tracing, medical assistance, and human rights activities as essential elements of the search for peace.

Throughout the conflict-ridden Middle East, ICRC is often the only international humanitarian organization able to access areas of civil strife to provide needed medical and other assistance to displaced persons, as in Lebanon. ICRC delegates also visit thousands of POWs, bringing medical and humanitarian assistance, and facilitating the return of the wounded. The ICRC was among the first agencies to provide humanitarian assistance and medical care to hundreds of thousands of evacuees from Kuwait and Iraq following Iraq's invasion of Kuwait on August 2, 1990. In addition to the immediate emergency caused by evacuees, the Persian Gulf crisis will have a long term impact on ICRC activities in the region.

Persons in detention in Israel, Lebanon, and North Africa are also assisted by the ICRC, which also provides tracing services, monitoring the whereabouts of prisoners and facilitating communication of detainees with their families. In the Israeli-occupied territories, the ICRC provides critical protection for the Palestinians under occupation, and carries out emergency medical services, including transporting the injured and ill to hospitals.

The FY 1992 request includes $3,000,000 for a U.S. response to the ICRC appeal for the Middle East and North Africa.

PVO/Special Projects, $1,500,000

Funds in this category are primarily for PVOs which operate important relief projects for Afghan refugees in Pakistan which are an important part of the UNHCR-coordinated care and maintenance and/or repatriation efforts.

MIGRATION AND REFUGEE ASSISTANCE

United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), $63,500,000

UNRWA is mandated by the United Nations to assist Palestinian refugees in Jordan, Syria, Lebanon, the Gaza Strip, and the West Bank. Over 2 million refugees are registered with UNRWA which provides education, vocational training, relief services and medical assistance. UNRWA schools and training centers are the leading factor in helping Palestinian refugees become economically self-reliant. Since UNRWA began operations in 1950, the United States has been a major contributor and supporter of UNRWA programs which help provide some stability in the lives of the Palestinian refugee population in the region and contribute to a climate conducive to a peaceful resolution of the Arab-Israeli conflict.

The uprising in the Occupied Territories has made a significant impact on UNRWA programs in Gaza and the West Bank and has resulted in increased needs for medical facilities and equipment, as well as for additional staff. The situation in Lebanon also requires additional funds to meet special needs brought about by the civil strife, such as rebuilding damaged and destroyed schools by the fighting.

MIGRATION AND REFUGEE ASSISTANCE

Assistance Programs in the Western Hemisphere

(dollars in thousands)

1990 Enacted	1991 Estimate	1992 Request	Inc./Dec.(-)
$8,000	$9,830	$4,000	-$5,830

The Department is requesting $4,000,000 in FY 1992 for the Western Hemisphere assistance program, a decrease of $5,830,000 from the FY 1991 estimate. This lower level of funding reflects expectations of a much improved situation in Central America and the completion of the voluntary repatriation of the great majority of refugees throughout the region.

The primary focus of activities remains in the countries of Central America. Of the 135,000 refugees assisted by the UNHCR throughout the region in 1991, most are expected to have returned to their homelands, with the main exception of the some 40,000 Guatemalan refugees in Mexico. In countries outside of Central America, the UNHCR carries out its mandated protection function and provides small-scale assistance programs for some 6,000 refugees. Internal problems in Peru (guerrilla insurrection) and Colombia (drug-related violence) could lead to refugee outflows from those countries.

Within the total request for the region, the Department may fund, as appropriate, activities of voluntary agencies which supplement the assistance efforts of the international organizations.

United Nations High Commissioner for Refugees, $2,000,000

The UNHCR budget for care, maintenance, repatriation and local settlement of refugees (including a share of the overall allocations account) in the Western Hemisphere, primarily in Central America, is expected to decrease substantially in FY 1992 from its $37,000,000 level in FY 1990 and $26,300,000 in 1991. The first half of 1990 was crucial for the Central American peace process as the election of a democratic and market economy-oriented Nicaraguan government created conditions propitious for large scale repatriation of Nicaraguan refugees. While conditions in Nicaragua were still fluid at mid year, repatriation was increasing and there were strong indications that the great majority of Nicaraguans would return home over the next six to eighteen months. At the same time, the remaining 2,500 Salvadoran refugees in Honduras were expressing their intent to return to El Salvador by year's end. If the refugee situation in the region continues to follow its present course, Guatemalans in Mexico, who give no indication of returning to their country without additional security and land guarantees, will be the only large refugee population left in Central America by the beginning of FY 1992. These funds, however, would not be sufficient to accommodate any reversal or stagnation of the positive developments in the region which could halt repatriations and even stimulate new refugee outflows.

MIGRATION AND REFUGEE ASSISTANCE

International Committee of the Red Cross, $2,000,000

These funds will be contributed to the ICRC's Latin American Emergency Appeal which includes assistance programs in Central and South America. ICRC continues to carry out programs in conflicted areas in the region such as prison visits, tracing and assistance to displaced persons, and repatriating refugees. The ICRC has been particularly active during conflict in El Salvador and is one of the only agencies able to do so. The ICRC emergency appeals for the region exceeded $23,500,000 in 1991 and is estimated to be at least as high in 1992. With large numbers of repatriates requiring continued material and protective services of the kind that ICRC is so well equipped to provide, its mission is likely to expand.

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MIGRATION AND REFUGEE ASSISTANCE

FY 1992

Refugee Admissions
(dollars in thousands)

1990 Enacted	1991 Estimate	1992 Request	Inc./Dec.(-)
$210,676	$205,220	$192,330	-$12,890

The Department of State is requesting $192,330,000 for its Admissions Program for FY 1992, a decrease of $12,890,000 from the FY 1991 estimate. This decrease reflects the achievement of greater efficiences in processing and transportation activities, in particular in the use of prepaid and self-paid tickets for refugee transportation.

The FY 1992 budget request funds an average level of 120,000 admissions. Although a specific number is necessary to calculate estimated costs, the regional allocations will be determined by the President following the annual consultations process with Congress later in the fiscal year. In this request we have assumed regional allocations similar to those in FY 1991. The specific regional ceilings established in the consultations process will be based on an assessment of the worldwide refugee situation at that time. The request also funds all related admissions support activities. FY 1992 funds also are requested for the processing and transportation of certain immigrants.

For 99 percent of the world's refugees, the safe return to their home countries or establishing new lives in first asylum countries is the preferred solution to resettling in the United States or another third country. While resettlement is not appropriate or an option for most refugees, for some it remains the only viable option available.

The U.S. refugee admissions program aims to provide resettlement opportunities to selected individuals for whom these other options are not possible and/or who have special ties to the United States. The program is consistent with the United States' long-standing commitment to humanitarian principles; it supports individuals who are victims of persecution and who have no recourse other than to search for new homes and new lives in foreign lands. For those whom we resettle in the United States, the admissions program offers a chance to rebuild their lives free of political, racial, ethnic, and religious persecution. For some, resettling in third countries other than the United States is preferred because of close ties the refugees have with those countries. The United States encourages multilateral participation in the resettlement effort.

MIGRATION AND REFUGEE ASSISTANCE

FY 1990 actual admissions and established ceilings for FY 1991 are shown below:

Refugee Admissions Levels

Geographic Region	FY 1990 Actual	FY 1991 Ceiling
East Asia	51,611	52,000
Eastern Europe	6,196	5,000
Soviet Union	50,716*	50,000
Near East/South Asia	4,991	6,000
Western Hemisphere	2,309	3,100
Africa	3,493	4,900
TOTAL	119,316**	121,000

* About 7,800 of the Soviet admissions were privately funded.

** An additional 3,003 refugees (primarily Cubans) were admitted under the Presidential Determination ceiling for private sector initiatives.

East Asia

In light of the unpredictability of first asylum needs and the rapid expansion of the Orderly Departure Program (ODP), the East Asia admissions numbers were combined in FY 1991 and remain so in FY 1992. A combined ceiling allows flexibility to adjust to these uncertainties. The admissions numbers for East Asia are for refugees and Amerasian immigrants and their qualifying family members.

East Asia/First Asylum

Since 1975, Vietnamese, Lao, and Cambodian nationals have sought asylum in neighboring countries and almost 890,000 of these refugees have been admitted to the United States; about 756,000 have been admitted to other countries. The June 1989 International Conference on Indochinese Refugees reaffirmed the commitment of the international community to offer temporary refugee to asylum seekers and created new procedures to address the ongoing outflows from Vietnam. The Comprehensive Plan of Action (CPA) adopted by the Conference reaffirms the principal of offering first asylum, provides for a system of status determination for asylum seekers, calls for expanding ODP as an alternative to clandestine departures from Vietnam, and endorses a UNHCR program for repatriation of non-refugees to Vietnam.

We estimate that, at the beginning of FY 1992, there will be a Vietnamese population of about 95,000 in first asylum camps in Southeast Asia and Hong Kong, with another 15,000 arrivals projected during the year. Under the CPA, new arrivals are screened for refugee status and only those who qualify are eligible for third country resettlement. The United States has committed itself to resettle up to 50 percent of such persons. This policy underscores to first asylum countries our continuing commitment to resolving the problem

of Indochinese asylum seekers. In FY 1992 there will also be a small number of admissions devoted to completing the resettlement of the remaining "longstayers" under the CPA, i.e., those who arrived before specified cutoff dates (March 1989 in ASEAN countries; June 1988 in Hong Kong).

East Asia/Orderly Departure Program/Amerasians

The United States strongly supports ODP, which was inaugurated in 1979 by the UNHCR and Vietnam with several participating countries to provide a safe and humane alternative to Vietnamese who might otherwise attempt to depart Vietnam clandestinely by land or sea. Immigration, which is a large component of this program, will be expanded significantly during FY 1991.

Since 1979, the existence of this alternative has been regarded as an important factor in reducing the number of Vietnamese arrivals in countries of first asylum, as well as in reducing the suffering and death of many who would have become boat people. The United States has resettled more than 66,000 refugees and about 46,000 immigrants/parolees through the ODP. Expansion of the ODP, as a preferred way to allow emigration from Vietnam, is a key element of the CPA.

ODP admissions to the United States consist of persons of particular humanitarian concern because of their close ties with the United States; including: former U.S. Government employees, reeducation center detainees -- a program begun in 1989 -- and Amerasians. The Amerasian program is expected to be largely completed by the end of FY 1992, while the resettlement of former re-education center detainees will take several years.

Section 584 of the FY 1988 Continuing Resolution authorized Vietnamese-Amerasians to be admitted to the United States as immigrants eligible for refugee benefits through September 1990. The FY 1991 Foreign Assistance Appropriations Bill (P.L. 101-513) removed the expiration date for the admission of Amerasians and qualifying family members. By the end of FY 1990, over 26,000 Amerasians and qualifying family members will have been admitted to the United States since fiscal year 1988. The admissions numbers for the East Asia region for which funding is requested in FY 1992 foresee a continuation of the Amerasian program at roughly current levels.

In summary, under all components of the Orderly Departure Program, admissions to the United States totaled almost 138,000 persons at the end of FY 1990.

ODP Immigrants

The United States will continue vigorously to encourage greater use of immigration channels rather than refugee admissions, wherever possible, to achieve family reunification. Individuals may use the immigrant channel for admission to the United States if family members already resettled in the United States have attained a status (permanent resident or citizen, depending on the relationship) which permits them to file immigrant visa petitions. The maximum number of preference immigrants permitted under the per country ceiling established by the Immigration Act of 1990 is approximately 25,000 per year, and there may be an unlimited number of immediate relatives.

MIGRATION AND REFUGEE ASSISTANCE

Eastern Europe

The FY 1992 number will allow for the admission of first asylum Romanians, Bulgarians, and Albanians, as well as Visas 93 beneficiaries (spouses and unmarried children under 21 of persons who have been admitted to the United States as refugees) of any nationality. The refugee estimate for this region assumes that the democratization process in the other countries of Eastern Europe will continue without major reversals.

Soviet Union

The estimated FY 1992 budget request will support about the same level of admissions from the Soviet Union as in the 1991 Presidential Determination. These will be almost entirely from those persons specified in the Lautenberg-Morrison Amendment as of special interest to the United States. These include Jews, Evangelical Christians, members of the Ukranian Catholic Church and members of the Ukranian Orthodox Church. In FY 1992 all Soviet refugee processing will continue to be done in Moscow with the support of the Washington Processing Center.

Near East and South Asia

A continued downturn in Iranian applications/admissions is projected. Although Afghan refugees with ties to the United States will continue to request U.S. resettlement, we expect repatriation to Afghanistan to be well underway by FY 1992. Qualified cases from other countries, such as Iraq (including Kurds), will also be considered within the admissions level determined for this region.

Western Hemisphere

The budget request primarily supports the admission of Cubans from this region. In addition, the United States will continue to process for permanent resettlement a small number of eligible refugees from other Latin American and Caribbean countries for whom repatriation or resettlement in place is not possible.

Africa

Many African refugees are able to settle and integrate into their countries of asylum and many others eventually return to their homes. Over the years relatively few have sought resettlement outside of Africa. However, resettlement outside the region remains necessary for a number of refugees, particularly those in life-threatening situations, or for urban refugees unable to resettle in their countries of first asylum. Our resettlement of Africans is projected to increase significantly in FY 1991 in response to these needs. Ethiopian refugees in Sudan, in other countries of the Horn of Africa, and in Europe are expected to remain the single largest group in need of resettlement outside of Africa. Refugee admissions from other African countries, however, may increase as conditions in this continent change.

MIGRATION AND REFUGEE ASSISTANCE

Summary of Costs

The total cost of all admissions activities in FY 1992 is estimated at $192,330,000. Most of the requested funds (over 90 percent) are directly related to costs incurred on behalf of refugees whose actual admission will occur in FY 1992. Some of the expenses incurred, however, are attributable to activities on behalf of refugees whose admission dates fall in the following fiscal year because of the effect of the processing pipeline.

After a refugee is approved by the Immigration and Naturalization Service (INS) for the United States refugee admissions program, the refugee receives a medical examination, sponsorship in the United States is assured, travel arrangements are prepared, and all other steps necessary for admission to the United States are completed. Most transportation costs and the reception and placement grant costs are incurred when the refugee departs the asylum country for resettlement in the United States. Funds also are used to support all ongoing activities related to admissions, such as pre-screening of refugee applicants, processing of applicant case files, and training and orientation programs.

All program areas connected with admitting refugees to the United States are described in detail below. Activities and travel related to any necessary monitoring and evaluation of these programs may be funded from within these amounts.

Amerasian Admissions Costs

Within the total $192,330,000 admissions request, sufficient funds have been included to cover the admissions costs of Amerasian immigrants and their qualifying family members. These funds are included within the Processing, Transportation, Reception and Placement, and Training and Orientation category requests that follow, but are not separately identified by activity.

Processing, $19,297,000

In FY 1992, the Department requests $19,297,000 for refugee processing activities. The Department of State enters into cooperative agreements with private voluntary agencies to assist with processing refugees to be resettled in the United States. The voluntary agencies typically process cases of many more persons than will actually be admitted to the United States as refugees; indeed, one of the voluntary agencies' responsibilities is to initially screen all applicants to assess their eligibility for the U.S. refugee program and to identify those who may be eligible for immigrant visas.

Voluntary Agencies (VOLAGS) process U.S. bound refugees in East Asia, Europe, Sudan, Kenya, and Pakistan. The Department also requests funds for administrative services related to ODP in Vietnam as a direct processing cost. Funding for VOLAG processing and ODP administrative services is estimated to be $16,731,300 in FY 1992.

MIGRATION AND REFUGEE ASSISTANCE

In addition to overseas processing operations, the Department funds certain services performed in the United States which are essential to the smooth and efficient operation of the admissions process. These include maintaining a data management center, operating a case allocation and reception and placement grant verification system and other research services. The FY 1992 cost estimate for these domestic operations is $2,565,700.

Transportation, $87,473,000

In FY 1992, the Department requests $87,473,000 for transportation, medical examinations, processing and related services provided by the International Organization for Migration (IOM).

The Department of State funds the transportation of refugees resettled in the United States through a program administered by IOM. Funds provided for transportation loans and related services cover most refugees resettled in the United States. These services in some regions include medical screening and treatment as well as documentation. Amerasian immigrants entering under the provisions of Section 584 of the FY 1988 Continuing Resolution receive services provided to refugees. Other immigrants enter the United States on privately prepaid tickets.

This activity includes funding for international and domestic airfares, IOM processing, medical screening, communications, documentation, and transit accommodations where required. The cost of the airfares (over 80% of this total) is usually provided for refugees in the form of a loan; loan beneficiaries are responsible for repaying a designated sum over time after resettlement. Therefore, funding for refugee transportation, in any given year, is partially offset by loan repayments from the refugees previously resettled. For FY 1992, the Department projects anticipated net loan repayments of about $12,500,000. In FY 1991, the Department introduced prepaid and self-paid ticket arrangements in the Soviet program as alternatives to the loan. These measures, and similar efficiencies in transportation and processing in East Asia, have allowed us to reduce our transportation budget request for FY 1992.

Reception and Placement, $70,560,000

In FY 1992 the Department requests $70,560,000 to fund the Reception and Placement (R&P) program. The Department projects maintaining the per capita funding level of $588, the same as that in the FY 1991 estimate.

The Department administers this program through cooperative agreements with private voluntary agencies. Recognizing the importance of private cash and in-kind contributions to the success of this program, the Department contributes (on a per capita basis for each refugee assisted) towards the cost of providing reception and placement services, but does not cover all expenses incurred by the agencies.

MIGRATION AND REFUGEE ASSISTANCE

Through the Reception and Placement program private voluntary organizations provide basic services to refugees for initial resettlement in the United States. These services include pre-arrival planning, reception at the airport, initial housing, food, orientation to their communities, and counseling and referral.

Within the overall program level of $70,560,000, the Department may fund different resettlement services for groups of refugees with special resettlement needs. For example, the Department funds separate cooperative agreements for reception and placement services for unaccompanied minors destined for foster care programs.

The Department coordinates its reception and placement services with the refugee assistance programs administered by the Office of Refugee Resettlement in the Department of Health and Human Services (HHS/ORR). Both requests are based on 120,000 funded refugee admissions in FY 1992.

Training and Orientation, $15,000,000

In FY 1992, the Department requests $15,000,000 for overseas refugee English language training and cultural orientation programs. Refugees leaving their home countries for resettlement in a vastly different country face a difficult transition. A new language, different traditions and customs, and a new way of life must be learned. Preparation for resettlement eases the transition and helps to ensure successful adaptation.

Pre-entry training programs focus on the most important skills refugees need immediately upon arrival in this country: some proficiency in the English language and some knowledge of the basic facts of American life and culture. In addition, training programs help refugees develop more realistic expectations of the resettlement process and life in the United States.

Overseas programs are tailored to meet the needs of each refugee group. The largest program is conducted in East Asia at the Refugee Processing Centers in Thailand and the Philippines. The major focus of this program is English language training and cultural orientation for all eligible refugees plus work orientation for refugees in an employable age group. It also includes special programs for a significant percentage of the elementary and secondary school-age population to prepare them for entry into the U.S. public school system. The young adult component addresses the unique needs of refugees ages 17 to 22.

This request also includes funding for the cultural orientation program in Africa and other places where required.

MIGRATION AND REFUGEE ASSISTANCE

FY 1992

Other Activities
(dollars in thousands)

1990 Enacted	1991 Estimate	1992 Request	Inc./Dec.(-)
$40,929	$59,570	$54,533	-$5,037

The Department's request for other activities in FY 1992 is $54,533,000, a decrease of $5,037,000 from the FY 1991 estimated level. This request includes funding for the International Committee of the Red Cross, the International Organization for Migration, and the Refugees to Israel program, described below. Within the total request for other activities, the Department may fund, as appropriate, activities of international organizations or private voluntary organizations which address multi-regional problems or other aspects of international migration.

Refugees to Israel
(dollars in thousands)

1990 Enacted	1991 Estimate	1992 Request	Inc./Dec.(-)
$29,893	$45,000	$40,000	-$5,000

For FY 1992, the Department is requesting $40,000,000, a decrease of $5,000,000 from the FY 1991 estimate.

This program is administered through a grant to the United Israel Appeal (UIA). The U.S. contribution helps finance the programs of the Jewish Agency for Israel (JAI) to assist Jewish refugees from all regions resettling in Israel. The surge in the number of Soviet immigrants (184,493 in CY 1990) with arrivals expected to increase during the period of FY 1992 is placing a heavy burden on the Jewish Agency and Israeli government resources. The U.S. grant has historically represented a small percentage of overall costs of resettling refugees in Israel and the dollar amount in any given year is not directly linked to the number of new arrivals. Most of the funds supporting this effort are from private philanthropic sources. Nearly one million Soviet Jews are now registered for immigration to Israel. The FY 1992 request includes $40,000,000 as a contribution to UIA to help Israel bear the costs of absorbing these refugees.

MIGRATION AND REFUGEE ASSISTANCE

Other International Organizations

(dollars in thousands)

1990 Enacted	1991 Estimate	1992 Request	Inc./Dec.(-)
$11,036	$14,570	$14,533	-$37

For FY 1992, the Department is requesting $14,533,000, a decrease of $37,000 from the FY 1991 estimate.

In FY 1992 the Department requests funding of $14,533,000 for the following organizations: $7,200,000 for the assessed and voluntary U.S. contributions to the International Organization for Migration (IOM), and $7,333,000 to support the headquarters budget of the International Committee of the Red Cross (ICRC). The IOM assessment and the ICRC contribution are paid in Swiss francs and the dollar amounts will vary according to the exchange rate at the time of payment.

Of the total of $7,200,000 requested for IOM, an estimated $6,200,000 will be required for payment of the U.S. assessment to the administrative budget and $1,000,000 for a voluntary contribution to the operational budget.

A large part of the success of international migration and refugee resettlement programs worldwide, including the U.S. refugee admissions program, is due to the services and expertise IOM provides. On non-refugee resettlement programs, IOM's extraordinary performance in the movement of persons fleeing Iraq and Kuwait is a singular example of its importance to the U.S. in critical situations. The performance of these vital services requires a permanent administrative structure at headquarters as well as in certain key countries, which is funded through assessments to members. The United States is assessed at 33 1/3%.

IOM also administers programs which depend entirely for support on the voluntary contributions of its members and other donors--governments, non-governmental bodies and private persons. These programs include such activities as transfers of qualified human resources to and within Latin America, technical cooperation in training, and research and planning for migration policy and legislation. These programs assume greater importance as the international community wrestles with increasingly complex issues of East-West and South-North migration.

The request of $7,333,000 for the ICRC headquarters budget is an increase of $33,000 from the FY 1991 estimate. The headquarters budget covers the permanent activities carried out by the ICRC staff at the Geneva headquarters only; all field-related costs are attributed to the Regional Appeals. The ICRC headquarters budget is funded through voluntary contributions by governments and national societies of the Red Cross; the Swiss Government has usually funded about half of the total appeal.

Contributions to ICRC's special appeals are described under the previous regional sections.

MIGRATION AND REFUGEE ASSISTANCE

FY 1992

Administrative Expenses
(dollars in thousands)

1990 Enacted		1991 Estimate		1992 Request		Inc./Dec. (-)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
107	$8,215	107	$8,528	107	$10,294	--	$1,766

The Department requests $10,294,000 to finance the salaries and operating costs associated with a staff of 107 permanent positions (the same as last year) in Washington and overseas for the Bureau for Refugee Programs (RP). This represents an increase of $1,766,000 above the FY 1991 estimate which provides for:

-- funds to cover wage and price increases;

-- an increase in travel funds, recommended by the Inspector General, in particular for monitoring more frequently overseas refugee assistance programs, domestic resettlement programs and ODP processing activities; and

-- needed system improvements -- a tempest VS-8000 series computer to enable the Bureau to interface with the Department's networks (e.g., the Foreign Affairs Information System)

MIGRATION AND REFUGEE ASSISTANCE

FY 1992

Requirements by Object Class
(dollars in thousands)

Object Class	1990 Enacted	1991 Estimate	1992 Program Changes	1992 Request
Personnel compensation	$5,009	$5,367	$325	$5,692
Personnel benefits	1,103	1,204	106	1,310
Travel & transportation of persons	382	465	71	536
Rents, communications and utilities	619	580	210	790
Printing/reproduction	27	19	1	20
Other services	783	696	340	1,036
Supplies and materials	79	70	26	96
Personal property	213	127	687	814
Grants, subsidies and contributions	420,258	477,120	3,143	480,263
APPROPRIATION TOTAL	428,473 1/	485,648	4,909	490,557

1/ Includes FY 1990 supplemental appropriation of $75,000,000 but excludes FY 1989 supplemental appropriation carryover of $21,272,645 and transfer to HHS of $14,936,000.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

FY 1992

SUMMARY STATEMENT

(dollars in thousands)

1990 Actual		1991 Enacted		1992 Request		Inc./Dec.(-)	
Positions	Funds	Positions	Funds	Positions	Funds	Positions	Funds
--	$84,785	--	$35,000	--	$20,000	--	-$15,000

The Emergency Refugee and Migration Assistance Fund (ERMA) is a no-year appropriation, drawn upon by the President to meet "unexpected urgent refugee and migration needs" whenever he determines that it is "important to the national interest" to do so. The Migration and Refugee Assistance Act of 1962, as amended, which authorizes the account, provides for permanent authorization of up to $50,000,000. The Department requests authorization for drawdowns when unanticipated circumstances require immediate financial support.

Included in the remaining balance of $24,703,000 in the Emergency Fund is a FY 1990 supplemental appropriation of $10 million. The FY 1991 appropriation in the amount of $35,000,000 made available a total of $59,703,000 for FY 1991.

The Department requests replenishment of the Emergency Refugee and Migration Assistance Fund in FY 1992 in the amount of $20,000,000.

Drawdowns from the Emergency Fund in FY 1990 provided urgent assistance in response to the unexpected refugee and migration needs as follows:

Progam Activities

East Asia, $13,000,000

The President authorized the use of $10,000,000 from the Emergency Fund to provide a U.S. contribution toward the urgent requirement for funds to enable the United Nations High Commissioner for Refugees (UNHCR) to implement the Comprehensive Plan of Action in FY 1990. In addition, the United Nations Border Relief Operation (UNBRO) received $3,000,000 in emergency funds in response to an urgent appeal for additional food, shelter and health care in camps along the Thai-Cambodian border, owing in part to an increase in population.

Africa, $26,500,000

Urgent and unforeseen needs in Africa required U.S. contributions totalling $20,500,000 for UNHCR. The funds provided an initial U.S. response to a major new emergency in Liberia and urgent assistance for refugees and conflict victims throughout the continent. Special appeals prompted contributions totalling $5,000,000 to the International Committee of the Red Cross (ICRC) for refugees and conflict victims in the Horn of Africa, Liberia and Ethiopia. $1,000,000 was provided to assist Liborian refugees through the League of Red Cross and Red Crescent Societies.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

Near East/South Asia, $20,500,000

In addition, the President authorized the use of the Emergency Fund in FY 1990 for contributions as follows: $7,000,000 to the United Nations Relief and Works Agency (UNRWA) for Palestinian refugees in the West Bank and Gaza; $3,500,000 to ICRC for Afghans, conflict victims in the Occupied Territories and Lebanon, and Sri Lankans; $10,000,000 for victims of the Persian Gulf Crisis -- $7,500 000 to the International Organization for Migration (IOM) and $2,500,000 to support other international and private voluntary organization relief efforts in the region.

Western Hemisphere, $300,000

A U.S. contribution in the amount of $300,000 responded to ICRC's urgent needs in El Salvador and Panama.

Outyear Estimates

In accordance with Section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, outyear estimates for the Emergency Refugee and Migration Assistance Fund are provided as follows: 1993, $20,000,000; 1994, $20,000,000 and 1995, $20,000,000.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

OBJECT CLASS REQUIREMENTS
(dollars in thousands)

Object class	1990 Actual	1991 Enacted	1992 Program Changes	1992 Request
4100 Grants, Subsidies And Contributions.....	$84,785	$35,000	-$15,000	$20,000
Total, Budget Unit	84,785	35,000	-15,000	20,000

United States Department of State

International Narcotics Control Foreign Assistance Appropriation Act

Fiscal Year 1992 Budget Congressional Submission

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BUREAU OF INTERNATIONAL NARCOTICS MATTERS

FY 1992 CONGRESSIONAL SUBMISSION

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INTERNATIONAL NARCOTICS MATTERS

FY 1992
PROGRAM OVERVIEW

I. Summary

The President's first National Drug Control Strategy in September 1989 established as a ten-year international objective a 50 percent reduction in the amounts of cocaine, heroin, marijuana and dangerous drugs entering the U.S. The second National Strategy of January 1990 listed the following as elements of the international strategy:

- Increased economic, military and law enforcement assistance (based on counternarcotics performance) to Colombia, Peru and Bolivia;
- Expanded cooperation with Mexico to reduce drug production, control money laundering, interdict drug trafficking, and develop demand reduction programs;
- Increased support for law enforcement programs in South American producer and transit countries, particularly Ecuador, Venezuela, and Brazil;
- Continued cooperative law enforcement and intelligence programs with Central American and Caribbean nations;
- Development and implementation of an international strategy focused on opium and heroin;
- Broadened domestic and foreign efforts to counter international drug money laundering activities;
- Expanded efforts to reduce the illegal manufacture and shipment of chemicals essential to illicit drug production; and
- Promotion of international law enforcement cooperation through mutual legal assistance treaties and the pursuit of anti-drug initiatives at international fora.

The third Strategy, in January 1991, aims to sustain the political commitment of drug producer and transit countries to strengthen their laws, legal institutions, and programs to prosecute, punish, and where appropriate, extradite drug traffickers and money launderers. It seeks to increase the effectiveness of law enforcement and security agencies of drug source and transit countries to enable them to take effective action against drug trafficking organizations.

The strategies charge the State Department to lead in developing plans to achieve the objectives, and call for a broad range of initiatives by the Department's Bureau of International Narcotics Matters (INM) and other State Department bureaus, as well as the other Federal agencies with counternarcotics responsibilities (e.g. Drug Enforcement Administration, Customs, Justice, Treasury, the Coast Guard, Defense, AID, and the intelligence community).

INM is requesting an FY 1992 budget of $171.5 million for its counternarcotics programs, compared with a base of $150 million in FY 1991. Key elements of this $21.5 million augmentation include:

- $4.35 million for aviation support, largely to sustain additional helicopters for Andean country programs;
- $7.7 million for new initiatives in Mexico, mainly to support additional helicopters the U.S. has proposed for Mexico as part of a Northern Border Response Force;
- $5.6 million for initiatives in cocaine transit countries of South America, Central American and the Caribbean; and
- $3.75 million for initiatives in heroin producing and transit countries of Asia, the Middle East and Africa.

II. Background on Authorities

The President delegated to the Secretary of State by executive order responsibility for international narcotics control under Section 481 of the Foreign Assistance Act. The Secretary further delegated this responsibility to the Assistant Secretary of State for International Narcotics Matters by Authority No. 145, dated February 4, 1980. Because narcotics control is a matter of government responsibility under international treaties, it is consistent with U.S. Government policy to assign responsibility for international narcotics control matters to the Department of State.

The need to stem the flow of illegal drugs into the U.S., halt growth of drug abuse, minimize the power and corruptive influence of international trafficking organizations, and preserve and foster positive bilateral relations among and between the producing and consuming countries make international narcotics control a major foreign policy issue. Once considered a problem only for countries with massive demand, drugs affect producing, transit and consuming countries alike. No nation is insulated from the destabilizing force of illicit narcotics and dangerous drugs.

The primary objective of INM programs is to motivate and assist the political leadership in producing and transit countries to reduce cultivation, processing, trafficking, and abuse of illicit substances within and across their borders. This is accomplished by activities which:

- Develop international policy initiatives;
- Coordinate international programs with governmental and international agencies outside the U.S.;
- Influence key foreign decision-makers through diplomacy;
- Raise public awareness abroad of drug abuse as a global problem;
- Provide bilateral and multilateral assistance for drug crop control,

interdiction and related law enforcement activities to disrupt traffickers in producing and transiting nations;

- Provide narcotics-related security and economic assistance;
- Provide technical assistance and resources for demand reduction; and
- Train foreign personnel in narcotics control procedures.

INM has established Narcotics Affairs Sections (NAS's) at fourteen U.S. embassies in major producing and transit countries to coordinate narcotics matters and manage programs that support host country narcotics efforts. Designated narcotics control officers, generally working out of the economic or political sections, manage smaller programs at embassies in some 25 other producing or transit countries.

III. Current Situation

Cocaine and heroin production continue at high levels in several areas of the world, fueled by political instability in key growing areas such as Peru, Bolivia, Burma, and Afghanistan. Drug traffickers have successfully sought and found new markets for narcotics, resulting in the creation of addict populations in countries previously thought unaffected by narcotics production and trafficking. The urgency of the drug situation in the United States and the global expansion of drug abuse necessitate action to reduce the worldwide supply of and demand for illicit substances.

The epidemic of crack cocaine in the United States requires strengthening programs which seek to to curtail cultivation of coca and production of cocaine as close to the source as possible. The United States is not alone in experiencing the effects of expanded cocaine production. Latin American and Caribbean countries must cope with increasing violence, rising addiction, increased political influence by traffickers, and rising economic dependence on narco-dollars.

The first two years of the Bush Administration have produced solid achievements in the war against drugs. In 1990 authorities seized record quantities of cocaine in Colombia or en route to southern U.S. points of entry, and captured, jailed or extradited to the U.S. major cocaine traffickers. The Colombian government sustained its vigorous attack against the cocaine cartels, seizing over 53 metric tons of cocaine and cocaine base in 1990 compared with 37 metric tons in 1989.

At the 1990 Andean Summit in Cartagena, Colombia, the three Andean presidents and President Bush committed their countries to comprehensive, coordinated efforts to eliminate drug supplies and demand. Summit decisions are expected to lead to less cocaine production and trafficking, reduced flow of essential precursor chemicals and illegal arms to Latin America, and decreased U.S. demand for drugs.

By mid-1990, there was evidence that the year-long campaign of pressure against Colombian traffickers, along with interdiction operations in Bolivia

and Peru, had depressed coca prices, reinvigorating the Bolivian eradication program. Coca leaf prices also dropped in Peru, but fewer legitimate alternatives available to coca farmers in the Upper Huallaga Valley complicate efforts to convince farmers to abandon coca. Mirroring the depressed coca prices, U.S. wholesale cocaine prices increased in 1990. Given recent decreases in reported cocaine usage in some sectors of American society and in emergency room admissions involving cocaine, these developments in the Andes are encouraging.

The greatest enforcement successes of the Colombian security forces have resulted from their new capabilities to execute complex multi-service operations. In May 1990 the Colombian Army, assisted by the Colombian Air Force, conducted a series of raids at a transshipment site in Meta Department called *La Petrolera*, seizing 20 metric tons of cocaine. This was the largest seizure ever in a single operation in Colombia. Overall cocaine seizures in Colombia reached record levels in 1990, exceeding 53 metric tons.

Mexico and the U.S. continue to cooperate closely on cocaine interdiction. Largely the result of the leadership of President Carlos Salinas de Gortari, working relations between the U.S. and Mexico have improved, and we expect cooperation to expand in the coming year. In April 1990, Mexico hosted the OAS Ministerial Meeting, working closely with the U.S. and other delegations to make the resulting "Declaration and Program of Action of Ixtapa" a strong, action-oriented document. Despite economic problems, Mexico's funding of the counternarcotics campaign continues to increase. Mexico reported eradicating over 4,650 hectares of opium and over 6,700 hectares of marijuana in 1990.

There also have been successes in other areas. The Houston Summit endorsed the Financial Action Task Force on money laundering and moved to create a task force on controlling the flow of precursor chemicals. The European Community approved cooperation with the U.S. in a two-tiered consultative system. There were also openings for meaningful narcotics cooperation with Panama, Laos, and the USSR.

The Peruvian and U.S. governments have completed the Santa Lucia counternarcotics base in the Upper Huallaga Valley, and have generated seizures and lab destruction exceeding those of the previous two years. Nevertheless, the Peruvian government's inability to implement a comprehensive narcotics strategy, weed out narcotics corruption in the military and police, or stem the influence of the Shining Path insurgents in the narcotics trade has raised concerns within the administration that Peru needs to do significantly more to combat drugs.

On the managerial side, during the past year INM increased its personnel in Washington by over 40 percent and restructured its organization. The restructuring provided more focused attention on key issues through creation of a new Office of Transnational Issues, a Policy, Planning and Evaluation Staff, and an Aviation Support Branch soon to be relocated to Patrick Air Force Base in Florida. Moreover, the bureau received approval to employ on detail up to 30 active duty military officers to help manage its aviation program.

INM has worked closely with the Department of Defense and other

bureaus in the State Department to coordinate the new counternarcotics security assistance authorities, both under the Foreign Military Financing (FMF) and Section 506(a) (special drawdown authority of Defense articles) programs, and with AID to plan the Andean counternarcotics economic assistance programs which are scheduled to begin in FY 1991. Other management improvements include improved training, more consistent end use monitoring procedures, and standardized training and procedures for narcotics control managers to minimize the potential for waste, fraud, and abuse.

IV. The Strategies and 1992 Programs

The Department's FY 1992 efforts are guided by the three National Drug Control Strategies, which declared that the scourge of drugs is a threat to our national security. The major focus of INM's efforts has been on cocaine, but there is a continuing concern about heroin, as well as the emergence of synthetics. To deal with these threats, the National Strategy has called for the creation of a series of substrategies:

A. An **Andean Strategy** to eliminate cocaine at its source in Colombia, Peru and Bolivia;

B. A **Potential Source and Transit Strategy** which looks at the surrounding and transit countries of South America, Central America and the Caribbean;

C. A **Mexican Strategy** which covers both the production of opium and marijuana and the transit of cocaine; and

D. A **Heroin Strategy** which focuses on the production and transit countries of Asia and Africa.

A. The Andean Strategy

The Cartagena Summit in February 1990 served as a watershed for USG efforts to target both the supply of and demand for narcotics. The Declaration of Cartagena, signed by the presidents of Bolivia, Colombia, Peru and the U.S., recognized that effective disruption of the cocaine trade can only occur when the cooperating governments mount a coordinated attack on all aspects of the illicit trade. The Houston Summit of the seven industrialized nations in July 1990 strongly endorsed such a strategy and called for an attack on each of the links in the illicit drug trafficking chain.

To implement the strategy, the USG has melded the resources of all agencies concerned, including the Drug Enforcement Administration, Customs, Coast Guard, Defense, the intelligence agencies, the Agency for International Development, and USIA, to produce a coordinated attack that deals with all aspects of a very complex problem. This effort is closely coordinated with each host government. Programs and resource allocations are tailored to the specific needs of each country, which in turn must energize its resources, including the police and military, to attack and destroy illicit drug production and trafficking within its borders. To balance such narcotics control efforts,

where feasible there are closely coordinated military assistance programs to strengthen security in coca production regions and economic assistance efforts that offset the economic dislocations of successful counternarcotics operations, as well as public awareness activities to reduce demand.

INM is requesting $35.7 million for Bolivia and Colombia in FY 1992. Key programs include destroying cocaine processing and distribution facilities, coca control, pursuing major traffickers, destroying trafficking organizations, border interdiction, and judicial protection. A total of $19 million for Peru has been included in the Latin America Regional account and may be programmed for Peru on condition of a satisfactory counternarcotics program.

B. Potential Source and Transit Countries of the Americas

The transit countries pose an entirely different set of problems from those countries which produce cocaine. While some produce illicit drugs, principal problems are more likely to be movement of drugs by land, air, or sea through their territories, flow of precursor chemicals into producing countries, and laundering illegal drug money. Effective programs in one country frequently lead traffickers to move their business to less diligent neighboring states.

While some have suffered from increasing drug consumption among their own populations, many have a relatively permissive attitude which is reflected in inadequate drug laws, deficient investigatory, prosecutory, and judicial systems, as well as underdeveloped law enforcement and intelligence capabilities. Political instability and widespread corruption are often debilitating factors.

1. South America

The strategy for the surrounding countries of South America puts highest priority on Ecuador, Brazil, and Venezuela as the countries most likely to be affected by the overflow of cocaine from neighboring countries. They all provide trafficking routes for chemicals flowing into the region and drugs flowing out, as well as potential coca growing areas. Money laundering also poses a serious problem as it does elsewhere on the continent.

The Department is requesting $8.5 million in FY 1992 for programs in Brazil, Ecuador and Venezuela. Support for efforts in Argentina, Chile, Paraguay and Uruguay will come from Latin America Regional funds. The principal focus of all programs will be to enhance the law enforcement capabilities of these countries to deal with the transit of cocaine products and precursor chemicals.

2. Caribbean and Central America

The Caribbean and Central America are important primarily as trafficking routes for shipments of cocaine from the north coast of South America. Traffickers move their product by plane and boat toward the United States, refueling or making drops wherever local enforcement is lenient or non-existent. Several countries in the Caribbean and Central America, including

Panama, have harbored major money laundering activities because of historically weak banking laws and traditional roles as offshore financial centers.

The region is a secondary production area for cannabis, although net hectares under cultivation have declined. Producing areas include or have included Jamaica, Guatemala, Belize and Guyana. Despite a good aerial eradication program, opium production in Guatemala has proved difficult to restrict because of the year-round growing season and the willingness of traffickers to refinance eradicated crops.

INM is seeking $2.7 million in FY 1992 for specific country programs in the Bahamas and Jamaica. Other countries in the area will receive support through the Latin America regional program, with major focus on strengthening their relatively weak law enforcement and judicial systems. Regional customs services, traditionally viewed as excise collectors, will also require support to interdict narcotics more successfully.

At a political level, the USG will encourage cooperative efforts by countries in the region to deal with interdiction problems they would be hard pressed to deal with individually. The USG will also expand long-standing regional anti-narcotics cooperation with the U.K., especially in the Eastern Caribbean and Bahamas-Turks/Calcos regions. INM will seek increased contributions from France and the Netherlands.

C. The Mexican Strategy

Controlling the flow of drugs from and through Mexico is crucial to the success of our National Drug Control strategy for at least three reasons:

- Colombian traffickers have found Mexico to be an exceptionally attractive conduit for smuggling cocaine into the U.S.
- Mexico produced an estimated 62 tons of opium in 1990, competing with Southeast Asia as the leading U.S. heroin supplier; and
- Mexico is the leading foreign marijuana supplier to the U.S.

The 2,062 mile U.S./Mexican border affords countless isolated crossing points ideal for drug smuggling. Ports of entry are vulnerable to exploitation by traffickers who hide illegal drugs amongst the large volume of legitimate commerce entering the U.S. In 1989, 140 million people and 46 million vehicles, including 1.8 million commercial trucks, crossed through Southwest border points.

Since the inauguration of President Carlos Salinas de Gortari in 1988, Mexican drug control efforts have improved significantly. His leadership has ushered in a period of closer cooperation between Mexico and the U.S. Mexico's sensitivity to perceived infringements on its sovereignty, however, may still threaten that cooperation. In spite of strains there has been continuity

in, and in some respects improved results from, joint law enforcement efforts with Mexico. In 1990 the Mexican government seized 46.5 metric tons of cocaine, with intelligence and investigative support by U.S. agencies. Mexico has convicted major traffickers, and in 1989 and 1990 seized traffickers' assets with an estimated value of over $1 billion.

INM is seeking $26 million for Mexico, an increase of $7.7 million over FY 1991. The largest portion of the Mexican program is to maintain the Mexican Attorney General's counternarcotics helicopter fleet. The U.S. continues to fund a contract to procure aircraft parts and provide technical advice and training to Mexican pilots, mechanics and supervisory personnel. The additional funds will support the new Northern Border Response Force, inaugurated in April 1990, which the U.S. plans to assist by providing up to 21 helicopters in FY 1991. This force is undertaking interdiction missions, going beyond the customary programs of opium and marijuana eradication. The INM program will refurbish aircraft, build efficient field support facilities, support the crop destruction verification program, implement a tactical aerial survey program, and assist Mexico to disrupt money laundering.

D. The Heroin Strategy

Heroin ranks second only to cocaine as a drug threat to the U.S. Poor or non-existent relations between the U.S. and many opium producing countries, such as Burma and Afghanistan, as well as political instabilities in these countries, however, make it difficult to establish successful bilateral drug control programs with them. Cooperative programs with neighboring countries, from which we can increase collection and analysis of information on source country production, trafficking routes, transportation systems, money laundering techniques, chemical shipments, and key syndicates and personnel, are therefore more important.

The global nature of the heroin threat will require greater participation by other developed countries using their influence with producers and by the producer and trafficker countries themselves. INM intends to enhance collaboration with Europe, Canada, Japan, Australia and the Soviet Union, as well as work with the UN to develop effective approaches to dealing with the heroin producing countries.

1. East Asia. The "Golden Triangle" countries of Thailand, Burma, and Laos produced an estimated 2,565 metric tons of opium in 1990, the bulk coming from Burma, where political instability and lack of enforcement allow production to exceed mid-1980s levels by large amounts. Given the political situation in Burma, the Department is proceeding cautiously. INM does not intend to resume a bilateral program with Burma in FY 1992, absent a significant change in the political situation.

INM is seeking $7 million for programs in Thailand and Laos for FY 1992, up by $2.5 million from FY 1991. In Thailand the focus is on law enforcement because crop control efforts have proven successful and opium production continues to decline. The law enforcement project will help the Royal Thai Government (RTG) improve police and customs investigative and enforcement capabilities. The crop control project will continue to help the RTG

to further reduce opium poppy cultivation through assistance to farmers who agree not to cultivate poppy or whose poppy crop is eradicated.

The program in Laos will increase to $2 million to fund the third year of a six year income replacement effort in Houaphan Province. The Lao Government has expended its own resources to keep the project moving. Our assistance will encourage continued Lao counternarcotics efforts in law enforcement, income replacement, and education of the producers.

2. **Southwest Asia.** Afghanistan, Pakistan, and Iran continue to comprise the world's second largest source of opium, estimated at 800 to 1,000 metric tons for 1990. Despite unsatisfactory law enforcement action against traffickers and heroin laboratories, the Government of Pakistan (GOP) has enforced the poppy ban in areas it controls. Pakistan has also accepted restrictive poppy clauses which commit the Government to keep USAID project areas free of opium poppy.

The Department is seeking $7.5 million for counternarcotics programs in Pakistan. Crop control and agricultural outreach in the primary growing areas of Bajaur and Mohmand remain crucial to the expansion of the opium poppy ban in Pakistan. The enforcement assistance project provides GOP law enforcement agencies with training, equipment, and operating and technical support. INM also plans to augment funding for anti-drug public awareness and demand reduction activities in Pakistan to heighten public and government concern over internal security threats posed by domestic drug abuse.

The Asia/Africa/Europe regional program request is $2 million for FY 1992. These funds will be used to increase narcotics cooperation in a growing number of African and Asian countries confronted with dramatic increases in trafficking. INM will provide law enforcement materiel and training. In addition, INM plans to expand cooperative programs with the European Economic Community and other industrially developed countries.

V. Other INM Programs for FY 1992

Interregional Aviation Support. To support overseas activities, maintenance and overhaul programs to maintain a high state of aircraft readiness will continue. A complementary effort is planned with various embassy staffs to identify aircraft needs more accurately. Training programs will enhance program standardization and targeting effectiveness. DOD personnel on detail to INM under Participating Agency Support Agreements will play a greater role in managing the aviation program, improving narcotics control efforts overseas.

In FY 1992, the program will need additional funds to maintain, hangar and operate Department-owned aircraft. The Administration has decided that the Department of Defense should make available to the Department of State up to 49 more UH-1H helicopters, to be supported by the interregional aviation program.

Interregional Training/Demand Reduction. The State Department will continue overseas and U.S. training courses and executive observation programs by the Drug Enforcement Administration and the Customs Service for approximately 1,400 foreign officials from a large number of countries. The Department will increase emphasis on other programs as well, including maritime interdiction training and narcotic detector dog training.

The Department's centrally-managed public awareness and demand reduction program contributes to international narcotics control by mobilizing support for narcotics control policies and programs in key producing and transit countries. The projects encourage greater political and public awareness of the link between domestic drug abuse, international drug production and trafficking, and the steps which societies and governments can take to control the drugs. The program also provides technical assistance for drug abuse prevention, treatment and related research to help countries such as Pakistan, Ecuador and Bolivia deal with their domestic drug abuse problems.

International Organizations. The FY 1992 budget will provide $4.6 million for the United Nations drug control program and the Colombo Plan's regional narcotics control activities. Continued funding will demonstrate U.S. commitment to multilateral efforts, particularly under the recently restructured UN drug organization, and support implementation of the European consultative mechanism.

Program Development and Support. This budget provides for Washington-based personnel costs, program development and evaluation, special studies and administrative costs of the bureau. The FY 1992 budget includes funds for technical and administrative support which is not tied to bilateral projects or specific interregional activities.

FY 1992
INTERNATIONAL NARCOTICS CONTROL PROGRAM
FISCAL SUMMARY
($ in thousands)

Country Program	FY 1990 Enacted	FY 1991 Estimate	FY 1992 Request
Latin America			
Bahamas	$ 1,520 2/	$ 1,200	$ 1,200
Bolivia	15,700 1/	15,700	15,700
Brazil	1,900	2,500	3,500
Colombia	20,000 1/	20,000	20,000
Ecuador	1,400	1,500	3,000
Jamaica	1,000	1,400	1,500
Mexico	15,000	18,300	26,000
Peru	10,000	19,000	0 3/
Venezuela	1,000	1,000	2,000
Latin America Regional	4,480	6,000	27,000 3/
Subtotal	72,000	86,600	99,900
East Asia			
Laos	575	500 5/	2,000
Thailand	3,500	4,000	5,000
Subtotal	4,075	4,500	7,000
Southwest Asia			
Pakistan	5,000	7,500	7,500
Turkey	400	350	400
Asia/Africa/Europe Regional	325	800	2,000
Subtotal	5,725	8,650	9,900
Interregional Aviation Support	32,700	33,450	37,800
Total Country Programs	114,500	133,200	154,600
International Organizations	3,100	4,800	4,600
Interregional Training/Demand Reduction/Public Awareness	6,200	7,000	7,000
Program Development And Support	5,740	5,000	5,300
TOTAL INC PROGRAM	$129,540	$150,000 4/	$171,500

See following page for footnotes.

FY 1992
INTERNATIONAL NARCOTICS CONTROL PROGRAM
FISCAL SUMMARY

Footnotes

1/ Includes $16.5 million 610 transfer from Security Assistance to INM to support the Andean Strategy (Bolivia $6.5 million, Colombia $10 million).

2/ Reflected in the L.A. Regional budget for FY 1990.

3/ Funds for assistance to Peru are not included as a separate country program in the FY 1992 budget request. Instead, $19 million designated for Peru ($17.9 million program activities, $1.1 million PD&S) have been included in the Latin American regional account and may be programmed for Peru on condition of a satisfactory counternarcotics program.

4/ Does not reflect reduction of $2.85 million pursuant to PL 101-508.

5/ Reprogramming to increase FY 1991 funding for programs in Laos is under

INTERNATIONAL NARCOTICS CONTROL PROGRAM
BY FUNCTIONAL ACTIVITY
(dollars in thousands)

	FY 1990 Enacted	% of Total	FY 1991 Est	% of Total	FY 1992 Request	% of Total
Enforcement Assistance And Interdiction	$ 81,558	63	$ 95,395	64	$111,410	65
Crop Control/Eradication	21,083	16	22,330	15	24,420	14
Income Replacement/ Development Assistance	4,700	4	5,600	4	7,050	4
International Organizations	3,100	2	4,800	3	4,600	3
International Drug Demand Reduction	2,480	2	3,840	3	4,465	3
Training*	4,700	4	5,000	3	5,300	3
Program Development And Support	11,919	9	13,035	9	14,255	8
Total Program	$129,540	100	$150,000	100	$171,500	100

*Includes centrally funded training only.

FY 1992
THE BAHAMAS ($1,200,000)

Country Goals. This program supports efforts by the Government of the Commonwealth of The Bahamas (GCOB) to:

1. Preclude the use of Bahamian territory and territorial waters as a conduit for the movement of cocaine or other illicit drugs;

2. Encourage development of local law enforcement and criminal justice institutions able to assume greater law enforcement and interdiction burdens; and

3. Discourage drug abuse through support of local drug abuse control, prevention and education programs.

Although the Bahamas is not an illicit drug-producing country, it traditionally has been favored by drug traffickers as a transshipment site for cocaine and marijuana. Proximity to the United States and the difficulty of controlling drug traffic within the 700 islands and 2,000 cays that make up the archipelago will continue to attract drug smugglers to the area. In 1990, 3.5 metric tons of cocaine and 2.3 metric tons of marijuana were seized in The Bahamas and adjacent waters.

In past years, the favored method of trafficking in the Bahamas was by general aviation aircraft flying from Colombia and Jamaica and airdropping cocaine or marijuana to waiting speed boats that delivered the illicit cargo to southeast Florida. Throughout most of 1990, however, this trafficking method was less popular. Traffickers appear to have responded to strengthened U.S.-Bahamian narcotics interdiction operations by following transit routes that avoided the Bahamas and by using transshipment methods that substantially reduced risk of detection and apprehension within the Bahamas.

The proposed budget seeks to sustain current levels of Bahamian participation in joint U.S.-Bahamian enforcement activities, while helping the GCOB strengthen its civil enforcement, defense and judicial institutions with technical training, equipment, and intelligence sharing. Efforts to improve intelligence assume greater urgency because traffickers seem to be relying on smuggling methods that tend to elude detection and apprehension through established joint interdiction operations.

The program will continue to provide Operation Bahamas, Turks and Caicos (OPBAT) site development and operational support. The OPBAT program primarily uses U.S. Government aircraft and patrol boats to help enforcement officials in the Bahamas and Turks and Caicos Islands apprehend traffickers and seize illicit cargos. The opening of the OPBAT Great Inagua marine and helicopter base in June 1991 will extend operational coverage to the southern Bahamas, the Turks and Caicos Islands, and the Windward Passage between Cuba and Haiti.

FY 1992 Program. The objective of the **Narcotics Control Assistance Project** is to help the GCOB build appropriate institutions to improve

its narcotics control capabilities. Through training and equipment support, INM will continue to assist the GCOB to develop and expand narcotics enforcement units. Resources will be available to continue to develop the Joint Information Coordination Center (JICC), including communications equipment and vehicles for Bahamian customs and immigration officers who participate in the system at ports of entry. Training in key areas such as maritime interdiction, intelligence, and prosecutorial skills will be enhanced as resources and opportunity permit.

INM plans to fund refurbishment of seized aircraft which will be used in the anti-drug effort. It also will help with funding of fuel and spare parts for decommissioned U.S. Coast Guard patrol boats which were transferred to the Bahamas.

Drug abuse, particularly of "crack" cocaine, continues to be a serious problem in the archipelago, placing severe strain on public health and social welfare institutions. The **Public Awareness and Education Project** will assist the GCOB and private organizations to educate the general public in the dangers of drug abuse, narcotics-related corruption and the need for strong international cooperation to combat the domestic drug problem.

INM will continue to provide grants to increase public awareness in the outlying islands, and will pay particular attention to extending drug educational activities in the media and in secondary schools through the training of educators, social workers, and persons involved in community out-reach programs. To estimate consumption patterns in the general population, a drug survey and an epidemiological project are planned for FY 1992.

Program Development and Support funds will provide for salaries, benefits and allowances of permanently assigned U.S. and foreign national personnel, short-term TDY personnel, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

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BAHAMAS
INC BUDGET
($000)

	FY 1991	FY 1992
Narcotics Control Assistance		
Commodities:		
Communications and computer equipment	$ 375	$ 180
Training	75	100
Other Costs:		
Construction, fuel, boat support and operational costs	550	600
Subtotal	1,000	880
Public Awareness and Education	50	150
Program Development and Support		
U.S. Personnel:		
Direct-hire (1)	105	115
Contract secretary	20	25
Program support	25	30
Subtotal	150	170
TOTAL	$1,200	$1,200

FY 1992
BOLIVIA ($15,700,000)

Country Goals. The long-term U.S. counternarcotics goal is to reduce, and ultimately to eliminate, the production of refined cocaine products for export to the U.S. or other markets, or for domestic use. The international narcotics control program supports efforts of the Government of Bolivia (GOB) to:

1. Interdict and seize cocaine and other illicit coca derivatives, precursor materials, and assets of the coca trade;
2. Eradicate coca beyond that authorized for legal use;
3. Arrest and prosecute drug traffickers;
4. Provide economic incentives to compensate for the loss of revenues resulting from drug control efforts;
5. Expand Bolivian Armed Forces participation in counternarcotics activities; and
6. Heighten public awareness of drug abuse.

Bolivia is the world's second largest producer of illicit coca with over 50,000 hectares cultivated. Most of this cultivation occurs in a rural area known as the Chapare. Coca leaf is increasingly being processed into cocaine in vast isolated regions of the country, making Bolivia the second largest producer of refined cocaine.

The President's Andean Strategy seeks to reduce the flow of cocaine to the U.S. by strengthening the political commitment and institutional capability of the GOB to move against the trafficking networks, increase effectiveness of military and law enforcement activities, and disrupt trafficking organizations. To this end, INM supports a narcotics control program consisting of projects to enhance ground operations, regulate legal coca, support enforcement, investigations and special prosecutors, reduce coca under cultivation, improve infrastructure, enhance intelligence capabilities, expand air operations, and improve public awareness and education.

Interdiction Project activities support the Special Force for the Fight Against Narcotics Trafficking (SSFANT), the primary interdiction agency under the Subsecretariat for Social Defense of the Ministry of Interior, and other enforcement organizations. The uniformed branch, the primary interdiction element of SFFANT, consists of the National Police Rural Mobile Patrol Units (UMOPAR), the Air Force task force, and Navy riverine task force. The GOB has agreed to institute a program to enhance the capabilities of the armed forces to participate in counternarcotics programs, including roles and missions for the Army. The non-uniformed branch, the investigative element of SFFANT, is responsible for investigations, intelligence, internal security and special prosecutors of controlled substances.

Effective, sustained, concurrent ground, air, and riverine interdiction by units of SFFANT interrupts the flow of coca products and depresses the selling price of coca below the cost of production, making voluntary coca eradication and alternative crop substitution projects more attractive to growers.

Activities to enhance enforcement/prosecution capabilities of SSFANT include support for conducting investigations, seizing drug-related assets, sustaining special prosecutors of controlled substances, and developing an internal security program. Infrastructure support provides material, advice and assistance to agencies or organizations of the GOB engaged directly in formulating or implementing counternarcotics policies, programs or activities.

Coca Control, a project to reduce coca cultivation, is administered by the Coca Reduction Agency (DIRECO), Ministry of Agriculture. DIRECO registers coca farmers interested in participating in the voluntary program to reduce coca. Voluntary reduction qualifies farmers for compensation and U.S.-supported alternative agricultural development programs. DIRECO also surveys coca plots, verifies eradication, and identifies locations of illegally grown coca which are subject to forced eradication under Bolivian law.

Public Awareness and Education, a project to increase public awareness of the dangers of cocaine production and trafficking, and consumption, is administered by the Educational Campaign Against Drugs (CESE), a member of the GOB National Council on Drug Abuse Prevention and Education (CONAPRE).

FY 1992 Program. Interdiction projects are being adjusted to keep pace with increases in SSFANT operations. UMOPAR is increasing from 640 members in FY 1990 to 860 members in FY 1991. The Air Force task force is preparing to augment the helicopter unit from a current total of 16 helicopters to 22 by the end of FY 1991. The Navy riverine task force plans to expand operations by increasing personnel to 100 and bringing the total number of patrol boats to 16 by the end of FY 1991.

Continuing assistance for enforcement/prosecution and infrastructure support activities will further develop GOB institutional capabilities to conduct successful investigations, litigation, and ensure internal security. Budgetary review and project evaluation processes are addressing commensurate increases in program activity affecting additional expansion planned for FY 1992.

Under the **Coca Control Project**, DIRECO staff is being increased from 120 to 220 due to an increase in voluntary compensated and involuntary uncompensated eradication. In 1990, DIRECO administered eradication of over 7,000 hectares of coca, about three times the hectares eradicated in 1989. In addition, over 55,000 square meters of coca seedbeds were eradicated, compared with 9,300 square meters in 1989. Continuing voluntary eradication and involuntary eradication under the Coca and Controlled Substances Law (Law 1008) will require more vehicles and other equipment in FY 1992.

Public Awareness and Education Project activities will continue to enhance effectiveness of CONAPRE, publish narcotics-related materials, conduct drug awareness seminars, operate a drug abuse telephone hot line, maintain a drug awareness data bank, conduct drug abuse prevention programs, and collaborate on national drug abuse surveys.

Program Development and Support funds will provide for the operation of the NAS offices in La Paz and Cochabamba, salaries, benefits and allowances of permanently assigned U.S. and foreign national personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

BOLIVIA
INC BUDGET
($000)

	FY 1991	FY 1992
Interdiction		
Ground operations support (commodities, training, operations support)	$ 5,900	$ 6,000
Air operations support (commodities, training, operations support)	1,800	1,800
Riverine operations support (commodities, training, operations support)	1,300	1,300
Enforcement/prosecution support (commodities, training, operations support)	1,200	1,200
Bolivian government infrastructure support (commodities, training, operations support)	800	800
Subtotal	11,000	11,100
Coca Control (commodities, labor costs, crop eradication surveys, operations support)	2,400	2,100
Public Awareness and Education (contract personnel, seminars, travel, per diem, project support	300	300
Program Development and Support		
U.S. Personnel:		
Direct-hire (4)	740	810
Contract (6)	290	315
Non-U.S. Personnel:		
Direct-hire (3)	120	130
Contract (9)	165	180
Other Costs:		
Foreign Affairs Administrative Support (FAAS)	335	370
Program support	350	395
Subtotal	2,000	2,200
TOTAL	$ 15,700	$ 15,700

FY 1992
BRAZIL ($3,500,000)

Country Goals. This program supports narcotics control efforts of the Government of Brazil (GOB) to:

1. Reduce transit and production of cocaine by interdicting illicit drugs, controlling precursor chemicals, and disrupting trafficking organizations;

2. Reduce the supply of illicit coca and marijuana by eradicating crops;

3. Develop political support for narcotics control in Brazil through a public awareness program oriented toward political leaders, decision makers, and key public figures; and

4. Reduce the demand for illicit drugs in Brazil through an education program particularly focussed on youth groups.

Transit of cocaine through Brazil from Colombia and Bolivia is increasing rapidly as traffickers respond to enforcement pressures in the Andes by seeking alternate routes to world markets. Brazil remains a significant legal producer of chemicals essential for making cocaine, and substantial quantities of these precursor chemicals are diverted illegally to Bolivia and Colombia.

Cocaine laboratories are increasing in number in Brazil. Brazilian coca, a low alkaloid content plant called *epadu*, is cultivated primarily by Brazilian Indians in the Amazon region working for Colombian traffickers. Marijuana is cultivated extensively for domestic consumption and is controlled by Brazilian traffickers. Drug abuse is widespread in Brazilian cities, and trafficking rings that control retail distribution dominate the slums.

The narcotics control program in Brazil emphasizes disrupting major trafficking organizations, interdicting chemicals used to make cocaine, and eradicating illicit coca crops in the Upper Amazon. To achieve these goals the program provides fuel, supplies, equipment, and per diem for the Brazilian Federal Police, which has primary responsibility for narcotics control.

FY 1992 Program. The **Narcotics Enforcement Project** will provide increased assistance to the Federal Police (DPF), the Organized Crime Unit, the Chemcon Lab project, the Narcotic Detector Dog Service, and the Tactical Intelligence Unit. The DPF will receive additional commodity and operational support to enable effective deterrence of drug trafficking and to carry out more field investigations and apprehensions. Additional vehicles and communication equipment will be used at ports-of-entry and along highways used by suspected traffickers.

Because several types of Brazilian-produced chemicals are used in cocaine production, the control of such chemicals is a major element of the enforcement program. Increased success in controlling precursor

chemicals should decrease illicit availability. The chemical control program also assists in locating cocaine labs by tracking suspicious chemical shipments. Increased funding levels will permit the DPF to conduct more frequent and more intensive operations.

To complement the interdiction program, a narcotic detector dog program was established in FY 1988. Additional funding will provide for constructing kennels and other infrastructure at ports-of-entry, deploying dogs to these operational areas, expanding the dog unit to cover more ports-of-entry and inspect a larger number of flights, and travel and transportation costs for the expanded unit. Funding will also support operation of the Federal Police dog training school established in FY 1990 to train the dogs and handlers needed to staff the Federal Police dog unit.

Support will continue for the Organized Crime Unit which is responsible for the acquisition, analysis and dissemination of intelligence necessary to sustain chemical control, enforcement operations and investigation of trafficking networks. Increased funding will permit this unit to intensify operations and pursue more leads with additional data processing and communications equipment.

Funding for the **Customs Interdiction Project** is to encourage the GOB Customs to assume greater responsibility for establishing effective entry/exit point systems to detect contraband shipments. Airport screening equipment and narcotics test kits for use by customs personnel throughout the country will be supplied.

The **Crop Control Project** will increase coca destruction operations in the Amazon. Land and air transport of personnel and procurement of equipment for such operations will be provided. For areas accessible by land, vehicles and associated operational and maintenance costs are included. Funds also will be provided for marijuana eradication.

Cocaine and marijuana abuse in Brazil is growing rapidly. The **Public Awareness and Education Project**, implemented primarily by the U.S. Information Service working with the Brazil Federal Drug Council, seeks to educate Brazilians on the dangers of drug abuse. Increased funding will expand this program and reach a larger portion of the at risk population.

Program Development and Support funds will provide for salaries, benefits, and allowances of permanently assigned U.S. personnel and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

BRAZIL
INC BUDGET
($000)

	FY 1991	FY 1992
Enforcement		
Commodities:		
Vehicles, parts, boats, communications and support equipment	$ 600	$ 800
Training	150	300
Other Costs:		
Operational support, travel, per diem, dog kennel facilities	720	850
U.S. Contract advisor	130	150
Subtotal	1,600	2,100
Customs		
Commodities:		
Screening equipment, narcotics test kits	100	200
Other Costs: Operational support	100	100
Subtotal	200	300
Crop Control		
Commodities:		
Vehicles, communications equipment	100	150
Other Costs:		
Operational support, travel, per diem, eradication labor, crop survey	100	150
Subtotal	200	300
Public Awareness and Education	200	450
Program Development and Support		
U.S. Personnel:		
Direct-hire (1)	130	140
Contract assistant (1)	20	25
Non-U.S. Personnel:		
Contract (2)	65	80
Other Costs:		
Foreign Affairs Administrative Support (FAAS)	25	30
Program support	60	75
Subtotal	300	350
TOTAL	$ 2,500	$ 3,500

FY 1992
COLOMBIA ($20,000,000)

Country Goals. This project supports narcotics control efforts of the Government of Colombia (GOC) to:

1. Destroy or disrupt major trafficking organizations;
2. Seize assets of and disrupt money laundering by major traffickers;
3. Destroy cocaine processing laboratories, disrupt major traffickers and eliminate trafficking organizations;
4. Prosecute and punish major traffickers by strengthening the judicial system to overcome corruption and intimidation;
5. Increase operational effectiveness of the National Police Anti-Narcotics Directorate; and
6. Increase the level of public awareness regarding the severity of the narcotics problem in Colombia.

Colombia is the world's largest processor and distributor of cocaine. Narcotics trafficking within Colombia poses a serious threat to the security of the Government of Colombia. Colombia's National Police (CNP) is the primary anti-narcotics agency and has demonstrated the will to sustain large-scale narcotics interdiction operations. The U.S. will continue to support the CNP as the lead anti-narcotics force, with emphasis on sustaining the field presence and air support resources of the Colombian anti-narcotics program. We will strengthen the investigative and intelligence collection capabilities of a number of supporting organizations with nationwide authority to investigate, arrest and prosecute major narcotics violators.

The Colombian Directorate of Anti-Narcotics (DAN) has sustained a prolonged campaign against cocaine processing and distribution facilities in Colombia. Operations directed against coca processing labs and airstrips have benefited from improved intelligence collection and coordination with the Colombian military, resulting in recent seizures of major trafficker properties and some of the largest cocaine processing labs encountered in several years. Seizures of cocaine and base in 1990 by Colombian authorities totaled nearly 53 metric tons. Resources previously used to eradicate marijuana have been redirected to cocaine interdiction as a result of the virtual elimination of significant marijuana cultivation in Colombia, following five years of pressure from the CNP's aerial eradication program.

Although the CNP's anti-narcotics directorate has benefitted substantially from continuing U.S. assistance, Colombian narcotics enforcement efforts continue to be weakened by deficiencies in other Colombian police agencies, to include:

- The Customs Service suffers from a low level of professionalism and endemic corruption;

- The CNP port police, who have an important role in preventing outbound smuggling in ocean cargo, are weak;
- Inability of regular CNP units to control the streets of trafficker-dominated cities such as Medellin facilitates trafficker operations; and
- Lack of additional independent medium air lift capability has hindered National Police operations in remote areas.

FY 1992 Program. The FY 1992 program anticipates continuing narco-trafficker violence in response to the increasing effectiveness of CNP and military operations. Moreover, these operations can be expected to sustain aircraft damage and losses beyond current levels. In FY 1992, INM plans to upgrade current installations supporting DAN aircraft, as well as provide spare parts and maintenance for the current airfleet. INM will also provide for pilot projects to assist Colombian enforcement agencies not now receiving U.S. assistance.

The **National Police Project** will continue to be the principal anti-narcotics effort in Colombia. Expansion of the Police Air Service with additional aircraft from the GOC and the USG will increase the need for operating and maintenance funds, pilot training, and operating bases and maintenance facilities. The program will continue to support two INM-owned helicopters provided in FY 1989 and will also assume support of nine additional U.S.-owned helicopters to be provided in FY 1991 and 1992. FY 1992 funds will also be used to assist the CNP to acquire much needed medium lift capability.

The budget will support a force of 13 field companies totaling 1,500 personnel, a DAN headquarters staff of 65 and a Police Air Service (SAPOL) of about 300 personnel and 60 aircraft. To improve ground mobility, the DAN needs additional vehicles with better off-road capabilities.

A training program in air assault tactics and ground operations through U.S.-funded mobile training teams is essential to increase the DAN's proficiency in its paramilitary anti-narcotics mission, as opposed to a traditional law enforcement role. As the DAN makes further gains and penetrates deeper into narco territory, its level of expertise must continue to improve.

The **Judicial Protection Project** will assist Colombian police agencies to protect judges and others involved in prosecuting narcotics-related criminals. This project will be closely coordinated with AID's Administration of Justice program and will concentrate on the needs of police to provide improved protection while AID will concentrate on the needs of the judges themselves.

The **Customs Project** will support several activities intended to increase the professionalism of Colombian Customs and build narcotics control into its organizational structure. The Colombian Customs Academy will receive technical assistance to improve training. This will raise the standard of all Customs training and build narcotics control issues into all levels of Customs training. The Colombian Customs Inspector General will receive training,

technical assistance, and commodities to boost its ability to investigate malfeasance by Customs officials. This will lead to reduced corruption in Customs, a major barrier to effective narcotics control.

The **Port Police Project** will provide training, technical assistance, and commodities to the Port Police Directorate of the CNP. This unit is responsible for security and law enforcement in Colombia's ports. The assistance provided will improve its ability to prevent smuggling of cocaine out of Colombia in ocean cargo.

The **Public Awareness and Demand Reduction Project** will target at-risk groups identified by surveys completed in FY 1990. The purpose of this project is to educate these groups in all aspects of drug abuse and attempt to broaden funding support of Colombian institutions involved in demand reduction activities. Greater dissemination of information to the media regarding United States demand reduction efforts will also be pursued.

Program Development and Support funds will provide for salaries, benefits and allowances of permanently assigned U.S. and foreign national personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

COLOMBIA
INC BUDGET
($000)

	FY 1991	FY 1992
National Police		
Commodities: Aircraft support (parts, tools, avionics, support and safety equipment), communications equipment & spares, vehicles and spares, field and intelligence equipment	$12,000	$11,600
Training: Aviation, tactical, intelligence	2,000	1,800
Other Costs: Aircraft direct operating costs, personnel contracts, forward base construction, U.S. PASA advisors, air transport lease, project support	4,000	3,900
Subtotal	$18,000	$17,300

COLOMBIA
INC BUDGET
($000)

	FY 1991	FY 1992
Port Police		
Commodities:		
Communications, investigative equipment	$ --	$ 150
Training		50
Other Costs:		
Maintenance, POL	--	100
Subtotal	--	300
Judicial Protection		
Commodities:		
Bulletproof vehicles, parts, commo. equip.	350	300
Training	150	200
Subtotal	500	500
Customs		
Commodities:		
Communications, investigative equipment		100
Training	--	50
Other Costs:		
Maintenance, POL	--	150
Subtotal	--	300
Public Awareness and Education	300	300
Program Development and Support		
U.S. Personnel:		
Direct-hire (4)	590	630
Contract Secretary (1)	45	50
Non-U.S. Personnel:		
Direct-hire (3)	110	120
Contract (10)	105	110
Other Costs:		
Foreign Affairs Administrative Support (FAAS)	150	160
Program support	200	230
Subtotal	1,200	1,300
TOTAL	$20,000	$20,000

FY 1992
ECUADOR ($3,000,000)

Country Goals. This program helps the Government of Ecuador (GOE) to:

1. Improve intelligence collection and processing;
2. Prosecute traffickers, seize drug assets, and impede transit of drugs and precursor chemicals;
3. Find and eradicate coca and destroy coca processing labs; and
4. Institutionalize drug prevention and demand reduction efforts.

Ecuador is one of the most critical narcotics control areas after the three main Andean coca producers/processors. Located between Peru and Colombia, Ecuador is affected by the spillover of trafficking from its neighbors, especially Colombia. It is a point of entry for precursor chemicals and a safehaven for money laundering.

The GOE demonstrated its commitment to fight narcotics in September 1990 by pushing through its legislature a comprehensive drug law including chemical control, money laundering provisions, and more effective law enforcement procedures. Our program seeks to improve law enforcement capabilities and help the Ecuadorean military patrol jungle border areas suspected of harboring a growing trafficking presence.

The program supports several agencies involved in counternarcotics activities. Projects include a comprehensive interdiction support program with the National Anti-Narcotics Police-INTERPOL, a new narcotics interdiction program with the Ecuadorean Army, a sniffer dog program with the Military Customs Police, and drug prevention and control with the Office of the Attorney General.

The Ecuadorean police (INTERPOL) carried out extensive aerial surveying in late 1989 using an INM reconnaissance aircraft. INTERPOL manual eradication operations and continued presence in previously cultivated areas along the northeast border have successfully discouraged replanting. However, new fields were discovered and eradicated and a small cocaine processing site was destroyed in northwestern Esmeraldas province.

INM air support also enabled INTERPOL to investigate suspect jungle airstrips and warehouses, inspect chemical cargo, and follow up on reports of illicit drug labs and traffickers. In 1990, enforcement agencies seized 1,268 kgs of cocaine and other coca derivatives, 404 kgs of marijuana, large amounts of chemicals, and 33 vehicles from drug traffickers.

The riverine interdiction program has been gradually expanding (from six boats in 1989 to eight in 1990) to cover the southern Ecuadorean coastline. To date seizures have been disappointing, due to a combination of factors including the large area which must be covered with limited assets and out-of-service equipment.

The Ecuadorean Army played an increasingly active counternarcotics role in 1990. Early in 1990 it launched regular border riverine and ground patrols, destroying several labs and considerable amounts of precursor chemicals and drugs. In May 1990 it seized 4,500 gallons of acetone near the Colombian border. In response Colombian traffickers ambushed a riverine patrol on the San Miguel River in October 1990, killing four men and wounding five. President Borja has appointed a special military liaison for counterdrug coordination with the police.

Intelligence gathering remains a weak point for GOE enforcement agencies. Obtaining information on cocaine and chemical shipments and on coca processing labs in the jungles has been difficult. To improve handling of intelligence information and sources throughout the police and military, the police have begun an intelligence coordination center with help from the U.S. Embassy.

FY 1992 Program. The **Crop Control Project** will continue to support destruction of new coca fields as they are discovered. INM helicopters and reconnaissance aircraft will be deployed when needed for short term airlift and aerial survey support.

Starting in FY 1989, the NAS began to shift the emphasis of the U.S. anti-narcotics program with its **Enforcement Assistance Project** toward more interdiction and intelligence collection. In FY 1992, increased funding will support the National Police/INTERPOL efforts to build a narcotics infrastructure allowing expansion of interdiction operations, improved financial, chemicals and trafficker network investigations and narcotics arrests. Road and estuary/riverine interdiction programs will expand. Continued support will be provided to the Ecuadorean Army for its anti-narcotics operations and joint operations with the police in border regions.

The **Military Customs Police Project** will support and maintain narcotics detector dogs at airports and major border crossings and establish a program using detector dog teams at seaports. Funding will provide infrastructure support for detector dog facilities and training. Commodity and operational support for marine coastal patrols will be increased with more boats, training and other support providing the capability for more effective interdiction.

Funding will continue for the **Attorney General's narcotics force (DINACONTES)** to investigate narcotics trafficking and increase their participation in demand reduction activities. Plans also include establishment of a special team to monitor money laundering.

Survey work completed in 1988 shows that among Ecuadorean urban populations, the consumption of narcotics and the money associated with it is becoming a national problem. The **Public Awareness and Education Project** will build upon these survey results by working with the media and within the GOE to raise the level of narcotics awareness. It will also emphasize the momentum gained in eradication and interdiction operations, push for the enactment of legislation strengthening the enforcement powers of police agencies, and stress the need for greater public and private resources for education.

Program Development and Support funds will provide salaries, benefits and allowances of U.S. and foreign national personnel, short-term TDY assistance, and other administrative and operating expenses for program planning, design, implementation, monitoring and evaluation. In FY 1991, a contract field advisor was added to the NAS staff to assist in managing and implementing the program.

ECUADOR
INC BUDGET
($000)

	FY 1991	FY 1992
Crop Control		
Crop surveys, travel, per diem	$ 100	$ 200
Operational costs	100	200
Subtotal	200	400
Enforcement Assistance		
Commodities:		
Vehicles, communications equipment, boats	150	200
Training	50	250
Other Costs:		
Army patrol support	140	350
Airlift support	160	400
Operational support	50	150
Subtotal	550	1,350
Military Customs Police		
Commodities:	100	200
Vehicles, boats, parts, communications equipment, other equipment		
Training	20	150
Other Costs:	80	200
Narcotic detector dog support, operational support		
Subtotal	200	550
DINACONTES		
Vehicles, communications equipment, training and operational support	100	200
Public Awareness and Education	100	100
Program Development and Support		
U.S. Personnel:		
Direct-hire (1)	130	140
Contract (2)	120	145
Non-U.S. Personnel:		
Direct-hire (1)	20	20
Contract (1)	20	20
Other Costs:		
Foreign Affairs Administrative Support (FAAS)	20	25
Program support	40	50
Subtotal	350	400
TOTAL	$1,500	$ 3,000

FY 1992
JAMAICA ($1,500,000)

Country Goals. This program assists the Government of Jamaica (GOJ) to:

1. Eliminate illicit domestic cannabis production;

2. Preclude use of Jamaica as a conduit for movement of illicit narcotics from other countries to North America;

3. Arrest and prosecute narcotics traffickers; and

4. Inform Jamaicans about the health and social dangers of drugs and the threat narcotics trafficking poses to democratic institutions and regional stability.

Jamaica is a major transshipment point for Colombian cocaine enroute to the United States and an important producer of marijuana for the United States, Canada and Europe. Jamaica's airstrips, seaports and offshore waters are used for cocaine trafficking from South America to the United States. Marijuana is planted, cultivated, and harvested year-round in Jamaica. The GOJ eradicated 1,883 hectares of marijuana in 1990 versus 1,510 hectares in 1989. However, because cultivation expanded, net yield of marijuana increased to 249 metric tons from 189 metric tons. In FY 1992, program projections call for further reduction to 150 metric tons. Sustained and cost-effective eradication is necessary if marijuana growers and traffickers are to be discouraged from engaging in this illicit activity.

Since 1985, Jamaica has made major strides to institutionalize an effective narcotics law enforcement program which focuses on illicit crop eradication and interdiction. Key to the program was creation of a joint task force comprised of the Jamaica Constabulary Force (JCF) and Jamaica Defense Force (JDF), and the establishment in 1989 of a cabinet-level committee to coordinate all anti-narcotics activity.

In 1990, the GOJ continued selective backpack herbicidal spraying of marijuana to complement traditional manual eradication, supported by INM and JDF helicopters. Under Prime Minister Manley's new national anti-narcotics campaign, the GOJ is beginning to intensify enforcement measures to interdict cocaine and disrupt drug traffickers. Particular attention has been given to increasing security at marine and air cargo terminals, responsibility for which has been delegated to the Minister of National Security. Imposing adequate anti-narcotics control over the international transportation system is vital to maintaining legitimate exports. Large fines levied on air and sea carriers during the last year have jeopardized the international trade component of the Jamaican economy and, in fact, have placed continued service of major shipping companies to Jamaica at risk.

FY 1992 Program. The **Narcotics Control Assistance Project** will continue to assist Jamaican narcotics law enforcement agencies with aviation support, vehicles, equipment, and supplies. The FY 1992 plan calls for increased

eradication support from the JDF air corps primarily through transport by JDF helicopters. INM will assist in improving GOJ intelligence collection and dissemination of maritime and air narcotics smuggling activities through continued support and training of personnel assigned to the Joint Information Coordination Center (JICC), established in April 1990. In-country and interregional training, technical advisory assistance, and administrative and operational support costs will be provided to support eradication, interdiction, and public awareness programs.

The **Public Awareness and Education Project** will primarily assist the GOJ and private sector groups with drug public awareness campaigns and demand reduction programs. Although cannabis and alcohol continue to be the primary drugs of choice in Jamaica, the presence of cocaine has risen dramatically during the last three years. The recently completed drug epidemiological project, conducted by the Pan American Health Organization with USG funding, has provided useful indicator data regarding the extent and incidence of drug abuse in Jamaica. Enhanced drug monitoring projects are planned through 1992. The GOJ continues to place strong emphasis upon drug abuse reduction, which is recognized by P.M. Manley as a serious public health problem. The establishment of the National Council on Drug Abuse in early 1989 will greatly assist in coordinating Jamaica's anti-drug abuse effort.

Program Development and Support funds will provide for salaries, benefits and allowances of permanently assigned U.S. and foreign national personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

JAMAICA
INC BUDGET
($000)

	FY 1991	FY 1992
Narcotics Control Assistance		
Commodities:		
Eradication equipment and supplies, vehicles and information processing equipment	$ 500	$ 500
Other Costs:		
JDF aircraft maintenance and operational support	475	540
Subtotal	975	1,040
Public Awareness and Education	200	200
Program Development and Support		
U.S. Personnel:		
Direct-hire (1)	125	135
Contract secretary (1)	25	25
Non-U.S. Personnel:		
Contract (1)	25	25
Other Costs:		
Foreign Affairs Administrative Support (FAAS)	15	25
Program support	35	50
Subtotal	225	260
TOTAL	$1,400	$1,500

FY 1992
MEXICO ($26,000,000)

Country Goals. The program supports efforts by the Government of Mexico (GOM) to:

1. Eliminate/reduce illicit narcotics production through eradication, and build an aerial survey capability and verification program to report on eradication results;

2. Reduce narcotics trafficking from Mexico to the United States by intensifying interdiction, increasing seizures, and disrupting major trafficking organizations;

3. Build an effective and efficient field support infrastructure to support both eradication and interdiction; and

4. Create a greater public awareness in Mexico of the negative effects of drug production and abuse on the health, society, economy, and political welfare of the nation.

Mexico is the largest foreign source of marijuana and one of the largest sources of heroin sold in the United States. In addition, DEA estimates that as much as half of the cocaine entering the United States transits Mexico. These factors combine to make Mexico one of the highest priority countries in the U.S. countemarcotics strategy.

The GOM recognizes the serious threat to its sovereignty and the welfare of its people posed by drugs. Its extensive countemarcotics program includes eradicating marijuana and opium crops, interdicting narcotics shipments, bilateral enforcement cooperation, mutual legal assistance, and public awareness/demand reduction. While aerial eradication has been the dominant focus of the GOM program over the past fifteen years, the dramatic increase in cocaine transshipments has required the GOM to increase interdiction efforts significantly.

The mission objectives for FY 1992 are:

- Support an expanded PGR (Mexican Attorney General's office) Air Fleet dedicated to marijuana and opium poppy eradication and narcotics interdiction through funding aviation maintenance and field support projects;

- Support the PGR Northern Border Response Force by building and/or improving facilities and maintaining and refurbishing assigned aircraft to intensify interdiction;

- Build an effective and efficient field support infrastructure to support both eradication and interdiction;

- Augment Embassy participation in a bilateral crop destruction verification program;

- Fully implement a tactical aerial survey program to locate drug fields, provide this information to the eradication campaign, and facilitate evaluating the effectiveness of crop control programs;

- Continue public awareness programs which will help stem the increase in drug use in Mexico as well as generate political support for a tough GOM attack on drug traffickers and for improved cooperation with the U.S. in anti-narcotics efforts;

- Continue training programs for Mexican law enforcement officials to strengthen GOM counternarcotics capabilities; and

- Assist the GOM to develop a counternarcotics intelligence system to enhance law enforcement effectiveness.

Since assuming office in December 1988, the Salinas Administration has raised the fight against narcotics trafficking to a premier national security concern. The GOM has strengthened its anti-narcotics campaign in a number of important ways, including significant increases in the narcotics control budget, drug seizures, the dismantling of important trafficking organizations, and a reinvigorated campaign against drug production and trafficking.

The GOM and USG have made several program changes to improve effectiveness, including:

- Extending through 1991 a new maintenance contract which established clear lines of responsibility. The PGR and INM continue to address maintenance and managerial deficiencies to ensure maximum efficiency;

- Upgrading physical facilities at air bases and installing support equipment at selected bases;

- Moving the main aircraft maintenance facility from Mexico City to a new facility in Guadalajara. The move should be completed in mid-1991; and

- Implementing an intensive training program and salary increases to alleviate the perennial PGR pilot shortage and raise morale and productivity.

FY 1992 Program. The **Aviation Maintenance Project** will continue a contract with a U.S. supplier for aircraft parts, technical advice, and training Mexican pilots, mechanics, and supervisors. Parts and maintenance costs will increase in FY 1992 due to increased fleet size and more flight hours -- resulting from both better maintenance and more aircraft. In FY 1989, the PGR began to use the airfleet for cocaine interdiction missions, which should raise utilization rates ever higher in FY 1992. INM also plans to replace antiquated air-to-ground radios, a major contributor to flight down-time.

To support increased interdiction by the Northern Border Response Force, the GOM may receive additional UH-1H helicopters in FY 1992, a major new initiative that will result in more drug seizures. The FY 1992 request reflects an increase to operate these helicopters.

The **Field Support Project** primarily provides maintenance at air bases in areas where drug fields are concentrated and at the new Northern Border Response Force mobile bases. The project will fund the third phase of the Guadalajara maintenance facility, allowing the PGR to finish consolidating all aircraft maintenance functions to support both eradication and interdiction missions.

The **Eradication Verification Project** will reinstitute a full-scale bilateral verification effort which involves hiring three full-time advisors. Active participation in the verification program will provide a unique opportunity for NAS advisors to inspect eradication results visually, introduce more sophisticated technical means of navigation and verification, and increase field presence and coordination with counterparts.

The **Aerial Survey Project** builds on the program proposed by INM to Mexico in 1990. Aerial surveys will establish baseline data to estimate the size of annual drug crops and facilitate evaluating crop control program effectiveness. In FY 1992 Mexico will be able to conduct semi-annual aerial surveys in all three key growing areas. Film developing and printing, aircraft and camera maintenance, and pilot, photo-interpreter, and computer operator training are planned.

The **Public Awareness and Education Project** will support community-based organizations which promote drug prevention programs. Drug abuse appears to be growing in many parts of Mexico. This project will finance awareness campaigns in major Mexican cities and help voluntary organizations establish community centers.

Program Development and Support funds will fund salaries, benefits and allowances of permanently assigned U.S. and foreign national personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

MEXICO
INC BUDGET
($000)

	FY 1991	FY 1992
Aviation Maintenance		
Parts/overhaul/personnel	$12,700	$21,000
Training	300	250
Shop equipment	500	300
Avionics procurement	500	400
Subtotal	14,000	21,950
Field Support		
Base and vehicle maintenance, facility construction	1,000	1,200
Operational support, field advisors (2)	650	800
Salary supplements	500	--
Subtotal	2,150	2,000
Eradication Verification		
Navigation System	250	200
Verification advisors (3)	250	350
Subtotal	500	550
Aerial Survey		
Aircraft modification, facilities and commodities	250	150
Film and processing	300	150
Training, other support	100	100
Subtotal	650	400
Public Awareness and Education	200	200
Program Development and Support		
U.S. Personnel:		
Direct-hire (2)	285	330
Contract:		
Project manager	130	115
Office manager	--	25
Secretary	20	25
Part-time secretary/data processor	15	15
Non-U.S. Personnel:		
Direct-hire (2)	70	75
Contract (2)	30	35
Other Costs:		
Foreign Affairs Administrative Support (FAAS)	100	100
Program support	150	180
Subtotal	800	900
TOTAL	$18,300	$26,000

FY 1992
VENEZUELA ($2,000,000)

Country goals. The program supports Government of Venezuela (GOV) efforts to:

1. Interdict, seize and destroy illicit drugs within and transiting Venezuela;
2. Identify the extent and location of illicit drug cultivation and develop a capability for crop eradication;
3. Prevent narcotics processing from taking root in Venezuela; and
4. Encourage Venezuelan private and public groups working towards increased public awareness of the drug problem, promoting a national anti-drug consensus.

Venezuela is a transit country for drugs destined for the U.S. and other western markets, and chemicals diverted to Colombia for cocaine processing. Although Venezuela is not a major producer of illicit drugs, U.S. officials and Venezuelan law enforcement authorities believe that coca cultivation is increasing along the Sierra de Perija on the Venezuela/Colombia border.

There are no reliable estimates of the extent of coca cultivation, and the level and sophistication of Venezuelan counternarcotics intelligence collection and analysis is poor. In 1990, for the first time, the Venezuelan Army participated with the police in a marijuana eradication project. The Guardia National (GN) also increased drug seizures in 1990. Venezuela is also potentially a major money laundering center.

The GOV has been cooperative in supporting the goals of the narcotics control program. In FY 1990, INM Thrush aircraft conducted the first aerial survey identifying illicit cultivation, supporting the follow-on GOV eradication operation that serves as a model for subsequent eradication campaigns.

The GOV also hosted a money laundering seminar which brought U.S. experts into contact with a wide range of Venezuelans from government and banking circles. Another program achievement in 1990 was completion of an INM-supported detector dog training center and commencement of classes. GOV law enforcement personnel also were trained to detect and interdict containerized trafficking of illicit drugs and precursor materials and investigate money laundering.

FY 1992 Program. The growing importance of Venezuela as a transit country requires sharply increased funding in FY 1991. The increase will be used to strengthen structural development, training, and coordination as well as provide more law enforcement equipment to the GOV. These activities will lay the foundation for a vigorous campaign against trafficking in cocaine and precursor materials. This plan is appropriate in a country where the relative absence of effective and coordinated governmental response to drug

trafficking has been perhaps the primary reason for the traffickers' successes. The program will also include drug public awareness campaigns to stress the effects of narcotics trafficking and abuse on the people and the country.

The **Narcotics Enforcement Project** in Venezuela includes the following high priority activities to attack drug crops and trafficking.

Intelligence coordination: Augment support to improve operation of the GOV's Joint Intelligence Collection Center, thus enhancing effective coordination and cooperation between GOV intelligence collecting and tactical operations agencies.

Containerized trafficking: Continue to support the GOV program to strengthen and maintain high-level effectiveness in identifying and interdicting containerized trafficking.

Precursor chemicals control: Provide specialized Mobile Training Teams to help the GOV increase seizures of precursor materials and decrease significantly the amount now being brought into the country.

Aviation support: Continue joint planning for maintenance of UH-1H aircraft to ensure an average monthly utilization rate of 25 hours per aircraft and sustained intelligence gathering, interdiction and eradication.

Aerial survey of cultivation: Maintain coordinated GOV use of its aerial survey and photography assets to help identify and destroy illicit drug cultivation.

Detector dog center: Maintain the training rate and encourage continued regionalization of the center to serve other countries.

The **Public Awareness and Education Project** will continue to provide support to the regional drug abuse and rehabilitation resource center.

Program Development and Support funds will provide for salaries, benefits and allowances of permanently assigned U.S. and foreign national personnel, short term TDY assistance, and other general administrative and operating expenses of the counternarcotics program.

VENEZUELA
INC BUDGET
($000)

	FY 1991	FY 1992
Narcotics Enforcement		
Commodities:		
Vehicles, communications and investigative equipment	$ 100	$ 400
Training	150	350
Other Costs:		
Aviation support	450	600
Operational support, aerial surveys, travel, per diem etc.	50	300
Subtotal	750	1,650
Public Awareness and Education	50	100
Program Development and Support Project		
U.S. Personnel:		
Direct-hire (1)	0	150
Contract secretary	5	30
Other Costs:		
Foreign Affairs Administrative Support (FAAS)	10	20
Program support	35	50
Subtotal	200	250
TOTAL	$ 1,000	$ 2,000

FY 1992
LATIN AMERICAN REGIONAL COOPERATION ($27,000,000)

Program Goals. The Latin American Regional program supports efforts of cooperating countries to:

1. Seize and interdict narcotics, precursor materials, and assets of drug production, and reduce money laundering;

2. Eradicate coca and cannabis cultivation;

3. Build law enforcement institutions in Central America and the Caribbean by assisting key narcotics enforcement and interdiction agencies; and

4. Assist in developing an institutional and resource base to control the growth of drug abuse in the region.

FY 1992 Program. Latin American regional funds support programs that cross country lines and smaller efforts in countries that may not have the infrastructure to support a large country program. In FY 1992, the program will implement the strategy for transit and surrounding countries of Central America, the Caribbean and South America. Funds will be applied to detecting illicit narcotics crops, procuring and deploying equipment and supplies for aerial and manual eradication, transport vehicles, river and coastal patrol craft, and telecommunications to destroy narcotics processing and storage facilities, interdicting and seizing illicit narcotics in transit, investigative equipment to arrest and prosecute traffickers, a Regional Telecommunications Advisor, and administrative and operational support.

As drug control efforts in Latin American program countries become more effective, we expect traffickers to seek new routes in the Caribbean, Central America and the southern cone countries of South America. These areas are of increasing importance for the cultivation, production and transit of narcotics, particularly cocaine and marijuana. Governments in most of these countries have few resources, inadequate infrastructure and insufficiently trained personnel to combat the drug traffic.

Caribbean. The program will continue to support activities to combat narcotics trafficking through the various Caribbean islands of the Lesser Antilles, the Guianas, Haiti, etc. Jamaica and the Bahamas are not included in this request, since both countries have in-country narcotics programs. INM is actively encouraging and supporting many Caribbean nations to participate with U.S. narcotics law enforcement agencies in joint drug interdiction operations and develop drug intelligence gathering bases by establishing Joint Information Coordination Centers (JICCs). Various land, sea and air interdiction operations are underway and will need continued funding to ensure long-term success. Particular attention will be paid to the six-nation Regional Security System (RSS), jointly supported by the U.S. and U.K., which has increasingly focused on marine anti-narcotics patrols and specialized crop eradication efforts.

INM supported those activities in FY 1989 and FY 1990, with a substantial increase in both bilateral assistance and support for the RSS special projects. Additionally, the joint INM-DEA regional effort to establish JICC programs will continue to be funded primarily through the Caribbean component of the Latin America Regional account. During the period 1988-1991, INM has funded enhancement of narcotics control capabilities of the English-speaking Caribbean Islands recommended by a joint US-UK survey performed in 1987. Additional funding will be provided in 1992 for a follow-up survey.

Central America. Narcotics control activities will continue in Belize, Costa Rica, El Salvador, Guatemala, Honduras and other Central American countries to eradicate illicit crops and disrupt trafficking. During FY 1988-90 INM provided $3,000,000 to Belize and Guatemala for an intensified program of aerial eradication of poppies and marijuana and to establish special narcotics units by the police. In 1990 Guatemala eradicated over 1,000 hectares of opium, 97 percent of the known crop. Eradication programs will continue as needs dictate. Support to upgrade cocaine interdiction capabilities is expected to increase. This will include rebuilding police and coast guard forces in Panama to interdict drug and chemical traffic, and reduce money laundering.

Due to the increasing use of Central America as a cocaine trafficking route, INM will increase funding to expand programs in this region. U.S. military-provided Mobile Training Teams for training in paramilitary tactics, small boat handling, basic security, and additional operational support, will be emphasized.

South America. Narcotics activity in the southern cone countries of South America is increasing at an alarming rate. Argentina, Chile, Paraguay and Uruguay are used as transit points for cocaine originating in Bolivia and destined for the United States or Europe. We plan to help Argentina strengthen its capacity to investigate money laundering and chemical diversion. In Paraguay our program will assist the police to investigate and prosecute growers and traffickers, and to assist a police/military task force to develop the capability to interdict riverine narcotics trafficking.

Funding will support the newly-established contract Regional Telecommunications Adviser (resident in Ecuador, but serving the entire area), and Narcotics Affairs Officers in the Dominican Republic and Panama. Additionally, funds will support modest expansion of the regional data bank and a regional detector dog training school.

In FY 1992, $19,000,000 will be included in the Latin American Regional budget for the Peruvian narcotics control program. Program funding has been deleted from the Country Program category. Project funds may be programmed for Peru on condition of a satisfactory counternarcotics program, and will be used to support interdiction in the Upper Huallaga Valley, crop control and improved law enforcement throughout the country. Program development and support funds of $1.1 million will be needed for salaries and other administrative expenses whether or not project funds are made available in FY 1992.

LATIN AMERICA REGIONAL
INC BUDGET
($000)

	FY 1991	FY 1992
Caribbean		
Country assistance, e.g. radar support, fuel, training, computers, operational support	$1,300	$1,900
Central America		
Country assistance, e.g. operational support, herbicide, training communications equipment	3,000	4,000
South America		
Non-Andean country assistance, e.g. vehicles, communications equipment, operational support	1,200	1,500
Peru - Narcotics Control Program		
Enforcement Assistance, Coca Control, OFECOD, Public Awareness and Education	0 *	17,900
Program Development and Support	0 *	1,100
Regional		
Other costs:		
Telecom advisor, JICCs, seminars	500	600
TOTAL	$ 6,000	$27,000

* This program was included in the Country Program section of the FY 1991 budget

FY 1992
LAOS ($2,000,000)

Country Goals. This program supports narcotics control efforts of the Government of Laos (GOL) to:

1. Reduce opium produced to make heroin for international markets;
2. Eliminate production, distribution, and trafficking of heroin;
3. Combat opium and heroin abuse in Laos.

Since 1989 the Government of Laos has committed itself to drug suppression activities. This is a complete turn-around from the government's attitude as recently as 1988. We have provided assistance, certified Laos (with qualifications) as a cooperating country and will continue to support actions which are in our best interests and can lead to effective law enforcement and crop control.

Late in FY 1989 the United States and Laos signed a six-year narcotics crop control project agreement to develop infrastructure, promote alternative crop research, reduce demand and opium cultivation in Houaphan province of Northeastern Laos. This is the first bilateral project undertaken between the United States and Laos since 1975. The project was initiated with $200,000 of FY 1989 narcotics control assistance funds. INM provided $575,000 for the project in FY 1990. Reprogramming to increase FY 1991 funding is under consideration.

The crop control project has three basic elements:

- Provide substitute crops and economic alternatives for opium producers;
- Develop infrastructure, e.g. roads and dams, to help opium growers switch to alternative crops and other income sources; and
- Provide drug abuse training and improved health care to reduce demand for opium.

A U.S. citizen contract expert has been hired as field advisor for the crop control project which has been managed by the small staff in Vientiane with technical guidance from Bangkok's NAS. By the end of FY 1991, we envision a well-coordinated narcotics control program in Laos.

In early 1990, the U.S. and Laos concluded a broadranging narcotics control agreement which commits the Lao Government to law enforcement as well as crop control activities. Laos has agreed to international narcotics control training for enforcement officials. The first DEA enforcement school was held in June 1990 in Vientiane. The first Customs training school was held in October 1990.

FY 1992 Program. Crop control project activities have proceeded rapidly with the Lao Government providing its own resources to maintain momentum in areas such as road building to provide access to remote growing areas.

Communications equipment and two vehicles provided by the U.S. have been delivered. Field visits by Embassy officials have confirmed progress toward initial project objectives.

The increase in FY 1992 is needed to meet projected expenditures for the third year of this six-year project The Lao Government has taken the initiative to assemble equipment and personnel to begin work on the project on its own. Failure by the U.S. to meet annual project funding goals will weaken counternarcotics cooperation.

In FY 1992 activities will include a fully integrated training plan, expansion of the crop control and substitution projects, and infrastructure enhancement in the form of roads and dams.

A project to increase law enforcement capabilities of Lao customs and police organizations to investigate drug trafficking, seize illicit narcotics, and disrupt trafficking organizations is projected to begin in FY 1992. During FY 1991, depending upon performance and Lao political commitment, detailed planning will begin for this project.

LAOS
INC BUDGET
($000)

	FY 1991	FY 1992
Alternative Crop Development Assistance		
Agricultural assistance, alternative economic activities, infrastructure improvements, development of agricultural areas, roads, water sources, dams; demand reduction, education and public health activities; advisory support	$ 500	$1,500
Law Enforcement		
Commodities and training	--	300
Program Development and Support		
U.S. Personnel (Contract) (1)	--	125
Non-U.S. Personnel (Contract) (1)	--	5
Project Support	--	70
Subtotal	--	200
TOTAL	$ 500 *	$2,000

*Reprogramming to increase FY 1991 funding is under consideration.

FY 1992
THAILAND ($5,000,000)

Country Goals. The U.S. Government's anti-narcotics program in Thailand supports efforts by the Royal Thai Government (RTG) to:

1. Improve Thai law enforcement operations directed against narcotics trafficking;
2. Increase seizures of illegal drugs;
3. Destroy illegal drug refineries in Thailand;
4. Reduce domestic planting of opium and marijuana.
5. Increase public and leadership awareness of the domestic impact of illegal drug use and trafficking.

As Thailand's domestic production of opiates has been reduced, the United States has shifted the emphasis of its Thai narcotics control program to increased support for law enforcement, demand reduction and treatment of addicts. Thailand continues to be a major concern for the U.S. both as a trafficking center and as a user country. Without controls in Burma, source of over 60 percent of the world's opium, and with only the beginnings of a bilateral program in Laos, Thailand is the front line in the fight against illegal narcotics in the Golden Triangle. Therefore, law enforcement activities to suppress expanded heroin trafficking are required.

Passage of asset seizure and conspiracy legislation is a priority objective. Progress on this law is expected during the May 1991 session of the Thai Parliament. If passed, a concerted effort to conduct investigations and build cases would be required.

FY 1992 Program. Activities planned in FY 1992 augment efforts undertaken in previous years. Increases focus on support for Thai programs aimed at interdiction, thwarting major trafficking groups, and stemming the flow of heroin to the U.S.

The **Narcotics Law Enforcement Project** is designed to improve Thai narcotics law enforcement. Objectives of the project are to:

- Substantially increase the number and significance of drug law arrests. While arrest targets are being met, the majority of arrests continue to be for low level possession and consumption;
- Substantially increase seizures of opiates and marijuana; and
- Destroy narcotics refineries. A lab destroyed recently in southern Thailand, far from traditional lab locations, shows that this problem continues.

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As in the past, many activities carried out under the umbrella of the law enforcement project, such as an airport computer system and regional communications improvements, are aimed at infrastructure building. The telecommunications project will complete the installation of secure communications for police organizations throughout the country. It will build intelligence capabilities of regional narcotics enforcement units and provincial bureaus. Additional support will be provided to enhance interdiction efforts, specifically to target large containerized shipments through the introduction of profile systems.

Law enforcement agencies will continue to receive vehicles and other police equipment. Given the age of the equipment now in use, a replacement program is planned to improve operating efficiency.

The **Narcotics Crop Control Project** seeks to reduce the amount of opium produced in Thailand. Goals include:

- Reduce hectarage planted with poppy. The Thai government estimates that, after eradication, about 3,500 hectares were cultivated during the 1989/90 crop year. This figure has remained relatively constant for the past few years as growers have moved to smaller fields in more remote and inaccessible areas;

- Eradicate opium poppy cultivation. Eradication during the 1989/1990 crop year was estimated at 720 hectares. Eradication targets were not reached due to pre-eradication harvesting and replanting after eradication; and

- Eradicate marijuana. Recent surveys indicate much diminished marijuana production in Northeast Thailand, but continued planting in the south.

Increased emphasis will be placed on preventive patrols in opium producing areas and continued enhancement of eradication programs. Modest assistance will continue to help opium growers convert to alternative crops.

The **Drug Awareness and Education Project** seeks to improve Thai drug abuse prevention activities. Its goals are to highlight the growing drug abuse problems in Thailand as well as the increased political and economic influence of narcotics traffickers and organizations, and reduce drug use, and tolerance of such use, among younger Thai citizens;

Program Development and Support funds will provide for salaries, benefits and allowances of permanently assigned U.S. and foreign national personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

THAILAND
INC BUDGET
($000)

	FY 1991	FY 1992
Law enforcement		
Commodities:		
Investigative and communications equipment, vehicles	$ 1,400	$ 2,000
Other Costs:		
Customs initiative, training, aviation and project support, drug intelligence	500	800
Subtotal	1,900	2,800
Crop Control Assistance		
Commodities:		
Agricultural supplies, emergency food, construction materials, training and survey equipment, vehicles, eradication and communications equipment	200	140
Other Costs:		
Technical assistance, training, survey support, enforcement support, agricultural extension & marketing support, and other project costs	1,000	1,060
Subtotal	1,200	1,200
Drug Awareness and Education		
Prevention, treatment, education	300	300
Program Development and Support		
U.S. Personnel:		
Direct-hire (2)	250	275
Contract advisor	20	50
Contract secretary	25	25
Non-U.S. Personnel:		
Direct-hire (4)	90	110
Contract (3)	20	30
Other Costs:		
Foreign Affairs Administrative Support (FAAS)	50	60
Program support	145	150
Subtotal	600	700
TOTAL	$ 4,000	$ 5,000

FY 1992
PAKISTAN ($7,500,000)

Country Goals. This program will increase the ability of the Government of Pakistan (GOP) to:

1. Continue to expand enforcement of the opium poppy ban in the primary growing areas of the Northwest Frontier Province (NWFP), with continued emphasis on Bajaur and Mohmand, and further expansion into other areas of the NWFP;

2. Eliminate the production, distribution and trafficking of heroin and other illicit drugs; and

3. Expand drug awareness and drug education programs in the NWFP and increase public awareness of serious drug abuse problems in Pakistan, resulting in increased GOP activity against drug production and trafficking.

Pakistan is an important producer, trafficker and refiner of opium and heroin in southwest Asia. While opium production may be driven to a great extent by the country's fast-growing number of heroin addicts, tribal areas along the Afghan border continue to be used as refining sites for converting opium gum to heroin as it transits Pakistan enroute to European and U.S. markets. Unsettled conditions in Afghanistan and cross-border ties among tribal groups continue to exacerbate that situation.

Enforcement of the ban on poppy cultivation was extended to Bajaur and Mohmand Agencies of the NWFP in 1990, where cultivation had been widespread. Relatively little opium poppy was planted in areas where the poppy ban is in force, and almost all of it was eradicated either voluntarily or by force. Production of raw opium appears to have increased to 165 metric tons in 1990 from 130 metric tons in 1989, due mainly to better weather in the growing season.

FY 1992 Program. The **Crop Control/Agricultural Outreach** projects now underway in Bajaur and Mohmand are crucial to continued expansion of the opium poppy ban. The projects, which provide items such as drinking water supply systems, roads, schools, medical facilities, electricity, better agricultural products and techniques, and irrigation are successful in allowing the GOP to enforce the poppy ban in remote parts of the NWFP, where it lacked control.

Roads, alone, permit the opening of "politically inaccessible" areas to greater control and supervision. Success in enforcing the ban in the irrigated areas of Mohmand can lead to extension of development assistance to other tribal areas of the NWFP where cultivation has increased.

Agricultural outreach commitments will be needed in Khyber, south Waziristan and Kohistan as the forerunner of future area development projects designed to improve the farmers' living standard, provide alternative cash crops, reduce the hardship caused by enforcement of the opium poppy ban, and strengthen the will of the GOP to enforce the law.

The **Enforcement Assistance Project** provides GOP law enforcement agencies with training, equipment, and operational and technical support. The law enforcement request reflects the delay in starting the elite unit as well as continued operational support for Joint Narcotic Task Force units, which were reduced from 18 to 6.

The **Demand Reduction Project** is designed to raise the awareness of the general public, community leaders, and GOP officials to the seriousness of narcotics addiction in Pakistan, now estimated between one and two million. Part of the demand reduction resources will be directed to a joint demand reduction project with UNFDAC, aimed at reducing abuse in the NWFP. U.S. support will be used by UNFDAC to elicit support from other donors.

The remainder of demand reduction funds will continue to support financial and technical assistance for drug prevention workshops or seminars for medical personnel, social workers and educators. Continued success of the public awareness campaign may result in increased funding as well as pressure on public officials to take effective action in enforcing the poppy ban.

Program Development and Support funds will provide for salaries, benefits and allowances of permanently assigned U.S. and foreign national personnel, short-term TDY assistance, and other general administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.

PAKISTAN
INC BUDGET
($000)

	FY 1991	FY 1992
Crop Control/Agricultural Outreach	$4,850	$5,300
Irrigation schemes; drinking water, electrification, and road projects; farm implements, seeds, fertilizer and operations costs		
Enforcement Assistance	1,350	800
Vehicles, communications and x-ray equipment, PNCB training, computer information network, operational support		
Demand Reduction	400	425
Seminars, workshops, training materials and supplies, travel and per diem of instructors and advisors, other costs		
Program Development and Support		
U.S. Personnel:		
Direct-hire (2)	275	300
Contract secretary	25	25
Non-U.S. Personnel:		
Direct-hire (2)	40	45
Contract (8)	60	70
Other Costs:		
Support for training advisors	150	150
Foreign Affairs Administrative Support (FAAS)	150	160
Program support	200	225
Subtotal	900	975
TOTAL	$7,500	$7,500

FY 1992
TURKEY ($400,000)

Country Goals. This program will increase the ability of the Government of Turkey (GOT) to:

1. Disrupt and eventually shut-down the main trafficking routes from eastern Turkey to Western Europe via Istanbul; and

2. Prevent leakage from licit poppy production through unlicensed planting, overplanting licensed fields or illicit poppy incision.

Turkey, a traditional opium producer for centuries, has eliminated illicit poppy cultivation. However, because of its unique location as a natural land bridge between consuming countries in Europe and the narcotics producing countries of Iran, Afghanistan and Pakistan, drugs transit Turkey enroute to markets in both Europe and the United States.

INM supports the GOT's efforts to combat narcotics trafficking by providing commodities and training to the Turkish National Police (TNP). As a result, the TNP has produced noticeable successes in drug seizures in recent years. Turkey also continues to be uniquely successful in eliminating leakage from its licitly produced opium. INM provides limited assistance to the Turkish Soil Products Office (TMO) which is responsible for surveillance of authorized poppy cultivation areas. Increased heroin refining in remote regions of southeastern Turkey may result in increased anti-narcotics responsibilities for the paramilitary Jandarma.

FY 1992 Program. INM will continue to support Turkish **Enforcement and Interdiction** efforts by providing equipment, e.g. radios, computers, terminals and printers, to the TNP. These resources help the TNP increase intelligence gathering and analysis with the goal of eliminating the major drug trafficking routes from eastern Turkey to Western Europe.

Political changes in Iran, in conjunction with INM funding for UNFDAC programs, as well as reduced hostilities in Afghanistan, have resulted in increased narcotics smuggling in eastern Turkey. Seizures have increased dramatically in response to this increased activity. A special DEA enforcement project should further enhance intelligence gathering and analysis capabilities. It is unclear what impact the Persian Gulf war will have on narcotics trafficking, but we will monitor the situation closely.

FY 1992 funding will also assist the GOT to prevent any leakage from licit poppy production through unlicensed planting, overproduction of licensed fields or illicit incision of poppies. Recent expansion of licit cultivation areas has increased pressure on the Turkish Soil Products Office (TMO) to monitor licit cultivation.

TURKEY
INC BUDGET
($000)

	FY 1991	FY 1992
Enforcement Assistance (TNP)		
Vehicles, cameras, communications equipment and other enforcement equipment	$ 280	$ 325
Poppy Surveillance (TMO)		
Vehicles and commodities	60	60
Program Support	10	15
TOTAL	$ 350	$ 400

FY 1992
ASIA/AFRICA/EUROPE REGIONAL ($2,000,000)

Program Goals. The Asia/Africa/Europe Regional Program helps cooperating countries in Asia and Africa reduce narcotics production and trafficking in and through their territory to the United States. It enhances their internal law enforcement and public awareness capabilities through bilateral and multilateral training, commodity assistance, and public awareness programs.

As opium production has soared in the producing countries of Southeast and Southwest Asia, neighboring countries increasingly have become affected by the illicit drug trade. In most cases, trafficking organizations take advantage of weak governments and law enforcement infrastructures to develop narcotics transit systems. In a few cases, local drug trafficking organizations have developed.

Based on demonstrations of governmental concern and political will to address the problem, the regional program enhances cooperating countries' ability to meet the challenge presented by the traffickers. The program provides public awareness expertise, legal and law enforcement advice and training, intelligence liaison, and enforcement commodity support.

With the increasing internationalization of illicit narcotics trafficking, augmented bilateral and multilateral efforts are required to attack problems on a regional basis. This program provides the flexibility to deal with targets of opportunity quickly. In addition, the program supports the European liaison office in Brussels which will increase narcotics cooperation with the European Economic Community and other industrially advanced countries, and foster enhanced efforts by international organizations in countries where U.S. influence or access is limited.

FY 1992 Program. Rapidly changing narcotics trafficking routes and methods require new cooperative measures with an ever-wider array of countries. In East Asia, this program will be expanded to support strong enforcement efforts in Malaysia, Indonesia, and the Philippines with training and grants of law enforcement equipment and operational support. In Southwest Asia, funds will continue to provide for the services of a regional communications advisor to cover Southeast and Southwest Asia from a base in Islamabad, Pakistan.

Funding will provide enforcement commodities to Bangladesh and a feasibility study in Nepal. In Africa, the program will fund USG support to the newly formed Nigeria National Drug Law Enforcement Agency (NDLEA) and activation of a Joint Narcotics Task Force to target major Nigerian drug organizations. With the increased flow of heroin through the Middle East, resources will be made available to cooperating countries to combat the trafficking of opium derivatives.

The program may also be used to provide law enforcement and monitoring support to the USAID Narcotics Awareness and Control Project (NACP) in Afghanistan to ensure compliance and to supervise private voluntary

agencies channeling assistance to Afghanistan and monitoring results. Increased activities in Afghanistan or other countries by international organizations could also be supported by this program.

ASIA/AFRICA/EUROPE REGIONAL
INC BUDGET
($000)

	FY 1991	FY 1992
U.S. Personnel		
Regional Telecommunications Advisor, Regional Narcotics Advisor, TDY experts, technicians	$ 200	$ 300
European Liaison Office	200	300
Commodities		
Vehicles, communications equipment, information systems, field operations support	150	550
Training		
In-country and interagency training	75	550
Other Costs		
Interdiction support, surveys, seminars	75	300
TOTAL	00	$2,000

FY 1992
INTERREGIONAL AVIATION ($37,800,000)

Program Goals. This program provides essential multi-mission aviation support to governments in South and Central America and the Caribbean, assisting them to:

1. Attack cocaine processing laboratories and interdict trafficking from clandestine airfields by transporting enforcement personnel to the site;

2. Eradicate drug-producing crops with aerially-applied herbicides and transportation of local workers for manual destruction;

3. Conduct aerial reconnaissance to locate drug production areas and facilities and verify eradication program results;

4. Transport personnel, conduct resupply activities, and provide other logistic support for field organizations; and

5. Train host country rotary-wing and fixed-wing pilots.

The primary strategy for narcotics supply reduction is to attack production and trafficking as close to the source as possible. Since nearly all drugs are produced in remote, underdeveloped regions where law enforcement is minimal, aviation support is required to transport personnel and equipment. INM provides aircraft for this purpose. A wide variety of aviation services is made available in response to host government requests for assistance. The basic support missions are interdiction, aerial spraying, personnel and material transport, reconnaissance, training, and medical evacuation.

FY 1990 Accomplishments. The Airwing flew over 16,000 hours to support counternarcotics efforts in 1990. Because of the availability and use of INM aircraft, governments in the Andean region have been able to gain footholds in previously inaccessible areas. For example, the Peruvian National Police (PNP) has been able to establish, maintain and expand a counternarcotics force in the Upper Huallaga Valley (UHV), the location of much of the world's coca cultivation.

Accomplishments include:

- Support for construction of the Santa Lucia runway and forward operations base. This construction was facilitated primarily through the use of INM aviation logistics support missions from Lima and Tingo Maria to Santa Lucia.

- C-123 "Providers" flew almost daily logistical runs to maintain the PNP presence in the UHV, moving nearly 3 million pounds of cargo and some 20,000 passengers;

- The Government of Peru (GOP) extended its authority by moving PNP narcotics squads into previously inaccessible drug producing or trafficking areas with the use of INM helicopters;

- INM helicopters provided critical medical evacuation support, rescuing personnel wounded during narcotics control operations or, in one instance, injured in a helicopter crash in March 1990;

- Bolivian-piloted INM helicopters flew over 12,000 accident-free hours supporting numerous interdiction missions; and

- INM Thrush aircraft eradicated 18% of Guatemala's opium poppies in a four-month period and 25% of the estimated marijuana crop.

Eradication and interdiction programs using INM aviation resources reduced the supply of narcotics. In Peru, coca seedbeds equating to over 15,000 hectares of mature coca were eradicated in 1990, using INM helicopters to transport Peruvian workers. The PNP interdicted 151 processing laboratories and numerous clandestine airstrips in 1990, often by using INM helicopters.

INM aviation resources and U.S. Special Forces Mobile Training Teams have been used effectively to train host country personnel, such as the PNP at the Mazamari training facility in Peru. Likewise, aerial reconnaissance support for intelligence activities has made a significant contribution to the removal of narcotics kingpins.

During FY 1990, INM took steps to improve the readiness of Airwing assets. Maintenance and overhaul programs were completed on recently acquired aircraft to enhance reliability and mission capability. These efforts are essential to providing timely and appropriate responses to host government requests for aviation assistance. These programs allow INM to offer assistance to leaders of foreign governments as they act to control drug production in their countries.

FY 1992 Program. During FY 1991 and FY 1992, INM will continue maintenance and overhaul programs to maintain a high state of aircraft readiness in a fleet expected to increase substantially.

The increase in available assets will enable INM to assist host countries to fly more interdiction missions. A complementary effort is planned with the various embassy staffs to identify aircraft requirements more accurately and provide specifically tailored support. Additionally, INM training programs will enhance program standardization and host country involvement.

An increase in the number of DOD personnel assigned to INM under a Participating Agency Support Agreement will improve contractor and operational oversight and training in the field and at the main base in the U.S.

The increase in funding from $33.45 million to $37.8 million results from four additional UH-1H helicopters deployed in Bolivia and other helicopters expected to be delivered to the Andean countries. Operating costs for the UH-1H's are estimated to be approximately $500,000 each per year. The remaining funds will be used for operational support costs of the C-131 aircraft and the addition of a new C-208 Cessna Caravan seized by DEA and turned over to INM.

INTERREGIONAL AVIATION
NC BUDGET
($000)

	FY 1991	FY 1992
Operations and Maintenance	$30,450	$35,800
Overhaul	800	1,000
Training, field advisors and contract administration	2,200	1,000
TOTAL	$33,450	$37,800

FY 1992
INTERNATIONAL ORGANIZATIONS ($4,600,000)

This project provides for the U.S. Government's voluntary contributions to the narcotics control programs of selected international organizations, including the United Nations Fund for Drug Abuse Control (UNFDAC), the Division of Narcotic Drugs (DND) and the International Narcotics Control Board (INCB).

Program Goals. U.S. drug control goals in cooperation with international organizations are:

1. Advance the idea that drug control is a transnational problem, requiring global collaboration to develop stronger law enforcement cooperation and economic incentives to eliminate illicit cultivation through alternate income sources.

2. Utilize UNFDAC within the framework of the new UN Drug Control Programme to plan and facilitate programs which complement U.S. bilateral programs, assist U.S. international drug control goals, or take the place of U.S. funded programs in countries where there is no U.S. presence.

3. Employ multilateral fora, UNFDAC particularly, to create a political atmosphere that encourages other donor countries to view narcotics control as a major foreign policy concern so as to achieve greater multilateral collaboration in implementing programs in key recipient countries.

4. Cooperate with other countries to ensure implementation of the Global Program of Action and encourage those countries which have not yet done so to ratify the 1988 Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

5. Conduct law enforcement training and continually evaluate the environmental effects of illicit cultivation and processing.

In 1989 and 1990, the Major Donors (the fifteen largest contributing countries) directed UNFDAC's activity toward large-scale efforts to reduce cocaine and heroin production. In the cocaine effort, UNFDAC programs concentrate on reducing illicit coca cultivation in the Andes and suppressing illicit processing and trafficking in those and surrounding countries. In the heroin effort, UNFDAC collaborates with countries in Southeast and Southwest Asia to develop programs concentrating on suppressing illicit cultivation of the opium poppy and trafficking of opiates, particularly along the border areas in Thailand, Burma, Laos, Afghanistan and Pakistan.

The UN approved a Global Program of Action at the February 1990 Special Session, directing UNFDAC to use a sub-regional approach to determine program priorities, tracking with the U.S. regional approach. UNFDAC's sub-regional strategies, focusing on suppressing the cocaine and heroin trades, emphasize the importance of cooperation between neighboring countries and the need to ensure host-government commitment

to work fully with UNFDAC and donor countries to reduce illicit cultivation, processing and trafficking.

UNFDAC is supported entirely by voluntary contributions from governments and private sources. Its calendar year 1990 program budget was US$69.3 million, with resources distributed as follows: supply reduction, 39%; demand reduction, 28.5%; strengthening control measures, 25%; research, .5%; United Nations Development Programme (UNDP), 4.5%; administration, 2.5%. Approximately 80% of the resources are distributed regionally and the remaining 20% distributed among interregional programs, administration and UNDP. UNDP and UNFDAC maintain a working arrangement, as UNDP executes many UNFDAC programs.

The marked expansion and intensification of UNFDAC activities in recent years continued in 1990. The $69.3 million let UNFDAC provide financial and technical assistance to 67 countries through 118 nation-level drug control projects. The UNFDAC work program also included 41 regional and global projects supporting a broad range of drug control activities such as specialized training, advisory services, research, exchange of information and meetings.

Since 1982, UNFDAC has concentrated the majority of its financial resources on multi-sectoral programs in the major producing countries, Bolivia, Peru, Colombia, Thailand, Pakistan and Burma (Myanmar). In Bolivia, UNFDAC's largest current project, a major multi-donor coca control/development project developed in cooperation with the U.S. and several European governments, has been extended until mid-1991. Activities are concentrated in areas where coca cultivation is targeted for elimination under the 1988 anti-narcotics law.

In Pakistan, the Dir District rural development project ($14.5 million) was evaluated favorably in June 1990 with recommendations that it be extended for two years and that preparation of a second phase be initiated to guarantee lasting developmental and drug-control results.

FY 1992 Program. In FY 1992, INM will continue to support large programs with long-term objectives, an expanded multilateral drug control agenda, development of a regional approach to combat drug abuse, and UN efforts to consolidate its drug control activities. In support of the President's Heroin Strategy, funds will be allocated to selected heroin programs.

The U.S. has embarked on a new collaborative relationship with UNFDAC focusing on large programs with long-term objectives such as the Bolivian specialized court. Programs of this type are generating other donor support. We are working with UNFDAC to develop similar long-term programs in regional chemical control, suppression of opium cultivation and heroin processing, and judicial development, such as strengthening national anti-narcotics laws and protection of judges.

In addition to the expanded role of UNFDAC in narcotics-producing countries, the United Nations itself has increased its activities in drug control. On November 11, 1990, the 1988 Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances entered into force. Thirty-three countries have now ratified the Convention. The DND and INCB secretariat

have worked to facilitate its rapid ratification and to ensure that countries implement its provisions as soon as possible.

Because the DND and INCB secretariat are funded from the UN regular budget, and resources have been cut, they have been unable to carry out all their mandates. To remedy this problem and maximize all regular budget and voluntary resources going to the UN drug control effort, the 44th UNGA requested the Secretary General to call together a group of experts to study restructuring the UN drug control bodies. The report of the Group of Experts resulted in a resolution passed at the 45th UNGA calling for consolidation of UNFDAC and the DND and INCB secretariats into an integrated structure - The UN Drug Control Programme - effective March 1, 1991.

Other international narcotics control programs include the Colombo Plan, which assists 26 member nations in Southeast and Southwest Asia to suppress production, trafficking and abuse of illegal drugs. The 26 member nations represent the single largest source of licitly and illicitly produced opium. The United States and other donor countries help fund the Plan's Drug Advisory Program which conducts workshops, seminars and training programs in demand reduction, enforcement, treatment and rehabilitation throughout the region.

INTERNATIONAL ORGANIZATIONS
INC BUDGET
($000)

	FY 1991	FY 1992
UNFDAC, Colombo Plan	$4,800	$4,600

FY 1992
INTERREGIONAL PROGRAMS ($7,000,000)

This program category includes two discrete functional activities: Law Enforcement Training, and Demand Reduction and Public Awareness.

i. Law Enforcement Training:

Program Goals. The principal goals of this program are to:

1. Improve the level of international narcotics law enforcement competence and enhance development of host country police, criminal justice and interdiction agencies;

2. Enhance visibility of U.S. Government international drug policies with both host country enforcement agencies and with host country policy-level officials;

3. Improve working contacts between foreign law enforcement officials and U.S. Government counterparts; and

4. Encourage and support cooperation between foreign drug enforcement personnel and organizations.

Since 1971, INM has provided approximately $74 million to other Federal agencies, primarily the Drug Enforcement Administration, the Customs Service and, more recently, the Coast Guard, to train more than 39,200 narcotics law enforcement personnel in countries cooperating with the U.S. Government in narcotics control initiatives. Courses are given at training centers in the United States and overseas. Generally, training programs in the United States are tailored to senior-level management and policy-level officials, while programs offered overseas are usually reserved for operational personnel.

FY 1992 Program. Activities planned for FY 1992 follow the Department's international narcotics control strategy, i.e., focus first on the Andean cocaine source countries and secondly on transit and Caribbean nations. The budget request will allow INM to meet more of the foreign narcotics law enforcement training requests made through our diplomatic missions abroad. Specific objectives include:

- Increased emphasis on joint training exercises with cooperating foreign governments and international organizations;

- Enhanced programs for customs and maritime enforcement in the key Caribbean and Central American regions;

- Establish effective customs and/or maritime interdiction capabilities in each major transit country in Africa, South Asia and the Indian Ocean region;

- Improve basic management practices in major INM program countries; and

Initiate major narcotics training efforts in the growing problem area of Eastern Europe and the USSR.

The program will continue to provide specialized enforcement training, e.g., financial investigations, forensic science, customs advisory projects, narcotics detector dog capability, maritime science, seamanship and supervisory skills. Specialized and advanced programs will be offered in tandem with basic level courses which will continue in those countries and regions with only rudimentary narcotics enforcement skills.

II. Demand Reduction/Public Awareness Program

Program Goals. The goals of the demand reduction/public awareness program are to:

1. Reduce the worldwide demand for illicit drugs, thereby eroding the growth of illicit markets outside the U.S.;

2. Mobilize key social institutions to combat the drug problem, contributing to creating an environment supportive of effective narcotics control; and

3. Stimulate international cooperation among the organizations concerned with the negative impact of drug abuse upon societies.

INM supports program activities through the services of contractors, agreements with international organizations, and bilateral agreements with foreign governments. Grants are provided from time to time to specialized anti-narcotics private voluntary organizations (PVO) overseas. Typical activities include supporting conferences and international visitor programs on demand reduction; training for foreign educators, social workers, medical practitioners and drug policy makers; specialized programs in drug research including surveys and demographic studies; and supporting technical and scientific programs related to drug abuse.

Drug abuse will continue to have negative social costs in developing countries. In addition to public education programs, demand reduction efforts also emphasize development of prevention/treatment infrastructures and drug surveys and measurement techniques, to delineate more accurately the worldwide drug problem. A secondary emphasis is on sharing technology with developed countries in Europe to stimulate them to provide technical assistance overseas, especially in regions where they have traditional special relationships.

FY 1992 Program. The core programs will continue as in 1991, but with increased emphasis on cooperative activities with selected international and regional organizations as well as cooperating governments. In addition, we will seek to build or improve drug treatment and prevention infrastructures in areas of concern in South America, the Caribbean and Southeast Asia.

In addition to the traditional reliance on contractors, PVOs and bilateral agreements, we will increase emphasis on developing multilateral programs with regional and international organizations, and private organizations with expertise in international demand reduction.

INTERREGIONAL PROGRAMS
INC BUDGET
($000)

	FY 1991	FY 1992
Law Enforcement Training		
U.S. Drug Enforcement Administration training	$2,900	$2,900
U.S. Customs Service training	1,750	1,750
U.S. Coast Guard training	350	350
Narcotic detector dog training	400	400
Subtotal	5,400	5,400
Demand Reduction/Public Awareness		
Contractors/consultants	980	1,100
Public awareness and education	420	350
Visitor programs/exchanges	100	150
Subtotal	1,500	1,600
Herbicide Research 1/	100	--
TOTAL	$7,000	$7,000

1/ In FY 1992 USDA is expected to fund herbicide research.

FY 1992
PROGRAM DEVELOPMENT AND SUPPORT ($5,300,000)

Program Goals. INM's central Program Development and Support (PD&S) funds provide technical and administrative support for the international narcotics control program which is not otherwise tied to bilateral projects or specific interregional activities.

The Assistant Secretary and two Deputy Assistant Secretaries establish policy and direct the bureau's programs. Through the Offices of Program Management, Transnational Issues, Policy, Planning and Evaluation, and Executive Director/Controller, counternarcotics strategies and programs are developed and implemented.

FY 1992 Program. Since its inception in 1978, the Bureau of International Narcotics Matters has grown in size and scope. Because of the increased complexity of the international counternarcotics program, the additional interagency coordination needed, and a growing aviation program, the staff has been increased overseas and in the U.S. Between 1989 and 1991 the domestic staff increased by almost 50 percent. The funds requested for 1992 will support salaries and expenses for 72 full-time positions, six reimbursable administrative support staff assigned to other bureaus of the Department, and two reimbursable positions for personnel from other agencies.

To improve policy formulation, program planning, project monitoring, and evaluation, a major reorganization of the bureau was approved in 1989. The Office of Transnational Issues was created to deal with broad global issues affecting counternarcotics efforts, such as precursor chemicals control, the United Nations drug program, international training, and participation by other industrialized nations in counternarcotics programs. To strengthen INM's policy development and program evaluation, the Policy, Planning and Evaluation Staff was created.

Headquarters staff activities include periodic visits to Narcotics Affairs Sections abroad to review, analyze and make recommendations on programs, developing or sponsoring management control seminars for NAS staff, and developing training programs for new personnel, as well as other program management functions. The purpose of these activities is to strengthen management of INM's programs and enable personnel to keep pace with the increasing complexity of the counternarcotics program.

PROGRAM DEVELOPMENT AND SUPPORT
INC BUDGET
($000)

	FY 1991	FY 1992
Domestic direct-hire personnel (72)	$3,550	$3,650
Reimbursable personnel support	300	350
Short-term contract technical specialists and consultants	150	160
Travel	300	325
Staff training and regional conferences	200	215
Administrative services and program support	300	350
Special studies/evaluations	200	250
TOTAL	$5,000	$5,300

FY 1992
INM FUNDED DIRECT HIRE STAFFING

FY 1992 Staffing. The programs of the Bureau of International Narcotics Matters will be administered from Washington by a staff of 72 domestic positions, six reimbursed support positions assigned to other bureaus, and one position from the Department of State's Salaries and Expenses appropriation. 25 direct-hire American field positions and 17 direct-hire local positions are paid from INM country program funds to manage the Bureau's programs overseas.

Excluding the one position funded by the Department of State Salary and Expenses account, INM funds 97 full-time American direct-hire positions and 17 foreign national positions to manage its program responsibilities. The positions are distributed as follows:

	American	Local	Total	American Increase	Total
Domestic	72	--	72	--	72
Overseas	[25]	[17]	[42]	[--]	[42]
Bahamas	1	-	1	-	1
Bolivia	4	3	7	-	7
Brazil	1	-	1	-	1
Colombia	4	3	7	-	7
Dominican Republic	1	-	1	-	1
Ecuador	1	1	2	-	2
Guatemala	1	-	1	-	1
Jamaica	1	-	1	-	1
Mexico	2	2	4	-	4
Panama	1	-	1	-	1
Peru	3	2	5	-	5
Venezuela	1	-	1	-	1
Thailand	2	4	6	-	6
Pakistan	2	2	4	-	4
TOTAL	97	17	114	--	114

FY 1992
FUTURE ASSISTANCE PROJECTIONS
($000)

As required by Section 581 of Public Law 101-513, the following funding projections are provided for Fiscal Years 1993, 1994, and 1995.

	FY 1993	FY 1994	FY 1995
International Narcotics Control	175,147	181,856	185,832

United States Department of State
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ANTI-TERRORISM ASSISTANCE

FY 1992 BUDGET REQUEST

Budget Summary

	Actual FY 1990	Budget Estimate FY 1991	Revised Estimate FY 1991	Estimate FY 1992	Incr./ Decr. (-) FY 1992 vs FY 1991
		(Dollars in Thousands)			
Total Budget Authority a/	$9,974	$12,026	$12,026	$15,000	+$2,974
Full-Time Permanent Appointments, End-of-Year b/	15	15	15	15	--

a/ In compliance with Section 581 of the Foreign Operations Act of 1990, the funding levels projected by OMB for FY's 1993 through 1995 are $15,308 thousand, $15,614 thousand, and $15,918 thousand respectively.

b/ 22 U.S.C. 2349aa-2(f) prohibits the use of ATA funds for personnel compensation or benefits for Department of State's ATA staff. Consequently, the staffing is allocated and funded out of the Diplomatic Security program in the Department of State's Salaries and Expenses Appropriation.

Background

The Anti-Terrorism Assistance Program (ATA), which was authorized in 1983, provides training and equipment to foreign countries in order to enhance the skills and abilities of foreign police and security officials. Concurrently, the ATA program seeks to strengthen U.S. bilateral ties with the participating countries and to increase respect for human rights among foreign police officials.

The ATA program operates from the premise that the United States must rely on indigenous law enforcement agencies overseas in order to counter and, ultimately, reduce terrorist activity. Foreign police and government officials are the first line of defense against terrorism for Americans abroad. Accordingly, the ATA program is structured to enhance the skills of foreign police and security officials, and, at the same time, to foster cooperative relations with ATA recipients.

Program assistance is coordinated with the U.S. Mission Country team and host government representatives to provide an efficient and effective means of deterring and countering terrorism through modern and humane anti-terrorism techniques and practices.

ANTI-TERRORISM ASSISTANCE

Training is the dominant activity of the ATA program. During the past seven years, over 6,600 students representing more than 60 countries were trained in anti-terrorism skills such as crisis management, hostage negotiations, airport security management, and deactivation of improvised explosive devices. Prior to FY 1991, all training was conducted in the continental United States. However, the ATA program is now authorized to provide training in selected courses overseas at the actual sites where the students will be applying their skills. The curriculum and instructors emphasize giving trainees a solid foundation that will enable them to pass on their new skills to colleagues unable to participate in the ATA program.

The ATA program is both policy effective and cost effective. Many participants come from developing nations lacking the expertise and financial resources to provide an effective anti-terrorism training program. The ATA program provides them valuable skills, including some support equipment, as well as technical advice to further augment their capabilities. It also provides for establishing a personal tie between the student, the United States Department of State, and elements of the domestic police establishment. These ties open new avenues of communication and cooperation for our officials overseas. In summary, the ATA program is an essential element in the United States' effort to combat international terrorism.

Summary of the Budget Request

As the ATA Program enters its ninth year of operation the FY 1992 budget request is $15,000,000. This reflects an increase of $2,974,000 over the FY 1991 level of $12,026,000 and is designed primarily to enhance aviation security which will help address the threat spawned by the war in the Persian Gulf. Funding for airport security training and equipment ($3,616,000) and explosive detection dog training ($3,312,000) comprise 46% of the FY 1992 request.

Funding

On the next page are two tables which provide information concerning the distribution of the ATA Program funds. The first table summarizes the funding by program activity. The second table summarizes the funding by object class. Each table provides obligation information for three years (actual FY 1990 and estimates for FY 1991 and FY 1992).

ANTI-TERRORISM ASSISTANCE

Program Activity	Actual FY 1990	Budget Estimate FY 1991	Revised Estimate FY 1991	Estimate FY 1992	Incr./ Decr. (-) FY 1992 vs FY 1991
		(Dollars in Thousands)			
Training, Evaluations and Other Related Activities (including Executive Seminars)	$9,116	$10,016	$10,516	$11,752	+$1,236
Equipment Grants	406	1,100	1,100	2,613	+1,513
Program Design and Development	139	600	100	250	+150
Program Management	313	310	310	385	+75
Total, Obligations	$9,974 a/	$12,026	$12,026	$15,000	+$2,974

a/ The ATA Program received $9,974,000 of budget authority. An additional $364,800 was obligated with funds provided by the Agency for International Development (AID) pursuant to Section 4305(c) of the Anti-Drug Abuse Act of 1988 and Sections 534(b)(2) and (3) of the Foreign Assistance Act of 1961, as amended, and the Memorandum of Agreement between AID and the Department of State for the training of Colombians in protective techniques for the International Criminal Investigative Training Assistance Program in Colombia (ICITAP).

Object Class	Actual FY 1990	Budget Estimate FY 1991	Revised Estimate FY 1991	Estimate FY 1992	Incr./ Decr. (-) FY 1992 vs FY 1991
		(Dollars in Thousands)			
Travel and Transportation of Persons	$288	$331	$276	$358	+$82
Transportation of Things	10	21	21	12	-9
Rent, Communications and Utilities	3	4	4	4	--
Printing and Reproduction	5	5	5	6	+1
Other Services	7,500	7,540	7,540	10,046	+2,506
Supplies and Materials	4	2	4	5	+1
Equipment	465	1,100	1,100	2,613	+1,513
Grants, Subsidies, and Contributions	1,699	3,023	3,076	1,956	-1,120
Total, Obligations	$9,974	$12,026	$12,026	$15,000	+$2,974

ANTI-TERRORISM ASSISTANCE

The increase in Other Services reflects the need for additional contracted training support. The equipment increase includes airport security equipment such as state of the art X-ray machines, walk-through metal detectors, and communication equipment. The decrease in grants reflects new authorization allowing for selected overseas training, which will result in lower per diem grants.

Changes to the FY 1991 Budget Estimates

	Budget Estimate FY 1991	Revised Estimate FY 1991	Incr./ Decr. (-)
	(Dollars in Thousands)		
Training, Evaluations and Other Related Activities (including Executive Seminars)	$10,016	$10,516	+$500
Program Design and Development	600	100	-500
Total impact of changes			--

When the FY 1991 Budget was submitted, $500,000 was included in the Program Design and Development activity for follow-up evaluations regarding the effectiveness of the ATA training and equipment provided to participating countries. It has been determined that the funding for these evaluations is more properly included with the Training, Evaluations and Other Related Activities.

Justification of the FY 1992 Request

Training, Evaluations and Other Related Activities and Associated Equipment

	Actual FY 1990	Budget Estimate FY 1991	Revised Estimate FY 1991	Estimate FY 1992	Incr./ Decr. (-) FY 1992 vs FY 1991
		(Dollars in Thousands)			
Training, Evaluations and Other Related Activities (including Executive Seminars)	$9,116	$10,016	$10,516	$11,752	+$1,236
Equipment Grants	406	1,100	1,100	2,613	+1,513
Subtotal	$9,522	$11,116	$11,616	$14,365	+$2,749

Equipment is directly related to training. Therefore, these two program activities should be reviewed together.

ANTI-TERRORISM ASSISTANCE

The FY 1992 request is based on a comprehensive plan to provide ATA training and equipment to countries that meet one or more of the following criteria:

- The country is categorized as a critical or high threat post and cannot meet the terrorist threat within its own resources.
- There is a substantial United States presence in the country.
- The country is a last point of departure for flights arriving in the United States.
- There are important bilateral policy interests at stake.

The top priority of the ATA Program is to provide assistance to friendly countries facing a significant level of terrorist activity. Accordingly, major recipients of ATA assistance have included countries such as the Philippines, Colombia, and Greece. The training programs are tailored to meet the specific needs of the country. As noted earlier, the training is intended to improve the anti-terrorism skills and capabilities of the recipient officials while enhancing the democratic and human rights values essential for a stable, free society.

Protecting United States citizens in the recipient country is another key consideration in the decision to invite a specific nation to participate in the ATA Program. To this end, program assistance is directed towards countries such as the Philippines, where there is a significant American presence. Not only does ATA training enhance the local government's ability to protect its own citizens and its political institutions, it also helps ensure the safety of any American living in or visiting that country.

With the outbreak of war in the Middle East and Iraq's call for attacks against United States' interests worldwide, the threat of terrorism has increased substantially and we believe there will be a corresponding increase in the demand for ATA programs. In Indonesia in late January, for example, police defused a bomb at the home of the United States Ambassador. We would note, however, that ATA assistance during the past seven years has provided a solid foundation in high threat areas, such as the Philippines, to combat terrorism and assist our embassies in protecting United States' citizens.

ANTI-TERRORISM ASSISTANCE

Countries in which United States air carriers operate are another high priority for the ATA program during FY 1992. The ATA program has trained hundreds of airport officials in more than 50 countries in procedures and techniques for operating a safe, secure airport and for protecting civilian passenger aircraft on the ground. The ATA aviation security curriculum exceeds ICAO Annex 17 standards. In addition, the ATA program has provided limited quantities of equipment, such as walk-through metal detectors, state of the art X-ray machines, and dogs trained in the detection of explosives, to improve airport security. The dogs can be used to inspect aircraft and other areas where the X-ray machines cannot be used. The combination of ATA aviation security courses, coupled with trained dogs, X-ray machines, and other related equipment, provide for a comprehensive airport security assistance system. The ATA program continues to expand its courses in aviation security and is training more explosive detection dog teams for airport specialization.

The ATA program has also been extended to those countries that do not face an immediate terrorist threat but are significant to United States policy interests. During FY 1990, for example, the United States included Poland, Hungary, and Czechoslovakia in the ATA Program. The blossoming of freedom in Eastern Europe and the dismantling of the repressive security apparatus has exposed these countries to additional terrorist threats. The governments of these countries share with the United States a concern that terrorist groups will try to conduct operations by taking advantage of the new openness. Moreover, an upsurge of Soviet Jews transiting these countries enroute to Israel, has introduced these new democracies to the stark reality of international terrorism. In the spring of 1990, Palestinian extremists, angry at Poland for serving as a way-station for Soviet Jews immigrating to Israel, shot and wounded a Polish diplomat and his wife in Beirut.

The United States remains committed to assisting emerging democracies such as Poland, Hungary, and Czechoslovakia to enhance skills to protect their institutions against terrorist attacks. During FY 1990, the United States initiated a comprehensive assistance program that included efforts to improve aviation security at airports judged to be vulnerable to terrorist attacks and to introduce the Eastern Europeans to anti-terrorism law enforcement techniques and policies characteristic of a democracy. In FY 1992, we plan to continue this approach.

ANTI-TERRORISM ASSISTANCE

The following two tables provide a three year overview reflecting the distribution of training and equipment resources (1) by region and (2) by major subject area.

Allocation of Training and Equipment

By Region:	Actual FY 1990 $	Actual FY 1990 %	Revised Estimate FY 1991 $	Revised Estimate FY 1991 %	Estimate FY 1992 $	Estimate FY 1992 %
	(Dollars in Thousands)					
African Affairs (AF)	$481	5%	$191	2%	$287	2%
Inter-American Affairs (ARA)	2,656	28%	2,680	23%	2,873	20%
East Asian and Pacific Affairs (EAP)	1,915	20%	2,065	18%	3,591	25%
European and Canadian Affairs (EUR)	3,537	37%	5,987	51%	4,959	35%
Near East and South Asian Affairs (NEA)	933	10%	193	2%	2,155	15%
Evaluations	--	--	500	4%	500	3%
TOTAL	$9,522	100%	$11,616	100%	$14,365	100%

Allocation of Training and Equipment

By Major Subject Area:	Actual FY 1990 $	Actual FY 1990 %	Revised Estimate FY 1991 $	Revised Estimate FY 1991 %	Estimate FY 1992 $	Estimate FY 1992 %
	(Dollars in Thousands)					
Airport Security	$2,427	26%	$3,560	31%	$3,616	25%
Other Transportation Security	299	3%	170	1%	276	2%
Explosive Detector Dogs	435	5%	694	6%	3,312	23%
Other Explosive Management	2,121	22%	1,507	13%	937	7%
Anti-Terrorism Support	2,507	26%	3,450	30%	3,476	24%
Hostage and Crisis Management	1,285	13%	1,373	12%	1,338	10%
Personal Security	448	5%	362	3%	910	6%
Evaluations	--	--	500	4%	500	3%
TOTAL	$9,522	100%	$11,616	100%	$14,365	100%

ANTI-TERRORISM ASSISTANCE

Program Design and Development

	Actual FY 1990	Budget Estimate FY 1991	Revised Estimate FY 1991	Estimate FY 1992	Incr./ Decr. (-) FY 1992 vs FY 1991
		(Dollars in Thousands)			
Program Design and Development	$139	$600	$100	$250	+$150

These funds are used to develop approaches and objectives for instruction and assistance; to identify potential audiences and associated task and skill requirements; to collect information essential for training to be tailored to the needs of the participating countries; and to provide a basis for evaluations.

The requested increase will be used, as needed: to develop and revise aviation security course content based on our experience with the overseas training venue; to develop new courses in response to emerging and existing terrorist threats; and to develop major revisions to basic course materials which may be required as a result of our program evaluations.

Program Management

	Actual FY 1990	Budget Estimate FY 1991	Revised Estimate FY 1991	Estimate FY 1992	Incr./ Decr. (-) FY 1992 vs FY 1991
		(Dollars in Thousands)			
Program Management	$313	$310	$310	$385	+$75

All the operating expenses for the ATA Program are funded through this activity. The ATA staff manages and coordinates all phases of the program by promoting, presenting, and explaining the goals of the program to eligible countries; developing and coordinating the executive seminars; directing the assessment teams; and developing and scheduling training. In addition, the staff is involved in conducting essential follow-up evaluations on the effectiveness of training and equipment provided. In FY 1992, the ATA staff will continue to perform these duties in carrying out the program mission.

ANTI-TERRORISM ASSISTANCE

In addition, operating expenses include travel funds which will be made available to the Coordinator for Counterterrorism, who is located within the office of the Secretary. These funds are for travel in connection with overseas coordination of interagency anti-terrorism training with the governments of both ATA recipient countries and prospective recipient countries regarding ATA.

The requested increase is to support the added travel and transportation costs associated with the program increase.

Staffing Summary

	Actual FY 1990	Budget Estimate FY 1991	Revised Estimate FY 1991	Estimate FY 1992	Incr./ Decr. (-) FY 1992 vs FY 1991
		(Dollars in Thousands)			
Full-Time Permanent Appointments, End-of-Year a/	15	15	15	15	--

a/ 22 U.S.C. 2349aa-2(f) prohibits the use of ATA funds for compensation and benefits for the Department of State's ATA staff. Consequently, staffing is funded out of the Diplomatic Security program in the Department of State's Salaries and Expenses Appropriation.

Organization Structure:

The ATA organization currently has a Program Director and two Divisions for a total of 15 full-time permanent (FTP) positions.

Office of Counterterrorism Programs:

The Office Director administers, manages, and develops anti-terrorism assistance programs under Chapter 8, part II, of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2349aa et seq.) and supplemented by other legislation.

ATA Division:

This division designs, develops, and directs the provision of training (with related equipment) in its assistance to foreign government security and law enforcement personnel to deter and counter terrorism.

ANTI-TERRORISM ASSISTANCE

Program Management Division:

This division plans and develops program strategies, coordination, guidance, and support for all management activities, including budget matters. The staff develops short and long-term plans for program activities. The staff also provides logistical, administrative, and budget support for the conduct of training and the related equipment and assistance activities.

Workload Indicators

The ATA Program is expanding its operations to include more comprehensive reviews, assessments, and evaluations of its training and revising and improving current course curriculum, as well as designing new courses. This increasing workload affects the operations of both divisions. The following table provides a three year comparison of the ATA Program's workload:

Workload Indicators

	Actual FY 1990	Revised Estimate FY 1991	Estimate FY 1992
Countries Participating	49 a/	15	22
Training Events Conducted:			
In the U.S.	72	64	88
Overseas	N/A b/	8	20
Participants Trained:			
In the U.S.	1,402	1,171	1,430
Overseas	N/A b/	234	600
Program Evaluations	--	10	10
Airports to Receive Security X-Ray Machines	--	4	5

a/ There were 49 countries participating in the ATA Program in FY 1990. This count includes 21 counties that participated exclusively in regional courses.

b/ Prior to FY 1991, the ATA Program was prohibited by law from conducting overseas training. Pursuant to the Aviation Security Improvement Act of 1990 (PL 101-604, signed November 16, 1990), the ATA Program received authorization to conduct selected training overseas.

In FY 1991 the level of funding was increased to support program evaluations and airport security equipment. The funding increases requested for FY 1992 emphasize more training events.

ANTI-TERRORISM ASSISTANCE

In compliance with Section 581 of the Foreign Operations Act of 1990, below are funding levels projected by OMB for FY's 1993 through 1995 by activity:

Program Activity	Estimate FY 1993	Estimate FY 1994	Estimate FY 1995
	(Dollars in Thousands)		
Training, Evaluations and Other Related Activities (including Executive Seminars)	$11,991	$12,227	$12,461
Equipment Grants	2,667	2,720	2,773
Program Design and Development	250	250	250
Program Management	400	417	434
Total, Obligations	$15,308	$15,614	$15,918

INTER-AMERICAN FOUNDATION

Budget Submission for Authorization and Appropriations for FY 1992

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1. FY 1992 Budget, including Supplementary Information on History of Foundation Funding (Section 1)

2. Glossary of Terms (Section 2)

3. Projected FY 1992 Program (Section 3)

4. FY 1990 Program including Grantmaking and Learning and Dissemination (Section 4)

5. FY 1990 Country Reports (Section 5)

6. The Inter-American Foundation in Numbers: 1971 - 1990 (Section 6)

FY 1992 BUDGET

(INCLUDES SUPPLEMENTARY INFORMATION ON

HISTORY OF FOUNDATION FUNDING)

APPROPRIATED FUNDS
PROGRAM AND FINANCIAL INFORMATION
$ in 000

Budget Authority	Prior Years	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
Transferred From Other Accts	50,000	2,000*	-	-	-	1,700**	-	-	-		-
Appropriated	50,408	12,000	13,000	11,992	11,454	11,800	13,000	16,600	16,932	25,000***	28,794
Sequestered	-	-	-	-	-	-	-	-	73	-	-
Total Budget Authority	100,408	14,000	13,000	11,992	11,454	13,500	13,000	16,600	16,859	25,000	28,794
Amt Available - Prior Yrs	7,382	581	1,239	1,610	668	1,023	2,514	1,910	1,110	287	287
Total	107,790	14,581	14,239	13,602	12,122	14,523	15,514	18,510	17,969	25,287	29,081
Recoveries	1,831	209	507	505	697	476	432	397	408	-	-
Total	109,621	14,790	14,746	14,107	12,819	14,999	15,946	18,907	18,377	25,287	29,081
Obligations	101,658	13,551	13,136	13,439	11,796	12,485	13,743	17,797	18,080	25,000	28,794
Balance	7,963	1,239	1,610	668	1,023	2,514	2,203	1,110	287	287	287

*CBI Funds

**PL99-349

***Assumes restoration of $475,000 temporarily sequestered.

GRANT AND ADMINISTRATIVE COSTS

FY 1971 - FY 1990
($ in thousands)

Fiscal Year	Grants	Administrative Costs	Total	Total (1971 Dollars)
1971	$ ----	$ 376 (100%)	$ 376	$ 376
1972	2,794 (71%)	1,125 (29%)	3,919	3,762
1973	2,998 (67%)	1,482 (33%)	4,480	4,077
1974	12,704 (89%)	1,604 (11%)	14,308	11,733
1975	13,650 (88%)	1,889 (12%)	15,539	11,654
1976*	12,592 (83%)	2,552 (17%)	15,144	10,752
1977	15,244 (88%)	2,181 (12%)	17,425	11,501
1978	12,185 (85%)	2,219 (15%)	14,404	8,498
1979	17,358 (88%)	2,488 (12%)	19,846	10,915
1980	22,962 (89%)	2,943 (11%)	25,905	12,693
1981	22,587 (87%)	3,330 (13%)	25,917	11,403
1982	22,410 (86%)	3,631 (14%)	26,041	10,937
1983	18,913 (83%)	3,894 (17%)	22,807	7,982
1984	19,221 (82%)	4,095 (18%)	23,316	8,860
1985	24,709 (85%)	4,465 (15%)	29,174	11,377
1986	22,009 (82%)	4,678 (18%)	26,687	10,408
1987	22,254 (83%)	4,406 (17%)	26,660	8,006
1988	23,646 (83%)	4,769 (17%)	28,415	**
1989	25,516 (84%)	5,031 (16%)	30,547	**
1990	23,173 (81%)	5,510 (19%)	28,683	**
TOTAL	$336,925 (84%)	$62,668 (16%)	$399,593	$154,934
1991	32,086 (83%)	6,569 (17%)	38,655	
1992	30,593 (82%)	6,818 (18%)	37,411	
GRAND TOTAL	$399,604 (84%)***	$76,055 (16%)	$475,659	

* In 1976 the beginning of the fiscal year was changed from July 1 to October 1. Consequently, FY 1976 covered a 15-month period.

** Information unavailable at this time.

***Includes approximately $26 million dollars for fellowships and other program expenses.

SUMMARY BUDGET DATA

OBLIGATIONS
($ in thousands)

	PRIOR YEARS THRU FY 1989	DURING FY 1990	FY 1991 PRESIDENT'S BUDGET	FY 1992 PRESIDENT'S BUDGET
APPROPRIATED				
Program	134,987	12,580	18,431	21,976
Program Support	57,157	5,510	6,569	6,818
Sub-Total	192,144	18,090	25,000	28,794
SPTF	175,085	10,592	13,637	8,617
CBI	2,000	-		-
P.L. 99-349	1,681	1	18	-
GRAND TOTAL	370,910	28,683	38,655	37,411

EXPENDITURES
($ in thousands)

	PRIOR YEARS THRU FY 1989	DURING FY 1990	FY 1991 PRESIDENT'S BUDGET	FY 1992 PRESIDENT'S BUDGET
APPROPRIATED				
Program	119,503	13,641	9,709	16,716
Program Support	56,230	5,439	6,409	6,781
Sub-Total	175,733	19,080	16,118	23,497
SPTF	157,625	13,815	12,809	10,519
CBI	2,000	-	-	-
P.L. 99-349	1,254	99	347	
GRAND TOTAL	336,612 *	32,994 *	29,274 *	34,016 *

* Totals include disbursements of all SPTF monies. Lower figures are shown for outlays in the President's budget because the offsetting collections have been applied.

PROGRAM SUPPORT FUNDS
($ in 000)
OBLIGATIONS

OBJECT CLASS	CATEGORY	FY 89 ACTUAL	FY 90 ACTUAL	FY 91 BUDGET	PROPOSED FY 1992 BUDGET
	STAFF SALARIES & RELATED EXP.				
11.1	A. Permanent Positions	$ 2,758	$ 2,769	$3,177	$3,334
11.3	B. Positions Other than Perm.	57	268	94	84
11.5	C. Other Persnl. Compensation	84	29	196	204
11.8	D. Spec. Persnl. Ser. Payments	-	-	-	-
	TOTAL	2,899	3,066	3,467	3,622
12.1	E. Personnel Benefits	627	596	626	635
13.0	F. Benefits for Former Personnel	45	-	-	-
21.0	FOUNDATION TRAVEL	478	468	633	858
	SUPPORT SERVICES				
23.0	A. Rent and Utilities	422	433	569	640
23.0	B. Communications	140	130	139	131
23.0	C. Postage	50	34	55	60
23.0	D. Rental of Equipment	74	50	60	51
	TOTAL	686	647	823	882
24.0	E. Printing & Reproduction	32	15	21	23
25.0	F. Commercial Contractor	449	357	353	223
25.0	G. Maintenance of Equip.	79	56	77	90
25.0	H. Building Alterations	17	26	130	60
25.0	I. Leased Transportation	-	-	-	-
25.0	J. Contractual Admin. Serv.	68	85	158	115
25.0	K. Representation Allowance	3	3	10	10
	TOTAL	616	527	728	498
26.0	L. Consumable Supplies	61	66	64	103
26.0	M. Resources Library	10	14	15	27
	TOTAL	71	80	79	130
31.0	N. Office Furnit. & Equip.	63	111	192	170
	TOTAL FOR PROGRAM SUPPORT	$ 5,517	$ 5,510	$ 6,569	$ 6,818
	TOTAL IAF BUDGET	$31,778	$28,683	$38,655	$37,411
FULL TIME EQUIVALENT POSITIONS AVAILABLE		68	67	73	73

DISTRIBUTION OF GRANTS BY COUNTRY IN FY 1990
($ in thousands)

Argentina	$ 1,186
Bolivia	982
Brazil	1,872
Belize	258
Chile	1,080
Colombia	1,311
Costa Rica	623
Dominican Republic	706
Ecuador	1,105
El Salvador	1,143
Guatemala	1,116
Haiti	473
Honduras	854
Jamaica	78
Mexico	1,484
Nicaragua	462
Other Caribbean*	374
Panama	703
Paraguay	658
Peru	910
Uruguay	647
Venezuela	620
Caribbean Regional	276
LATIN AMERICAN REGIONAL	493
Total	$19,414

*Antigua, Barbados, Dominica, Grenada, Trinidad and Tobago, St. Lucia, and St. Vincent

GRANTS BY COUNTRY

FY 1971 - FY 1990

Country	Amount ($ in thousands)	Number of grants
Chile	$ 35,021	214
Colombia	26,767	236
Peru	24,915	173
Mexico	21,305	221
Brazil	20,609	270
Bolivia	18,814	181
Argentina	17,457	171
Paraguay	13,060	105
Dominican Republic	12,670	137
Uruguay	12,555	103
Ecuador	12,040	121
Guatemala	11,338	115
Honduras	11,036	100
Costa Rica	10,338	162
Panama	10,092	93
Haiti	8,217	89
Nicaragua	8,113	61
El Salvador	8,239	65
Venezuela	4,811	47
Jamaica	3,204	52
Belize	2,463	63
Dominica	2,139	72
Barbados	836	10
St. Vincent	685	11
St. Kitts-Nevis	541	6
Antigua	507	8
Grenada	517	17
Trinidad and Tobago	537	11
St. Lucia	415	10
Suriname	347	3
Guyana	294	7
Bahamas	144	7
Netherlands Antilles	126	2
Turks and Caicos	12	2
Anguilla	3	1
Montserrat	3	1
Latin America Regional	6,225	107
Caribbean Regional	5,418	55
TOTAL	$311,813	3,109

OTHER PROGRAM EXPENSES
($000)

PROGRAM ACTIVITY	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992
Fellowship Program	557	485	619	602	695	880	840
Development Education	-	-	-	41	130	203	250
Invitational Travel	27	7	21	6	8	18	18
Consultants	2,375	1,895	2,333	2,446	2,300	3,190	3,370
Printing	60	120	133	215	241	255	236
Consultants Publications	135	167	178	111	183	271	229
Postage	17	23	63	66	86	109	109
Technical Publications	20	3	6	3	3	3	3
Equipment	-	1	1	-	-	-	
Total	3,191	2,701	3,354	3,490	3,646	4,929	5,055

ANALYSIS OF MATCHING AND LEVERAGED FUNDS

FOR ALL OBLIGATED PROJECTS

AS OF SEPTEMBER 30, 1990

YEAR	FOUNDATION FUNDS	GRANTEE & OTHER FUNDS	TOTAL	GRANTEE AND OTHER FUNDS AS % OF TOTAL	GRANTEE AND OTHER FUNDS AS % OF FND.
FY 1972	$ 2,793,830	$ 2,504,016	$ 5,297,846	47%	90%
FY 1973	2,943,582	4,263,237	7,206,819	59%	145%
FY 1974	11,883,846	13,247,954	25,131,800	53%	112%
FY 1975	12,634,415	18,786,592	31,421,007	60%	149%
FY 1976	10,932,851	14,182,428	25,115,279	56%	130%
FY 1976T	1,257,013	917,582	2,174,595	42%	73%
FY 1977	14,967,021	18,457,981	33,425,002	55%	123%
FY 1978	11,725,751	10,596,166	22,321,917	47%	90%
FY 1979	16,866,271	14,431,497	31,297,768	46%	86%
FY 1980	22,399,120	25,359,919	47,759,039	53%	113%
FY 1981	21,811,460	27,948,664	49,760,124	56%	128%
FY 1982	21,205,679	28,868,984	50,074,663	58%	136%
FY 1983	17,661,801	21,826,102	39,487,903	55%	124%
FY 1984	17,682,906	24,750,077	42,432,983	58%	140%
FY 1985	22,658,558	35,255,820	57,914,378	61%	156%
FY 1986	18,817,405	16,663,888	35,481,293	47%	89%
FY 1987	19,551,519	37,399,640	56,951,159	66%	191%
FY 1988	20,266,753	25,563,664	45,830,417	56%	126%
FY 1989	22,026,092	26,883,299	48,909,391	55%	122%
FY 1990	19,413,665	12,050,155	31,463,820	39%	62%
GRAND TOTAL	$ 309,499,538	$ 379,957,665	$ 689,457,203	56%	123%

ANALYSIS OF MATCHING FUNDS BY GRANTEES
FOR ALL OBLIGATED PROJECTS
AS OF SEPTEMBER 30, 1990

COUNTRY	FOUNDATION FUNDS	GRANTEE & OTHER FUNDS	TOTAL	GRANTEE AND OTHER FUNDS AS % OF TOTAL	GRANTEE AND OTHER FUNDS AS % OF FND.
Anguilla	$ 2,800	$ 510	$ 3,310	15	18
Antigua	507,115	544,509	1,051,624	52	108
Argentina	17,431,118	19,736,741	37,167,859	54	114
Bahamas	144,850	132,615	277,465	48	92
Barbados	799,152	1,329,201	2,128,353	63	167
Belize	2,460,469	4,311,119	6,771,588	64	176
Bolivia	18,737,284	15,384,011	34,121,295	45	83
Brazil	20,225,254	24,988,183	45,213,437	56	124
Caribbean Regional	5,319,176	8,193,342	13,512,518	61	154
Chile	35,020,821	42,055,385	77,076,206	55	120
Colombia	26,604,647	32,500,983	59,105,630	55	123
Costa Rica	10,168,829	14,806,747	24,975,576	60	146
Dominica	2,072,670	1,376,044	3,448,714	40	67
Dominican Republic	12,624,112	15,575,332	28,199,444	56	124
Ecuador	11,879,655	13,965,703	25,845,358	54	118
El Salvador	7,971,399	9,457,066	17,428,465	55	119
Grenada	516,193	1,191,954	1,708,147	70	231
Guatemala	11,335,624	15,175,268	26,510,892	58	134
Guyana	281,871	556,375	838,246	66	197
Haiti	8,198,026	25,106,174	33,304,200	76	307
Honduras	10,928,384	13,649,694	24,578,078	56	125
Jamaica	3,118,515	3,462,865	6,581,380	53	111
Latin Am. Reg.	6,224,110	7,795,477	14,019,587	56	126
Mexico	21,247,820	28,353,637	49,601,457	58	134
Montserrat	3,000	0	3,000	0	0
Netherlands Antilles	126,000	99,000	225,000	44	79
Nicaragua	8,076,367	13,681,603	21,757,970	63	170
Panama	10,060,484	14,104,989	24,165,473	59	141
Paraguay	12,838,885	8,401,571	21,240,456	40	66
Peru	24,915,143	20,061,061	44,976,204	45	81
St. Kitts-Nevis	540,482	406,260	946,742	43	75
St. Lucia	414,889	373,530	788,419	48	90
St. Vincent	685,865	721,122	1,406,987	52	106
Suriname	347,000	491,300	838,300	59	142
Trinidad	520,471	731,218	1,251,689	59	141
Turks & Caicos	11,830	4,480	16,310	27	38
Uruguay	12,337,658	16,963,079	29,300,737	58	138
Venezuela	4,801,570	4,269,517	9,071,087	47	89
TOTAL	$309,499,538	$379,957,665	$689,457,203	56	123

* Since matching funds were not required on some evaluation projects, they have not been included in this report.

DISTRIBUTION OF FULL-TIME EMPLOYEES ON-BOARD AS OF SEPTEMBER 30, 1990*

		Number of Employees	Percent in Each Grade of Agency Total
Presidential Appointee			
Executive Level IV	($83,600)	1	1.49
TOTAL		1	1.49
GS-16	($69,451 to $78,200)	1	1.49
GS-15	($59,216 to $76,982)	6	8 95
GS-14	($50,342 to $65,444)	13	19.40
GS-13	($42,601 to $55,381)	18	26.87
GS-12	($35,825 to $46,571)	4	5.97
GS-11	($29,891 to $38,855)	4	5.97
GS-10	($27,206 to $35,369)	-	-
GS-9	($24,705 to $32,121)	8	11.94
GS-8	($22,367 to $29,081)	-	-
GS-7	($20,195 to $26,252)	7	10.45
GS-6	($18,174 to $23,628)	3	4.48
GS-5	($16,305 to $21,201)	2	2.99
GS-4	($14,573 to $18,947)	-	-
GS-3	($12,982 to $16,879)	-	-
TOTAL		66	98.51
GRAND TOTAL		67	100.00
		Average Salary:	$44,038

Note: Full time equivalent positions in FY 1990 totalled 67.
*Full time equivalent positions as of 10/15/91 totalled 72.

Inter-American Foundation Funding History

A. Congressional Appropriations

1. In the 1969 enabling legislation, Congress authorized the transfer of $50 million in appropriated funds to remain available until expended.

2. Each year Congress established annual obligation limits (e.g. in FY 1978 the limit was $7,062,000) on the $50 million authorization.

3. At the end of FY 1978, all but $4,654,000 of the $50 million had been obligated.

4. In FY 1979, Congress appropriated an additional $10 million.

5. For FY 1980, a continuing resolution limited appropriations at $12,582,000.

6. For FY 1981, the level was $15,964,000. In early March, the Office of Management and Budget reduced that by $138,000 to $15,826,000.

7. For FY 1982, the Foundation's appropriation was $12,000,000.

8. For FY 1983, a continuing resolution limited appropriations at $12,000,000. An additional $2,000,000 was available from funds allocated for the Caribbean Basin Initiative.

9. For FY 1984, the Foundation's appropriation was $13,000,000.

10. For FY 1985, a continuing resolution limited appropriations at $11,992,000.

11. For FY 1986, a continuing resolution limited appropriations at $11,969,000. The Gramm-Rudman-Hollings legislation reduced this amount by $515,000 to $11,454,000.

12. For FY 1987, a continuing resolution limited appropriations at $11,800,000. (One million dollars of this amount was specifically earmarked for Haiti.)

13. For FY 1988, a continuing resolution limited appropriations at $13,000,000.

14. For FY 1989, the Foundation's appropriation was $16,600,000.

15. For FY 1990, the Foundation's appropriation is $16,932,000. The G-R-H legislation reduced this amount by $73,000 to $16,859,000.

16. For FY 1991, the Foundation's appropriation is $25,000,000.*

17. For FY 1992, the President's budget requests $28,794,000.

B. Social Progress Trust Fund

1. SPTF monies are allocated by country and restricted for use in the following areas: land use, housing, sanitation, education, health, and financial institutions. There have been 5 three-year agreements for a total of $267.7 million with the Inter-American Development Bank:

1974 - 1976	$31.0 million over 3 years
1977 - 1979	$48.0 million over 3 years
1980 - 1982	$48.0 million over 3 years
1983 - 1985	$48.0 million over 3 years
1986 - 1988	$48.6 million over 3 years
1989 - 1991	$44.1 million over 3 years
TOTAL	$267.7 million

2. The current agreement expires at the end of calendar year 1991.

*Assumes restoration of $475,000 (1.9% of budget authority) temporarily sequestered.

GLOSSARY OF TERMS

The following are definitions of terms and names commonly used by the Inter-American Foundation:

1) Grassroots Support Organizations (GSO's): Private development organizations which provide services and resources to the poor; often referred to as intermediary, facilitator, or service organizations. GSO's are the links between base groups and other larger institutions and may provide coordinating and networking functions. Professional associations are included.

2) Grant Supplement: Amendment to a grant agreement that involves an increase in the amount of the grant. Provided that the grantee's mission has been carried out responsibly, a supplement is provided to add a simple piece of equipment, compensate for the effects of inflation, or cover other minor adjustments. It may also be used to fund the second or third phase of a project.

3) In-Country Fund (ICF): The ICF was designed to provide small, emerging organizations of the rural and urban poor with start-up capital. Grants and loans of $5,000 or less support activities such as legal assistance to incorporate a small business or cooperative; the purchase of seeds, improved livestock, supplies and equipment; technical assistance; and training in administration or basic skills. To date, 15 of these microdevelopment funds have been established through cooperative agreements with private development institutions in 12 countries.

4) In-Country Support (ICS) Services: The Foundation has established 24 teams of local development professionals in 20 countries of Latin America and the Caribbean. The ICS provide the Foundation with a local technical capability that was lacking in the past. Through quarterly project visits, the ICS assure that grant funds are used responsibly, and provide timely technical assistance in management techniques, financial administration, marketing, and evaluation methodologies. The ICS also help grantees secure technical assistance and training in other areas as needed, such as small business development and agronomy.

5) Membership Organizations (MO's): Aggregation of individuals who regularly engage in some joint development activity as an expression of collective interest. These organizations are often referred to as "base groups" or an aggregation of such groups (e.g. federations or cooperatives).

INTER-AMERICAN FOUNDATION
FY 1992 PROGRAM

I. Introduction

The Inter-American Foundation ("Foundation") is planning an FY 1992 budget of $37.4 million utilizing 73 full-time employees.

This budget authority will include $8.6 million in Social Progress Trust Fund ("SPTF") resources and $28.8 million in appropriated funds.

II. Highlights of the FY 1992 Program

The Foundation's primary objectives in FY 1992 include:

A. STRENGTHENING AND EXPANDING THE PRIVATE INFRASTRUCTURE FOR DEVELOPMENT. There is a clearly defined need to strengthen the management and planning capability of private, grassroots support organizations ("GSO's") that deliver credit, technical assistance, and training to community groups, particularly at the regional level and outside major cities. The Foundation will direct 60% to 70% of its financial support to this network of service organizations. Particular emphasis will be placed on increasing the GSO's capacity to achieve self-sufficiency through greater emphasis on income-generation and fundraising activities.

B. TRAINING THE TRAINERS: PRACTICAL NETWORKING. Foundation resources will be used to enhance human resource development by identifying particularly successful or innovative grassroots projects and then assisting the project managers to share their experiences with other interested practitioners. During FY 1990, 80 representatives from 27 grassroots organizations in 12 countries participated in training workshops in agro-ecology and small-scale farm technologies sponsored by the Centro de Educación y Tecnologia (CET), a Chilean grassroots support organization supported by the Foundation. The Foundation will expand this approach to include health care, small farm credit, artisanal fisheries, and the informal sector.

C. IMPROVING THE QUALITY OF ICS SERVICES. The In-Country Support ("ICS") program has played a key role in providing important technical and monitoring

support to Foundation grantees. During FY 1990, ICS conferences and workshops have greatly enhanced ICS support for the Foundation's funding and learning objectives. Similar conferences and training opportunities will be scheduled during FY 1992. During FY 1992, ICS costs will continue to represent less than 8% of the program budget and in most cases will not exceed 7%.

D. EXPANDING THE USE OF IN-COUNTRY FUNDS. Since 1986, 15 microdevelopment funds have been established through cooperative agreements with GSO's in 12 countries. These In-Country Funds ("ICF's) provide seed capital to small, emerging organizations of the rural and urban poor. Expanded use will result in additional resources being made available to impoverished groups which do not normally qualify for assistance programs.

E. GSO CONSORTIA. The consolidation of growing networks of GSO's and membership organizations into consortia and confederations creates new opportunities to share experiences and work more effectively with governments. During FY 1992, the Foundation will encourage such developments by supporting training exchanges among similar organizations in different countries.

F. RESEARCH AND DISSEMINATION. The Foundation will continue to identify ideas and issues which are likely to dominate development debate during this decade and will endeavor to share this information with the development community and policymakers. At the same time, efforts will be focused on analyzing how development projects affect the poor, especially the impact of "macro" structural adjustment on the "micro" efforts of poor people's organizations.

III. The FY 1992 Program

A. The Grant Program

The FY 1992 budget for grant support is $28.9 million. The proposed country budgets would use appropriated funds to offset reductions in SPTF resources which must be used in their countries of origin for specific types of activities.

The Foundation plans to allocate grant funds by country as follows:

1. $1.9 million - $3.7 million: Brazil, México, Nicaragua, and Panamá. Grants in Nicaragua will be funded exclusively with appropriated resources, while activities in Brazil, México, and Panamá will use both appropriated and SPTF resources.

   Grantmaking in Brazil will emphasize agriculture, enterprise development, alternative education, and applied research. Funding will continue to support small farmers' organizations and initiatives in urban areas where non-governmental organizations (NGO's) are collaborating with state or municipal governments to improve the poor's access to basic services. Support for these activities would be coupled with grants to applied research centers to document project experiences.

   The Foundation's México program will continue to focus on rural development in the four poorest states of Oaxaca, Chiapas, Hidalgo, and Guerrero. First priority will be given to efforts to improve production, marketing, processing, and exporting of peasant products or crops. Grants will also be used for enterprise development and community management and sustainable use of forestry reserves.

   Grants in Nicaragua will provide small-scale farmers and rural cooperatives with technical assistance, credit, and training to improve agricultural practices and expand production to include non-traditional crops for export. Funding will also be used to strengthen microenterprise development and to provide management and leadership training.

   The Panamá program will increase support for small-scale farm production, processing, and marketing of basic commodities. In the urban sector, funding priorities include employment and income-generation programs that provide credit, training, and technical assistance to informal-sector businesses in Panamá City and Colón.

2. $1.1 million - $1.5 million: Argentina, Colombia, Ecuador, El Salvador, Guatemala, and Perú. Grants in Perú will be funded exclusively with appropriated resources; the remaining countries will use both SPTF and appropriated resources.

Grantmaking in Argentina will support programs in self-help housing, income and employment generation, and vocational training for the urban poor. Grants will also be made for rural programs experimenting with new cooperative production and marketing techniques and crop diversification.

In Colombia, the Foundation will continue to fund small income-generating enterprises at the village level and networks of GSO's that provide health care, education, and legal assistance. In addition, grants will support programs that address the problems of the homeless, street children, and the mentally ill.

Grantmaking in Ecuador will continue to support programs in agricultural production, with emphasis on impoverished lowland and highland Indian communities. The Foundation will also expand work in the urban informal sector, particularly in support of trade associations or artisan federations that provide credit and technical assistance to their membership.

The Foundation portfolio in El Salvador will emphasize food production, income generation, health, ecodevelopment, and education and vocational training projects. Grants will also be used to strengthen new grassroots organizations in rural and urban areas.

Grants in Guatemala will be used to establish and strengthen regional GSO's that provide credit, training, and technical assistance to rural base groups involved in sustainable agriculture. In addition, grants will support training and microenterprise development and projects with small cooperatives and other community-based organizations.

In Peru, increased funding will be provided to urban small enterprise programs focusing on innovative financing, productivity, and technological improvements, as well as projects in community health, nutrition, and services. More emphasis will also be given to environmental and ecological initiatives, legal assistance, and alternative education programs.

3. $800,000 - $1.1 million: Bolivia, Chile, Costa Rica, Honduras, and the Dominican Republic. Grants in Chile and Honduras will be made with appropriated resources. Bolivia, Costa Rica, and the Dominican Republic will use both SPTF and appropriated resources.

   The Bolivia program will continue to emphasize food production, education, and support for rural cooperatives. Grants will also support projects in environmental protection, non-formal education, and cultural expression, with emphasis on strengthening indigenous organizations.

   In Chile, the Foundation will increase funding for rural credit and production, indigenous programs, small-scale fisheries, microenterprise development, and urban community health programs.

   The grant portfolio in Costa Rica will focus on income-generating projects in rural areas. The projects will be primarily agricultural or agro-industrial, with emphasis on sustainable agriculture, reforestation, and other ecodevelopment activities.

   The Foundation's program in Honduras will seek to strengthen cooperative and community associations of peasant farmers and the rural poor. Grants will support agricultural production, education and training, environmental protection in the rural sector, and urban enterprise development.

   In the Dominican Republic, grants will support food production and agriculture, environmentally sustainable development, microenterprise programs, non-formal education, and community outreach programs in health. Grants will also support federations of rural cooperatives in the southwestern region of the country, a new geographic area for the Foundation.

4. $240,000 - $700,000: Belize, Haiti, Jamaica and the Eastern Caribbean, Paraguay, Uruguay, and Venezuela. Grants in Belize, Venezuela, and the Caribbean will use only appropriated resources. Haiti, Paraguay, and Uruguay will use SPTF resources to the extent possible.

Grants in Belize will help to strengthen newly-formed GSO's assisting community and rural development organizations. The majority of grants will support food and agricultural production, small enterprise development, education and training, and environmental protection programs.

The grant portfolio in Haiti will emphasize support for small-scale agricultural production, crop storage and marketing, and education and training.

The Foundation program in Jamaica and the Eastern Caribbean will focus on crop diversification and regional marketing, sustainable development and environmental protection, microenterprise development, and early childhood and non-formal education.

Funding in Paraguay will be directed primarily to rural development programs focusing on food production and agriculture, environmental protection, and health.

The Uruguayan grant portfolio will emphasize urban small-scale enterprise projects and credit programs which help to finance such activities.

A summary of the use of program funds on a country-by-country basis is provided in Appendix 1-A.

B. Learning and Dissemination Program

Based upon 20 years of experience, the Foundation continues to adapt the way it funds, learns, and disseminates development lessons. This is most apparent in efforts to strengthen (or create) networks of development practitioners. The Office of Learning and Dissemination's role is to study, learn from, and make the Foundation's experience available to development agencies and practitioners. A portion of the learning and dissemination originates in and improves the Foundation as a donor agency. More importantly, the Foundation facilitates the sharing of lessons learned among development networks and practitioners in Latin America and the Caribbean.

The Office of Learning and Dissemination analyzes and documents the differences which development projects

make in the lives of poor people. Experience accumulated supporting projects in the field leads to a flow of information among the groups themselves, grassroots support organizations, and others working in development cooperation. Finally, it increases the knowledge of grassroots development networks so that they can become more effective in addressing the problems of poverty.

The major activities for learning and dissemination in FY 1992 include:

1. COMPARATIVE STUDIES

The Foundation research priorities center on perennial problems of grassroots development as well as emerging issues that will dominate development debate and activity in the coming years. The current agenda focuses on marketing bottlenecks that frequently hamper development projects, the possibilities for increased cooperation between poor people's organizations and municipal governments, and democracy within peasant and small-scale farmer organizations.

Among the emerging issues are the transfer of environmentally sound production techniques to the poor and the crisis of jobs, culture, and education in a region where young people make up the majority of the population. The studies commissioned on these issues (books, monographs, and working papers) help to frame the Foundation's educational video program and provide one article for each issue of Grassroots Development.

During FY 1992, the Foundation will commission or continue research on the following topics:

a. Agricultural Marketing: Marketing problems often occur in development projects. Research will be conducted on several aspects of marketing, including marketing channels for small-scale producer organizations, surveys of alternative marketing channels, and an analytic essay on marketing and development.

b. NGO/Local Government Collaboration: During FY 1990/91, the Foundation sponsored a series

of conferences and research case studies on significant Latin American examples of non-government development organization and municipal government collaboration in the delivery of good and services. This research, begun in México, Chile and Argentina, will be carried out in several additional countries, including Perú, Colombia and Brazil during FY 1992. A volume will be published which includes the case studies and analysis of these efforts at public/private service delivery.

c. Artisan Marketing: The Foundation has supported projects encouraging traditional and non-traditional artisanal production. Planned studies will examine: characteristics of successful projects, the tradeoff between commercial gain and preservation of cultural traditions, the circumstances under which artisan production can go beyond providing only supplemental income, and an evaluation of the middleman role in marketing artisanal production. As in the agricultural marketing research, artisanal producers will be involved as active researchers.

d. Environment: During FY 1992, the Foundation will distribute a new video, based on Central American grants, which explores how economic and social development can be achieved without damaging the environment. The video will examine large-scale development projects where social and environmental costs outweigh their economic benefits, and contrast these with local initiatives that provide more balanced and ecologically sound options.

e. The Landless, Migrant Labor, and Development: Foundation projects focusing on problems of the landless poor range from efforts at labor organization to furnishing basic necessities such as housing, food, and seasonal off-farm employment. The Foundation will commission a study to examine the more imaginative projects and determine what lessons have been learned from the Foundation's experience working in this sector.

Democratization, Membership Organizations, and Local Governments: Once elections are held, the hard work of building democracy begins. Drawing from the Foundation's rich database on membership organizations, research will be commissioned on how effectively such organizations function as "capillaries of democracy" in several Latin American and Caribbean settings.

2. EVALUATIONS, SECTORAL REVIEWS AND RESEARCH

Evaluations: The Foundation will conduct a workshop on evaluation methodologies for Foundation staff. The first impact study of a development project involving Toba Indian communities in Argentina will continue and six new projects will be identified for closer monitoring and gathering of baseline data so that the Foundation can measure the impact of its funding.

Sectoral Studies: The Foundation will continue to contract reviews and analyses of Foundation funding by sectors. These exercises have proven useful as background material to frame questions for comparative research and to select projects to be included in that research.

Latin American and Caribbean (LAC) Research Grants: In addition to research directly commissioned for internal reviews and publications, the Foundation supports research directly aimed at understanding and resolving obstacles to development experienced by poor people throughout the region.

3. DEVELOPMENT EDUCATION

The Foundation's Development Education Program seeks to encourage U.S. and Latin American audiences to consider different forms of development cooperation and ways in which problem-solving approaches might be shared. Another key aim is to help U.S. audiences see the linkages between their own environments and problems and events in Latin America and the Caribbean.

During FY 1992, the Development Education Program will emphasize environmental issues, distribute a video and prepare teacher's guides on environment and development. Program costs include video production (including field-based video production) and distribution, consultants for the preparation of corollary materials to accompany the videos, and sponsoring Latin Americans at conferences where information is exchanged about the problems of the poor in this hemisphere.

Scholar in Residence Program. Two academics, in residence at the Foundation, will research various aspects of the Foundation's work and produce teaching materials for use by Foundation staff, other development practitioners, and universities. In FY 1992, a business school professor will explore how microenterprise promotion can be linked to corporate production strategies. In addition, a public health specialist will examine the growing relationship between primary health care services offered by Latin American NGO's and governmental public health services.

Practitioner in Residence Program. This program will bring two NGO development professionals to the Foundation for three to six months to become familiar with bilateral and multilateral funders and policy makers in Washington while completing research related to NGO activities in Latin America and the Caribbean. The Foundation will arrange meetings for the NGO professionals with staff of the U.S. Congress, Inter-American Development Bank, International Monetary Fund, Overseas Development Council, Agency for International Development and World Bank, all of which have an increasing interest in development NGO's.

FELLOWSHIP PROGRAM

The Inter-American Foundation conducts the only fellowship program specializing in grassroots development in Latin America and the Caribbean. The Foundation Fellowship Program offers fellowships to Latin Americans and Caribbeans with grassroots development experience for graduate studies in the United States. Fellowships are also awarded to doctoral and

master's degree candidates at U.S. universities for field research on grassroots development topics.

The Foundation plans to provide approximately 50 grants to fellows in each of the three programs (Doctoral, Master's, and Latin American and Caribbean Programs) at an estimated cost of $665,000. Additional selection and outreach costs associated with the grant program total $75,000.

In FY 1990 the Fellowship Program was expanded to include the Dante Fascell Inter-American Fellowship award which is patterned after the MacArthur Fellowships. The award will permit up to three Latin American or Caribbean fellows yearly to reflect on their experience, travel, exchange ideas and encourage networking among development practitioners in the region for a period of one year. The first Fascell Fellows will be selected in FY 1991 and another selection will be made in FY 1992.

5. PUBLICATIONS

The Annual Report is the Foundation's first yearly publication followed by three issues of the journal, Grassroots Development, which is published quarterly. Both the Annual Report and the journal are published in English, Spanish and Portuguese.

During FY 1992, three occasional papers and monographs concerning artisanal marketing, NGO-local government collaboration, and agricultural marketing will be written, translated, and distributed on a smaller scale than the Annual Report and Grassroots Development. Manuals on how to manage small-scale credit programs will also be published in English and Spanish. Lastly, to defray publication costs, books and monographs generated by the Foundation will be offered to commercial publishers.

APPENDIX I-A

FY92 REQUEST
Projected Funding by Programmatic Area
(000's US$)

	Food Production & Agriculture	Enterprise Devt. & Management	Education & Training	Research & Dissemination	Housing	Health	Legal Assistance	Cultural Expression	Ecodevelopment	Other	TOTAL
Argentina	300	450		300						200	1250
Chile	350	350		200		150					1050
Paraguay	420	160		120							700
Uruguay	150	250		150						150	700
Peru	200	200	300			100		150	150		1100
Ecuador	450	400	100	150		100	50	150	100		1500
Bolivia	420	115	300	115		50	90	160		50	1300
Colombia	190	310	250		100	85	100		165		1200
Venezuela	130	150	250							120	650
Mexico	1080	400	120			100			100	100	1900
Belize	100	50	50						40		240
Costa Rica	350	40			90				200	120	800
El Salvador	650	550	250								1450
Guatemala	750	100	150						250		1250
Honduras	550	125	175						150		1000
Nicaragua	1500	900	400						400	500	3700
Panama	1550	850	500	150					150	200	3400
Brazil	400	360	720	50		270				400	2200
Dominican Rep.	170	200	170	70	100	140			90	60	1000
Haiti	250	200	200							100	750
Jamaica & Es.Caribbean	200	130	220	100					100		750
TOTALS	10160	6290	4155	1405	290	995	240	460	1895	2000	27890
PERCENT OF PORTFOLIO	35%	23%	14%	5%	1%	4%	1%	2%	7%	8%	100%

PROGRAM AND LEARNING AND DISSEMINATION ACTIVITIES

I. 1990 PROGRAM PROFILE

A. Overview

In FY 1990, the Foundation obligated 191 grants, 186 grant supplements, and other program activities totaling $23,172,287 to support grassroots development initiatives in Latin America and the Caribbean. Other program activities included In-Country Support Services (ICS), fellowships, evaluations, publications, and learning and dissemination projects. (See Appendices 1-B, 1-C, and 1-D.)

Grantee matching contributions, either in-kind or cash, averaged $1.23 for every Foundation dollar in FY 1990. Since 1971, the Foundation has made approximately 3,100 grants valued at more than $311 million, with counterpart contributions totaling more than $393 million. The average grant size in FY 1990 was $65,340, compared to $70,000 in FY 1989, $72,000 in FY 1988, and $105,000 for the period FY 1972-87.

B. Grants by Sector

Foundation Program Profile FY 1990
Grants and Amendments for Supplemental Funding

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries (000's)
Food Production/ Agriculture	133	$ 7,220	37%	220,000
Enterprise Devt./ Management	66	3,330	17%	86,000
Education/Training	92	5,137	27%	820,000
Research/Dissemination	18	957	5%	31,527
Housing	11	467	3%	21,064
Health	22	994	5%	106,760
Legal Assistance	13	607	3%	76,270
Cultural Expression	13	249	1%	36,020
Ecodevelopment	9	453	2%	33,690
TOTAL	377	$19,414	100%	1,431,331

Foundation support for food production, agriculture, and ecodevelopment activities totaled approximately $7.7 million in FY 1990, or 39% of program funding, as compared to 44% of such funds in FY 1989. During FY 1990, grants supported programs in organizational development, technical assistance and training, credit, appropriate technology diffusion, rural irrigation systems, crop production and marketing, animal husbandry, environmental protection and conservation, and small-scale fisheries and aquaculture.

Support for microenterprise development and management programs totaled $3.8 million, or 17% of program resources, maintaining the FY 1989 funding level. Grants assisted owners and operators of rural and urban small businesses to acquire production equipment and supplies, receive managerial and technical skills training, improve marketing practices, and obtain access to revolving credit funds.

Grants for education and training activities totaled $5.1 million in FY 1990, or 27% of program resources. This compares to a 24% level in the two previous fiscal years. Project activities included adult literacy programs, organizational and vocational skills training, instruction in accounting and production techniques, materials development, networking exchanges, and technical publications.

Support for community service programs in FY 1990 totaled $2.0 million, or 11% of program resources, compared to 10% of such funds in FY 1989. Grants were used to support community development programs, legal services, potable water and sanitation systems, and health education and services.

1. Food Production, Agriculture, and Ecodevelopment

The Foundation allocated the largest share of its program resources in FY 1990 for food production, agricultural, and ecodevelopment projects. Primary beneficiaries included small-scale farmers, landless agricultural laborers, livestock producers, and fishermen. Examples include the following:

a. In Honduras, the Foundation funded a project for ten peasant communities to initiate sustainable economic development activities that will improve their livelihood and conserve the native park woodlands where they reside (HO-183, Asociación Hondureña de Ecología, $77,000 for one year).

A farmers association in Antigua will train members in postharvest handling and storage of produce and financial and operational management of agricultural trading (AN-018, Antigua and Barbuda Cooperative Farmers Association, $20,775 for one year).

c. In Brazil, an association of Xavante Indians will carry out an integrated project of forest management and sustainable agriculture on their reservation to increase consumption of traditional game and native fruits and generate income from marketing of processed fruits (BR-698, Associação dos Xavantes de Pimentel Barbosa, $123,000 for two years).

d. A fishermen's association in Chile will equip its boats, improve fishing techniques, develop alternative income-generating activities, and encourage cooperation among fishing communities in the region (CH-455, Sindicato Independiente de Trabajadores Artesanales del Mar "Caleta Laraquete, $72,596 for two years).

e. A grassroots support organization in the Dominican Republic will introduce the cultivation of aloe vera as a cash crop for small-scale farmers in the semi-arid northwest coast (DR-227, Servicio Social de Iglesias Dominicanas, $55,000 for three years).

f. In Panamá, a worker cooperative will initiate agroprocessing of plantains, providing members with a year-round market for their production and higher incomes (PN-151, Cooperativa de Servicios Múltiples Julio Pineda, $69,967 for three years).

2. Enterprise Development and Management

Small-scale enterprise grants benefited business owners and operators who are primarily migrants from rural areas with limited skills and education. Principal project activities included credit, training, and technical assistance. Examples include:

a. In Argentina, a cooperative of domestic workers will expand its food service business to offer health services and training and operate a clothing bank for needy women (AR-285, Cooperativa de Trabajo Hijas de Maria, Ltda., $33,500 for two years).

b. A private development foundation in Ecuador will create an industrial carpentry workshop to train mentally retarded youth and generate employment for the organization. The program will also provide job placement and encourage small businesses to employ mentally retarded individuals (EC-212, Fundación General Ecuatoriana, $61,990 for one year).

c. In Belize, a grassroots support organization specializing in microenterprise development will enable women's groups to establish small, self-managed community banks in four rural villages (BE-090, Belize Enterprise for Sustained Technology, $41,000 for two years).

d. A Mexican grassroots service organization will work with ten forest communities in Oaxaca to institute sustained-yield forest management techniques and install a network of furniture manufacturing shops using community timber resources (ME-324, Servicios Comunitarios, A.C., $107,500 for two years).

e. In Costa Rica, a social service organization will provide training, technical assistance, and credit for microenterprise development among low-income rural women in Costa Rica's Nicoya Peninsula (CR-273, Centro de Orientación Familiar, $40,273 for two years).

3. Education and Training

In addition to continuing as a major program area, training activities were also included in most agricultural and enterprise development projects funded by the Foundation. This included:

a. In Panamá, a day care and training center will offer practical skills training courses for low-income community residents and establish a production workshop and market outlet where the goods and services produced by course graduates will be sold (PN-153, Centro Familiar San Juan Bosco, $54,290 for two years).

b. In Paraguay, a pilot training program for rural youth will offer instruction in agronomy, animal husbandry and other subjects through a combination of formal education and practical fieldwork (PY-142, Centro de Estudios e Investigaciones de Derecho Rural y Reforma Agraria, $57,400 for two years).

c. A grassroots support organization in Venezuela will assist a network of 350 cultural organizations through training, technical, marketing, and management assistance for handicraft production (VZ-080, Promoción Socio-Cultural Churuata, $157,000 for three years).

d. An Uruguayan grassroots support organization will train 70 development promoters from small towns and rural areas to work with local groups in applying appropriate technology to gardening, beekeeping, elementary food conservation, low cost housing construction, and other local self-help activities (UR-144, Cáritas Uruguaya, $96,865 for two years).

e. In northwestern Ecuador, a national federation of indigenous organizations will implement environmental and basic educational programs to benefit 5,000 Awá Indians. (EC-205, Confederación de Nacionalidades Indígenas del Ecuador, $81,460 for two years).

f. In Colombia, an educational organization specializing in substance abuse prevention and rehabilitation will train 30 low-income youths in small business administration and other skills, form five associative enterprises, and provide them with a start-up loan as part of an integrated drug prevention program (CO-420, Corporación Caminos, $15,000 for one year).

g. A grassroots support organization in Guatemala will train technicians to prepare and implement water-service projects in 30 communities (GT-208, Asociación IDEAS, $44,725 for one year).

Community Services

Grants supported self-help housing and related community development activities in Argentina,

Brazil, Colombia, Costa Rica, and Perú. Activities included technical assistance in low-cost housing construction and renovation, development of housing cooperatives and community enterprises, and land titling. The Foundation also funded community health programs in 11 countries. Grants supported sanitation and water supply systems, preventive health education, and curative services. Lastly, grants were made for legal aid programs in ten countries. Community service initiatives included:

a. A Peruvian health service organization will provide preventative and curative health care and training in a low-income district of Lima (PU-320, Instituto de Salud Hugo Pesce, $85,620 for one year).

b. An Embera Indian organization in Colombia will improve health conditions of members through the application of traditional and preventative medicine, upgrade housing and sanitation facilities, and construct a community center (CO-426, Resguardo Indigena Embera de Guangui, 45,000 for three years).

c. In México, a peasant federation will establish 15 health clinics designed to be self-financing and community-managed for 77 communities of Chol, Tzotzil, Tzeltal, and Tojolabal-speaking Indians (ME-339, Unión de Uniones Ejidales y Grupos Campesinos Solidarios de Chiapas, $72,747 for two years).

d. A rural association in Guatemala will assist four communities with the installation of potable water systems, plant 2,000 trees, and offer courses for rural aqueduct technicians (GT-210, Asociación Pro Agua del Pueblo, $122,950 for one year).

e. In the Dominican Republic, a regional grassroots support organization will conduct medical clinics and health training activities for peasant families living in remote rural communities (DR-209, Grupo Pro-Educación Integral del Campesino, $24,985 for one year).

f. A Brazilian social service organization will create an information clearinghouse on physical, mental, and sensory handicaps for use by associations of the handicapped, teachers,

therapists, and the general public (BR-721, Sociedade para Reabilitação e Reintegração do Incapacitado, $41,500 for one year).

g. In Colombia, a domestic workers association is providing orientation on legally required benefits, basic accounting, and handicraft production (CO-416, Asociación de Mujeres Trabajadoras del Hogar, $14,300 for 18 months).

h. A rural association in Costa Rica will train farmers and establish two farmer-managed legal services clinics to assist with land titling, agrarian contracts, and other related legal matters (CR-267, Asociación Andar, $35,920 for one year).

5. Cultural Expression

Projects for cultural expression absorbed 1% of the program budget in FY 1990. While generally modest in scope, these projects provide an important opportunity for people to learn about their heritage and to preserve cultural values and traditions often lost in the development process. Cultural projects were funded in nine countries, emphasizing instruction in traditional crafts and music and documenting oral histories.

II. LEARNING AND DISSEMINATION - 1990 HIGHLIGHTS

Twice yearly the Foundation reviews and assesses its country programs. These "preview-review" sessions help to integrste the Foundation's funding and learning agenda. The information gathered for these sessions is generated from msny sources - In-Country Support Services, project monitoring, grantee reports, staff field visits, evaluations, and comparative studies. The quantitative and qualitative data compiled on project results are used to make programmatic decisions and shared with other interested agencies.

In addition to those planning sessions, the following are highlights of the Office of Learning and Dissemination's 1990 activities:

A. PUBLICATIONS

Annual Report and Journal: The Foundation published three issues of Grassroots Development and the

Annual Report in English and Spanish and two issues of each in Portuguese. The Spanish versions of two books were also produced, and a Guide to NGO Directories researched and published.

NGO Directory: A Guide to NGO Directories was published last year and distributed at conferences and in response to requests from the public.

B. FELLOWSHIP PROGRAM

The Foundation announced the creation of the Dante B. Fascell Inter-American Fellowship Program in May 1990. Through this program the Foundation will award up to three fellowships yearly to distinguished Latin American and Caribbean leaders who have been instrumental in developing successful approaches to grassroots development. Fellowship grants will support the refinement and dissemination of these approaches to wide audiences across the hemisphere. The first competition will be held in FY 1991.

During FY 1990, the Foundation awarded a total of 47 grants in the Latin American/Caribbean, Doctoral and Master's Fellowship Programs. These new fellows will conduct field research or pursue graduate education in disciplines related to: food production and agriculture (28%), enterprise development and management (23%), ecologically sound development (15%), health (11%), education and training (4%), and other development studies (19%).

C. RESEARCH & EVALUATIONS ACTIVITIES

Review of Current Research
The following manuscripts were completed in 1990 for publication in 1991:

a. In Search of Ecodevelopment, Mac Chapin. A critical look at the latest trend in development circles, with a warning that success in preserving the environment requires the same patient, bottom-up approach that development itself does.

b. Culture and Development, Charles Kleymeyer. A survey of the Foundation's experience in funding cultural activities that are directly linked to development.

c. Colombian NGOs: Building Blocks of Democracy, Marion Ritchey-Vance. Part of the IAF Country Focus series. An analysis of the funding strategy that has evolved

in Colombia in the past decade emphasizing networks of grassroots and support organizations.

d. Case Studies, Jeffrey Avina. A collection of teaching case studies designed for classroom use at the university level, produced from project evaluations.

e. Performance Characteristics of Grassroots Support Organizations, Thomas Carroll. A pioneering study and analysis of private organizations in Latin America and the Caribbean created to collaborate with poor people's development efforts.

f. Fellowship Reader, William Glade and Charles Reilly, Eds. Summaries of graduate level research carried out by IAF fellows over the past several years.

D. DEVELOPMENT EDUCATION

The Grassroots Development Video Series is now included in many teachers' and professors' class plans throughout the U.S. In addition to the Grassroots Development Video Series, which is the cornerstone of the educational outreach program, a 20th anniversary video was produced illustrating the types of organizations and projects supported by the Foundation since its inception.

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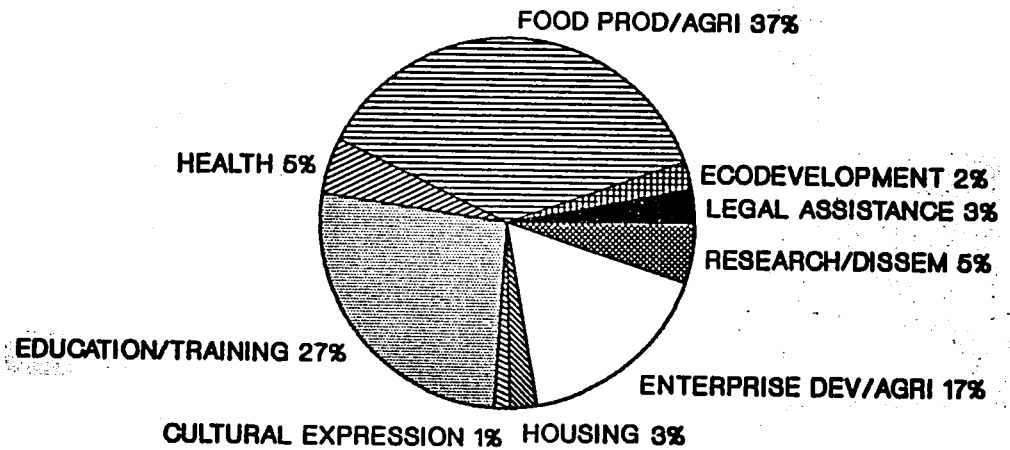
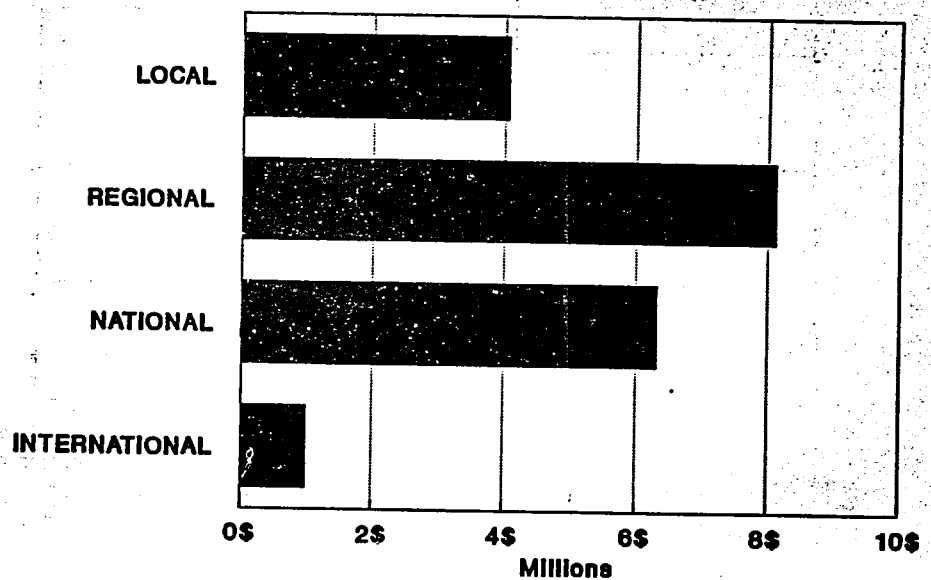
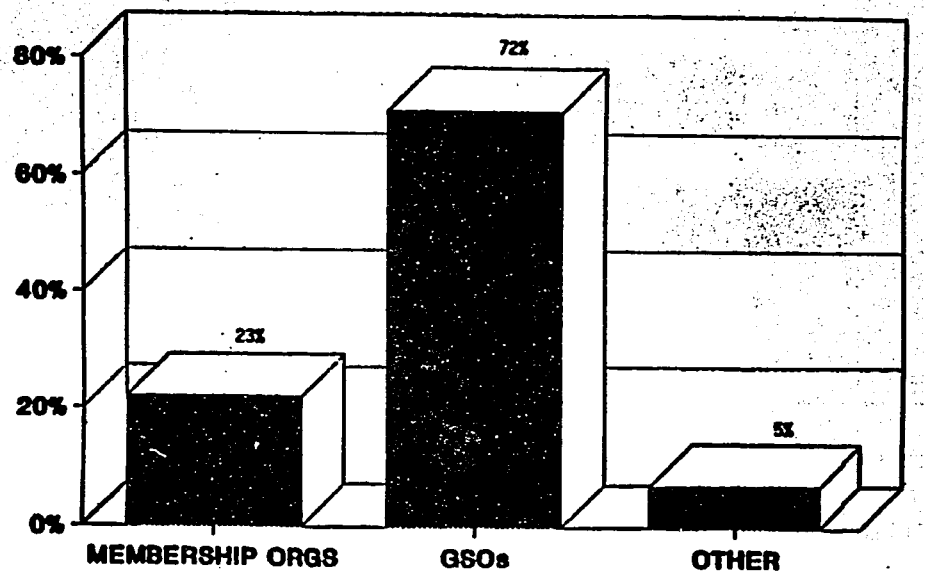
FY90 GRANTS AND AMENDMENTS
FOR SUPPLEMENTAL FUNDING



FUNDING BY GEOGRAPHIC AREA OF INFLUENCE FY90



FY90 ORGANIZATION TYPE



COUNTRY REPORTS

OFFICE FOR ARGENTINA, CHILE, PARAGUAY, AND URUGUAY

The Office for Argentina, Chile, Paraguay, and Uruguay obligated grants, grant supplements, in-country support services, and consultative meetings totaling $3.9 million in FY 1990.

ARGENTINA
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	6	$ 364	31%	5,772
Enterprise Devt./ Management	1	34	3%	86
Education/Training	7	394	33%	10,092
Research/Dissemination	1	41	3%	0
Housing	5	266	23%	4,440
Health	0	0	-	0
Legal Assistance	1	59	5%	2,000
Cultural Expression	1	26	2%	500
Ecodevelopment	0	0	-	0
TOTAL	22	$ 1,184	100%	22,890

CHILE
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	8	$ 502	47%	29,412
Enterprise Devt./ Management	2	69	6%	1095
Education/Training	8	401	37%	66,330
Research/Dissemination	1	30	3%	0
Housing	0	0	-	0
Health	2	71	7%	0
Legal Assistance	0	0	-	0
Cultural Expression	0	0	-	0
Ecodevelopment	0	0	-	0
TOTAL	21	$ 1,073	100%	96,837

PARAGUAY
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	6	$ 175	27%	1,800
Enterprise Devt./ Management	2	132	20%	1,000
Education/Training	2	86	13%	9,405
Research/Dissemination	1	171	26%	0
Housing	0	0	-	0
Health	0	0	-	0
Legal Assistance	1	90	14%	35
Cultural Expression	0	0	-	0
Ecodevelopment	0	0	-	0
TOTAL	12	$ 654	100%	12,240

URUGUAY
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	4	$ 270	43%	78,220
Enterprise Devt./ Management	6	152	24%	4,735
Education/Training	2	128	20%	4,500
Research/Dissemination	2	66	10%	3,000
Housing	0	0	-	0
Health	1	5	1%	800
Legal Assistance	0	0	-	0
Cultural Expression	1	9	2%	0
Ecodevelopment	0	0	-	0
TOTAL	16	$ 630	100%	91,255

OFFICE FOR BRAZIL

The Foundation obligated grants, grant supplements, in-country support services, and consultative meetings totaling $2.0 million in FY 1990.

BRAZIL
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	7	$ 394	21%	17,662
Enterprise Devt./ Management	2	80	4%	850
Education/Training	10	648	35%	160,674
Research/Dissemination	4	416	22%	527
Housing	2	74	4%	10,000
Health	3	186	10%	960
Legal Assistance	1	64	4%	0
Cultural Expression	0	0	-	0
Ecodevelopment	0	0	-	0
TOTAL	29	$ 1,862	100%	190,673

OFFICE FOR THE CARIBBEAN

The Foundation obligated grants, grant supplements, in-country support services, and consultative meetings totaling $2.1 million in the Caribbean during FY 1990.

DOMINICAN REPUBLIC
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	5	$ 170	24%	1,819
Enterprise Devt./ Management	2	130	19%	2,969
Education/Training	7	265	37%	4,145
Research/Dissemination	1	72	10%	500
Housing	0	0	-	0
Health	1	25	4%	450
Legal Assistance	0	0	-	0
Cultural Expression	0	0	-	0
Ecodevelopment	1	44	6%	200
TOTAL	17	$ 706	100%	10,083

HAITI
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	5	$ 42	9%	5,074
Enterprise Devt./ Management	3	238	51%	21,240
Education/Training	2	185	40%	45
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	0	0	-	0
Legal Assistance	0	0	-	0
Cultural Expression	0	0	-	0
Ecodevelopment	0	0	-	0
TOTAL	10	$ 465	100%	26,359

JAMAICA & THE EASTERN CARIBBEAN
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	9	$ 278	38%	2,079
Enterprise Devt./ Management	5	156	21%	1,255
Education/Training	4	148	20%	685
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	0	0	-	0
Legal Assistance	1	62	8%	3,000
Cultural Expression	2	30	4%	20
Ecodevelopment	1	68	9%	50
TOTAL	22	$ 742	100%	7,089

OFFICE FOR CENTRAL AMERICA

The Foundation obligated grants, grant supplements, in-country support services, and consultative meetings totaling $5.6 million in seven Central American countries in FY 1990.

BELIZE
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	4	$ 49	19%	409
Enterprise Devt./ Management	3	106	41%	145
Education/Training	1	13	5%	1,200
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	0	0	-	0
Legal Assistance	0	0	-	0
Cultural Expression	1	40	16%	5,000
Ecodevelopment	1	50	19%	20,000
TOTAL	10	$ 258	100%	26,754

COSTA RICA
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	10	$ 294	46%	5,827
Enterprise Devt./ Management	3	108	17%	1,248
Education/Training	0	0	-	0
Research/Dissemination	0	0	-	0
Housing	2	66	11%	1,024
Health	0	0	-	0
Legal Assistance	1	36	6%	35
Cultural Expression	0	0	-	0
Ecodevelopment	2	128	20%	240
TOTAL	18	$ 632	100%	8,374

EL SALVADOR
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	10	$ 697	61%	1,938
Enterprise Devt./ Management	8	410	36%	2,038
Education/Training	1	35	3%	2,675
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	0	0	-	0
Legal Assistance	0	0	-	0
Cultural Expression	0	0	-	0
Ecodevelopment	0	0	-	0
TOTAL	19	$ 1,142	100%	6,651

GUATEMALA
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	4	$ 248	22%	10,669
Enterprise Devt./ Management	4	182	16%	2,924
Education/Training	5	477	43%	7,950
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	3	206	19%	6,500
Legal Assistance	0	0	-	0
Cultural Expression	0	0	-	0
Ecodevelopment	0	0	-	0
TOTAL	16	$ 1,113	100%	28,043

HONDURAS
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	4	$ 227	27%	5,450
Enterprise Devt./ Management	3	184	21%	5,150
Education/Training	4	280	33%	2,705
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	0	0	-	0
Legal Assistance	0	0	-	0
Cultural Expression	0	0	-	0
Ecodevelopment	4	163	19%	13,200
TOTAL	15	$ 854	100%	26,505

NICARAGUA
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	6	$ 462	100%	679
Enterprise Devt./ Management	0	0	-	0
Education/Training	0	0	-	0
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	0	0	-	0
Legal Assistance	0	0	-	0
Cultural Expression	0	0	-	0
Ecodevelopment	0	0	-	0
TOTAL	6	$ 462	100%	679

PANAMA
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	6	$ 444	63%	2,100
Enterprise Devt./ Management	1	135	19%	500
Education/Training	1	54	8%	1,500
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	0	0	-	0
Legal Assistance	1	68	10%	0
Cultural Expression	0	0	-	0
Ecodevelopment	0	0	-	0
TOTAL	9	$ 701	100%	4,100

OFFICE FOR COLOMBIA AND VENEZUELA

The Foundation obligated grants, grant supplements, in-country support services, and consultative meetings totaling $2.2 million in Colombia and Venezuela during FY 1990.

COLOMBIA
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	8	$ 361	26%	5,990
Enterprise Devt./ Management	6	373	26%	5,000
Education/Training	11	471	33%	18,505
Research/Dissemination	0	0	-	0
Housing	1	45	3%	600
Health	2	93	7%	5,550
Legal Assistance	3	62	4%	10,100
Cultural Expression	1	5	1%	1,200
Ecodevelopment	0	0	-	0
TOTAL	32	$ 1,410	100%	46,945

VENEZUELA
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	2	$ 60	9%	800
Enterprise Devt./ Management	0	0	-	0
Education/Training	6	518	84%	286,000
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	1	17	3%	20,000
Legal Assistance	0	0	-	0
Cultural Expression	1	24	4%	2,000
Ecodevelopment	0	0	-	0
TOTAL	10	$ 619	100%	308,800

OFFICE FOR PERU, ECUADOR, AND BOLIVIA

In FY 1990, the Foundation obligated grants, grant supplements, in-country support services, and consultative meetings totaling $3.5 million in Peru, Ecuador, and Bolivia.

PERU
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	9	$ 487	54%	7,845
Enterprise Devt./ Management	3	105	12%	600
Education/Training	3	91	10%	700
Research/Dissemination	1	33	3%	0
Housing	1	15	2%	5,000
Health	3	169	19%	6,000
Legal Assistance	0	0	-	0
Cultural Expression	0	0	-	0
Ecodevelopment	0	0	-	0
TOTAL	20	$ 900	100%	20,145

ECUADOR
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	6	$ 385	35%	11,200
Enterprise Devt./ Management	7	435	39%	11,830
Education/Training	5	206	19%	41,680
Research/Dissemination	1	25	2%	0
Housing	0	0	-	0
Health	1	35	3%	10,000
Legal Assistance	1	16	1%	30,000
Cultural Expression	1	2	1%	0
Ecodevelopment	0	0	-	0
TOTAL	22	$ 1,104	100%	105,210

BOLIVIA
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	4	$ 366	38%	2,500
Enterprise Devt./ Management	0	0	-	0
Education/Training	5	187	19%	201,300
Research/Dissemination	6	148	15%	27,500
Housing	0	0	-	0
Health	4	134	14%	51,500
Legal Assistance	1	52	5%	600
Cultural Expression	4	92	9%	27,300
Ecodevelopment	0	0	-	0
TOTAL	24	$ 979	100%	310,700

OFFICE FOR MEXICO

The Office for Mexico obligated grants, grant supplements, in-country support services, and consultative meetings totaling $1.7 million during FY 1990.

MEXICO
Program Profile FY 1990
(Grants and Amendments for Supplemental Funding)

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries
Food Production/ Agriculture	9	$ 897	61%	22,290
Enterprise Devt./ Management	5	302	20%	11,760
Education/Training	2	108	7%	0
Research/Dissemination	0	0	-	0
Housing	0	0	-	0
Health	1	54	4%	5,000
Legal Assistance	2	98	7%	30,500
Cultural Expression	1	21	1%	0
Ecodevelopment	0	0	-	0
TOTAL	20	$ 1,480	100%	69,550

Foundation Program Profile FY 1990
Grants and Amendments for Supplemental Funding

Program Area	Number Grants	Amount ($000's)	Percent	Intended Beneficiaries (000's)
Food Production/ Agriculture	133	$ 7,220	38%	220,000
Enterprise Devt./ Management	66	3,330	17%	86,000
Education/Training	92	5,137	27%	820,000
Research/Dissemination	18	1,004	5%	31,527
Housing	11	467	2%	21,064
Health	22	994	5%	106,760
Legal Assistance	13	607	3%	76,270
Cultural Expression	13	249	1%	36,020
Ecodevelopment	9	453	2%	33,690
TOTAL	377	$19,461	100%	1,431,331

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THE INTER-AMERICAN FOUNDATION

IN NUMBERS:

1971 - 1990

January, 1991

January, 1991

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INTRODUCTION

When the U.S. Congress created the Inter-American Foundation in 1969 as an autonomous public corporation, it was looking for new approaches to development assistance. Congress mandated that the Foundation work not on a government-to-government but on a people-to-people basis. It established the Foundation to support the efforts of indigenous private groups and to respond directly to the initiatives of poor people organizing to promote their own development. Moreover, Congress intended that the Foundation be attentive to the economic as well as the social and civic aspects of development at the grassroots level.

By the end of Fiscal Year 1990, the Foundation had made 3,109 grants totalling over $311 million to strengthen the self-help efforts of poor people. The Foundation's grants have responded to requests from a great diversity of groups, both rural and urban, helping them to improve the social and economic situations of their members. The Foundation has also assisted intermediary organizations in Latin America and the Caribbean that are working to foster cooperation among grassroots groups and provide them with financial and technical services. Many grants have supported efforts to overcome the special problems of the severely disadvantaged - ethnic and racial minorities, subsistence farmers, the rural landless, poor women, and unemployed youth.

In its grantmaking, the Foundation also promotes learning and understanding about grassroots development - in the first instance to enrich directly the work of the organizations and individuals it supports, and in the second instance to enhance the quality of the Foundation's own activities and to generate new ways of thinking and acting on development problems throughout the hemisphere.

The Inter-American Foundation in Numbers: 1971-1990 is a statistical profile of the Foundation's grant-making activities. It includes the Foundation's operations for the nineteen year period covering Fiscal Years 1971 through 1990. It provides information on the Foundation's support of local organizations in Latin America and the Caribbean and on the Foundation's Fellowship Program.

This collection of numbers, however, provides only a limited vision of what the Foundation is and what it does. Indeed, taken by themselves, the numbers can be misleading. They do not reveal the qualitative dimensions of IAF activities. They say nothing about the special ways that the Foundation pursues its work or about the struggles, frustrations, and accomplishments of those who receive grants. The best sources of information about the Foundation are the individuals and organizations which the Foundation supports in Latin America and the Caribbean.

SECTION A

THE INTER-AMERICAN FOUNDATION: 1971-1990

The Inter-American Foundation was created by Congress in 1969 and began operations in 1971. Consistent with its Congressional mandate, the Foundation throughout its history has represented a very small part of the U.S. foreign assistance program.

Annual IAF obligations for the period of 1980-1990 ranged from approximately $23 million to $31 million. In Fiscal Year 1990, the Foundation's obligations reached approximately $29 million.

In budgetary terms, most of the Foundation's resources have been used to make grants to private indigenous organizations in Latin America and the Caribbean. The Foundation's enabling legislation limited the staff to 100 persons, but, in practice, it has never exceeded the equivalent of 68 employees.

Table 1

ANNUAL IAF OBLIGATIONS by
GRANTS & OTHER PROGRAMS and ADMINISTRATIVE COSTS for 1971-1990
($ in thousands)

Fiscal Year	Grants & Other Programs*		Administrative Costs		Total	IAF Staff
1971	-		$ 376	(100%)	$ 376	29
1972	$ 2,794	(71%)	1,125	(29%)	3,919	50
1973	2,998	(67%)	1,482	(33%)	4,480	52
1974	12,704	(89%)	1,604	(11%)	14,308	62
1975	13,650	(88%)	1,889	(12%)	15,539	68
1976**	12,592	(83%)	2,552	(17%)	15,144	67
1977	15,244	(88%)	2,181	(12%)	17,425	57
1978	12,185	(85%)	2,219	(15%)	14,404	63
1979	17,358	(88%)	2,488	(12%)	19,846	65
1980	22,962	(89%)	2,943	(11%)	25,905	64
1981	22,587	(87%)	3,330	(13%)	25,917	60
1982	22,410	(86%)	3,631	(14%)	26,041	62
1983	18,913	(83%)	3,894	(17%)	22,807	63
1984	19,221	(82%)	4,095	(18%)	23,316	67
1985	24,709	(85%)	4,465	(15%)	29,174	67
1986	22,009	(82%)	4,678	(18%)	26,687	67
1987	22,254	(83%)	4,406	(17%)	26,660	67
1988	23,646	(83%)	4,769	(17%)	28,415	68
1989	25,516	(84%)	5,031	(16%)	30,547	65
1990	23,173	(81%)	5,510	(19%)	28,683	67
Total	$ 336,925	(84%)	$ 62,668	(16%)	$ 399,593	

* Other program activities, which were initiated by the IAF to support grassroots development, have included such items as evaluations, fellowships, in-country technical assistance and publications. Approximately $26 million has been utilized for this purpose during Fiscal Years 1972-1990.

** FY 1976 includes three months of transition period 1976 when the beginning of the fiscal year was changed from July 1 to October 1. FY 1976 therefore equals a 15-month period. This approach is used to organize fiscal data on all the tables in this volume.

Table 2

IAF PROGRAM BUDGET SOURCES for 1972-1990*
($ in thousands)

Fiscal Year	Congressional Appropriations		Social Progress Trust Fund		Total
1972	$ 2,794	(100%)	-		$ 2,794
1973	2,998	(100%)	-		2,998
1974	7,210	(57%)	$ 5,494	(43%)	12,704
1975	4,524	(33%)	9,126	(67%)	13,650
1976	5,257	(42%)	7,335	(58%)	12,592
1977	4,240	(28%)	11,004	(72%)	15,244
1978	3,905	(32%)	8,280	(68%)	12,185
1979	10,543	(61%)	6,815	(39%)	17,358
1980	8,945	(39%)	14,017	(61%)	22,962
1981	11,691	(52%)	10,896	(48%)	22,587
1982	11,952	(53%)	10,458	(47%)	22,410
1983	9,657	(51%)	9,256	(49%)	18,913
1984	9,041	(47%)	10,180	(53%)	19,221
1985	8,974	(36%)	15,735	(64%)	24,709
1986	7,119	(32%)	14,890	(68%)	22,009
1987	8,078	(36%)	14,176	(64%)	22,254
1988	8,918	(38%)	14,728	(62%)	23,646
1989	12,766	(50%)	12,750	(50%)	25,516
1990	12,580	(54%)	10,593	(46%)	23,173
Total	$ 151,192	(44%)	$ 185,733	(56%)	$ 336,925

* The Foundation's funds come from Congressional appropriations and from the Social Progress Trust Fund. The Fund, which is administered by the Inter-American Development Bank, holds repayments from loans made to Latin American and Caribbean countries under the Alliance for Progress from contributions by the U.S. Government.

SECTION B

INTER-AMERICAN FOUNDATION GRANTS: 1972-1990

The Foundation has made 3,109 grants totalling over $311 million in 36 countries of Latin America and the Caribbean between FY 1972 and FY 1990. During the IAF's history, the average amount of grant funds provided to grantees was $100,000. In FY 1990, the average new grant size was $65,341. More than half of all grantees between FY 1972 and FY 1990 received grant funds totalling less than $50,000.

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Table 3

CUMULATIVE OBLIGATIONS and NUMBER of IAF GRANTS
by COUNTRY for 1972-1990*

Country	Amount (thousands)	Number of Grants	Average (thousands)
Brazil	$ 20,609	270	$ 76
Colombia	26,767	236	113
Chile	35,021	214	164
Mexico	21,305	221	96
Peru	24,915	173	144
Bolivia	18,814	181	104
Argentina	17,457	171	102
Costa Rica	10,338	162	64
Dominican Republic	12,670	137	92
Ecuador	12,040	121	100
Guatemala	11,338	115	99
Paraguay	13,060	105	124
Uruguay	12,555	103	122
Panama	10,092	93	109
Honduras	11,036	100	110
Haiti	8,217	89	92
Nicaragua	8,113	61	133
Jamaica	3,204	52	62
El Salvador	8,239	65	127
Venezuela	4,811	47	102
Other Caribbean**	14,987	286	52
Latin American Regional***	6,225	107	58
Total	311,813	3,109	100

* Includes grants and supplements to them.
** See Table 3-A.
*** Includes research projects as well as other development projects affecting more than one country.

Table 3-1

CUMULATIVE OBLIGATIONS and NUMBER of IAF GRANTS
by CARIBBEAN COUNTRY for 1972-1990*

Country	Amount (thousands)	Number of Grants	Average (thousands)
Dominica	$ 2,139	72	$ 30
Belize	2,463	63	39
Grenada	517	17	30
St. Vincent	685	11	62
Barbados	836	10	84
Trinidad and Tobago	537	11	49
Bahamas	144	7	21
Guyana	294	7	42
St. Kitts-Nevis	541	6	90
St. Lucia	415	10	42
Antigua	507	8	63
Suriname	347	3	116
Netherlands Antilles	126	2	63
Turks and Caicos	12	2	5
Anguilla	3	1	3
Montserrat	3	1	3
Caribbean Regional**	5,418	55	99
Total	14,987	286	52

* Includes grants and supplements to them.
** Includes research projects as well as other development projects affecting more than one country.

Table 4

CUMULATIVE OBLIGATIONS and NUMBER of IAF GRANTS
by GEOGRAPHIC REGION for 1972-1990

Country	Amount (thousands)*		Number of Grants	
MEXICO		$ 21,305		221
CENTRAL AMERICA AND PANAMA				
Costa Rica	10,338		162	
Panama	10,092		93	
Guatemala	11,338		115	
Honduras	11,036		100	
Nicaragua	8,113		61	
El Salvador	8,239		65	
		$ 59,156		596
THE CARIBBEAN				
Dominican Republic	12,670		137	
Haiti	8,217		89	
Jamaica	3,204		52	
Other Caribbean	14,987		286	
		$ 39,078		564
ANDEAN COUNTRIES				
Colombia	26,767		236	
Peru	24,915		173	
Bolivia	18,814		181	
Ecuador	12,040		121	
Venezuela	4,811		47	
		$ 87,347		758
BRAZIL		$ 20,609		270
SOUTHERN CONE				
Chile	35,021		214	
Argentina	17,457		171	
Uruguay	12,555		103	
Paraguay	13,060		105	
		$ 78,093		593
LATIN AMERICAN REGIONAL**		$ 6,225		107
Total		$311,813		3,109

* Includes grants and supplements to them.
** Includes research projects as well as other development projects affecting more than one country.

Table 5

IAF GRANT OBLIGATIONS by COUNTRY for 1972-1990*
($ in thousands)

Country	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	TOTAL
Chile	-	51	750	1,876	4,303	3,427	1,816	4,124	3,005	2,327	3,213	1,826	1,686	1,251	1,137	1,094	1,038	1,017	1,080	35,021
Colombia	613	362	854	708	972	1,251	560	1,565	1,633	2,630	1,901	1,654	3,443	2,169	1,666	937	985	1,553	1,311	26,767
Peru	68	-	129	413	32	1,377	3,635	1,064	4,188	1,622	1,735	1,318	972	2,126	1,613	1,012	1,070	1,631	910	24,915
Mexico	500	7	767	925	467	953	1,792	2,541	1,131	1,497	1,934	1,161	479	1,130	771	947	1,099	1,720	1,484	21,305
Brazil	295	877	2,407	916	996	1,696	326	1**	-**	-**	-**	576	1,248	1,594	1,979	1,941	2,167	1,718	1,872	20,609
Bolivia	-	-	1,252	900	934	392	506	161	1,449	1,354	1,553	1,434	1,827	1,646	1,166	86	1,241	1,154	982	18,814
Argentina	-	-	29	514	289	619	181	656	2,067	1,015	410	949	1,347	922	1,391	2,420	1,680	1,782	1,186	17,457
Paraguay	-	-	819	238	508	1,516	272	896	510	1,544	1,535	835	566	721	154	640	815	833	658	13,060
Uruguay	-	-	234	414	220	250	320	1,298	1,029	835	2,189	1,103	1,186	435	815	504	385	691	647	12,555
Dominican Rep.	468	-	22	501	72	281	520	223	1,336	1,669	1,632	1,345	483	367	968	567	701	809	706	12,670
Ecuador	72	-	470	379	445	578	4	541	622	282	852	1,088	336	634	1,004	1,269	1,224	1,134	1,105	12,040
Costa Rica	-	-	241	352	17	23	30	25	766	295	933	698	1,331	2,038	1,224	610	453	679	623	10,338
Honduras	119	529	753	1,796	34	41	23	229	903	531	57	656	586	545	657	558	917	1,248	854	11,036
Guatemala	-	110	222	636	594	436	-	113	274	1,389	462	283	134	1,009	560	1,116	1,477	1,457	1,116	11,339
Panama	6	9	1,366	377	473	636	642	121	228	667	107	481	68	656	929	876	939	808	703	10,092
Haiti	-	22	436	67	221	260	53	301	378	886	174	227	588	838	850	1,697	249	497	473	8,217
Nicaragua	-	513	171	562	-	355	304	1,598	1,278	265	450	383	106	730	6	-	513	417	462	8,113
El Salvador	626	-	483	889	1,035	4	-	116	16	413	1	4	2	12	323	805	1,366	991	1,143	8,239
Venezuela	-	61	8	151	16	-	-	2	-	84	188	105	389	768	582	656	629	552	620	4,811
Jamaica	10	49	161	29	160	196	25	596	211	514	42	64	138	154	279	66	261	171	78	3,204
Other Carib.***	9	403	961	528	505	579	712	668	665	1,590	1,334	1,006	709	1,160	655	854	886	855	908	14,987
Latin American Regional****	8	5	85	400	162	123	160	110	753	402	504	467	59	1,754	88	121	222	309	493	6,225
Total	2,794	2,998	12,630	13,571	12,455	14,993	11,881	16,949	22,443	21,811	21,206	17,663	17,683	22,659	18,817	19,553	20,267	22,026	19,414	311,813

* Annual totals include obligations for new grants and supplements to grants originally obligated in any fiscal year.
** The Foundation's activities in Brazil were suspended in 1978. Activity resumed in 1983.
*** See Table 5-A.
**** Includes research projects as well as other development projects affecting more than one country.

Table 5-A

IAP GRANT OBLIGATIONS by CARIBBEAN COUNTRY for 1972-1990*
($ in thousands)

Country	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	TOTAL
Dominica	-	-	92	192	89	22	86	101	232	199	120	386	111	121	180	101	9	-	148	2,139
Belize	-	5	86	41	36	-	10	93	7	249	300	55	57	249	191	244	289	323	258	2,463
Barbados	-	278	37	35	112	223	-	-	-	4	-	5	61	38	-	-	-	-	43	836
St.Vincent	-	-	-	-	-	-	-	85	19	79	305	-	25	35	26	13	81	-	17	685
St.Kitts-Nevis	-	-	-	-	-	-	-	-	11	11	229	-	46	2	169	49	-	24	-	541
Trinidad/Tobago	9	49	256	2	4	8	-	44	115	-	-	-	-	-	-	-	-	-	53	537
Antigua	-	-	-	-	134	-	25	-	-	-	47	-	84	76	-	36	-	84	21	507
Surinam	-	-	-	-	-	-	-	-	-	285	-	62	-	-	-	-	-	-	-	347
Grenada	-	-	-	-	-	-	4	73	4	4	-	4	-	12	11	146	79	148	32	517
Guyana	-	71	17	7	-	-	-	-	-	51	100	6	15	5	1	-	21	-	-	294
St. Lucia	-	-	-	-	-	-	-	-	-	31	5	26	-	105	42	-	-	146	60	415
Bahamas	-	-	-	-	-	-	-	-	14	6	79	-	24	-	21	-	-	-	-	144
Netherlands Ant	-	-	-	-	-	-	-	-	-	112	14	-	-	-	-	-	-	-	-	126
Turks/Caicos	-	-	-	-	-	-	-	-	-	-	-	-	-	3	6	-	3	-	-	12
Anguilla	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	3
Montserrat	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
Carib. Regl**	-	-	501	251	157	329	587	272	263	559	132	462	286	514	28	265	404	130	276	5,418
Total	9	403	961	528	505	579	712	668	665	1,590	1,334	1,006	709	1,180	655	854	886	855	908	14,987

* Annual totals include obligations for new grants and supplements to grants originally obligated in any fiscal year.
** Includes research projects as well as other development projects affecting more than one country.

Table 6

TOTAL NUMBER of NEW IAF GRANTS OBLIGATED by COUNTRY for 1972-1990*

Country	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	TOTAL
Brazil	6	15	20	15	21	54	1	-**	-**	-**	-**	12	16	26	21	17	16	15	15	270
Colombia	4	3	7	9	6	11	10	12	10	14	21	19	15	17	21	12	12	15	18	236
Chile	-	1	3	5	8	12	13	16	16	13	33	17	11	12	10	16	8	10	10	214
Mexico	1	1	13	11	10	10	13	19	13	13	18	10	5	12	13	15	13	17	14	221
Peru	1	-	5	2	1	8	10	8	15	18	21	16	11	17	14	9	4	7	6	173
Bolivia	-	-	8	7	6	-	3	3	10	17	23	19	16	13	14	9	17	10	6	181
Costa Rica	-	-	1	3	2	3	1	3	6	5	15	13	12	27	31	12	10	10	8	162
Argentina	-	-	2	4	4	6	5	9	9	10	7	16	13	13	13	20	17	13	10	171
Dominican Rep.	1	-	1	1	1	2	-	4	6	16	7	8	7	8	24	19	8	13	11	137
Ecuador	1	-	6	4	3	4	1	3	3	7	9	7	12	10	11	11	9	15	5	121
Uruguay	-	-	1	3	5	3	6	7	7	7	9	12	4	6	7	8	3	7	8	103
Paraguay	-	-	2	6	5	4	2	5	2	16	9	6	8	7	4	6	8	9	6	105
Panama	1	1	8	7	2	6	5	2	2	7	5	4	2	7	12	7	4	3	8	93
Guatemala	-	3	4	7	4	6	-	2	6	8	3	1	1	6	11	12	19	15	7	115
Haiti	-	2	7	1	1	3	2	1	5	8	4	7	6	9	6	12	4	7	4	89
Honduras	1	2	5	4	-	-	1	3	5	4	6	7	5	6	9	12	10	13	7	100
Nicaragua	-	2	3	4	-	4	3	5	7	4	9	2	1	2	-	-	4	5	6	61
Jamaica	1	1	5	2	1	2	2	4	3	9	1	1	3	4	5	-	4	2	2	52
El Salvador	1	-	4	4	5	-	-	1	-	-	1	1	1	1	3	13	10	8	12	65
Venezuela	-	1	1	2	1	-	-	1	-	1	1	1	4	4	7	6	7	3	7	47
Caribbean***	1	6	14	12	13	6	6	17	38	33	23	18	12	18	16	15	9	11	18	206
Latin American Regional****	1	1	8	13	8	6	2	3	15	10	10	9	5	6	2	3	2	-	3	107
Total	20	39	128	126	107	150	86	128	178	220	235	206	170	231	254	234	198	208	191	3,109

* Excludes grant supplements.
** The Foundation's activities in Brazil were suspended in 1978. Activity resumed in 1983.
*** See Table 6-A.
**** Includes research projects as well as other development projects affecting more than one country.

Table 6-A

TOTAL NUMBER of MDC IAF GRANTS DELIVERED by CARIBBEAN COUNTRY for 1972-1990*

Country	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	TOTAL
Dominica	-	-	2	1	4	2	3	4	24	8	2	7	2	4	3	3	-	-	3	72
Belize	-	1	3	3	-	-	-	3	2	7	10	4	1	4	5	5	4	6	5	63
Grenada	-	1	-	-	-	-	1	4	1	1	-	-	-	1	1	4	1	1	1	17
Trinidad &Tobago	1	1	3	1	1	-	-	1	1	-	-	-	-	-	-	-	-	-	2	11
Barbados	-	2	1	1	-	1	-	-	-	1	-	1	1	1	-	-	-	-	1	10
St. Vincent	-	-	-	-	-	-	-	1	2	2	1	-	-	2	1	1	1	-	-	11
Bahamas	-	-	-	-	-	-	-	-	2	1	1	-	2	-	1	-	-	-	-	7
Guyana	-	1	1	-	-	-	-	-	-	1	2	-	1	-	-	-	1	-	-	7
St. Kitts-Nevis	-	-	-	-	-	-	-	-	1	1	1	-	1	-	2	-	-	-	-	6
St. Lucia	-	-	-	-	-	-	-	-	-	1	1	2	-	1	1	-	-	2	2	10
Antigua	-	-	-	-	2	-	-	-	-	-	1	-	1	1	-	1	-	1	1	8
Suriname	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	3
Netherlands Ant.	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	2
Turks & Caicos	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-	-	2
Anguilla	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	1
Montserrat	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Caribbean Regl**	-	-	4	6	5	3	2	4	5	6	2	4	3	3	1	1	2	1	3	55
Total	1	6	14	12	13	6	6	17	38	33	23	18	12	18	16	15	9	11	18	286

* Includes grant supplements.
** Includes research projects as well as other development projects affecting more than one country.

Table 7

FIVE COUNTRIES RECEIVING HIGHEST IAF GRANT OBLIGATIONS for 1972-1980*
($ in thousands)

1972

Country	Amount	% Total
El Salvador	626	22%
Colombia	613	22%
Mexico	500	18%
Dominican Rep.	468	17%
Brazil	295	11%
Other Countries	292	10%
Total	$2,794	100%

1973

Country	Amount	% Total
Brazil	$877	29%
Honduras	529	18%
Nicaragua	513	17%
Colombia	362	12%
Barbados	278	9%
Other Countries	439	15%
Total	$2,998	100%

1974

Country	Amount	% Total
Brazil	$2,407	19%
Honduras	529	18%
Nicaragua	513	17%
Colombia	362	12%
Barbados	278	9%
Other Countries	5,932	47%
Total	$12,630	100%

1975

Country	Amount	% Total
Chile	1,876	14%
Honduras	1,796	13%
Mexico	925	7%
Brazil	916	7%
Bolivia	900	7%
Other Countries	7,158	53%
Total	$2,794	100%

1976

Country	Amount	% Total
Chile	$ 4,303	35%
El Salvador	1,035	8%
Brazil	996	8%
Colombia	972	8%
Bolivia	934	7%
Other Countries	4,215	34%
Total	$12,455	100%

1977

Country	Amount	% Total
Chile	$ 3,427	23%
Brazil	1,696	11%
Paraguay	1,516	10%
Peru	1,377	9%
Colombia	1,251	8%
Other Countries	5,726	38%
Total	$14,993	100%

1978

Country	Amount	% Total
Peru	$3,635	31%
Chile	1,816	15%
Mexico	1,792	15%
Panama	642	5%
Bolivia	506	4%
Other Countries	3,490	29%
Total	$11,881	100%

1979

Country	Amount	% Total
Chile	$4,124	24%
Mexico	2,541	15%
Nicaragua	1,598	9%
Colombia	1,565	8%
Uruguay	1,298	8%
Other Countries	5,823	34%
Total	$16,949	100%

1980

Country	Amount	% Total
Peru	$4,188	19%
Chile	3,005	13%
Argentina	2,067	9%
Colombia	1,633	7%
Bolivia	1,449	6%
Other Countries	10,101	45%
Total	$22,443	100%

* Annual totals include obligations for new grants and supplements to grants originally obligated in any fiscal year.

Table 7 (continued)

1981

Country	Amount	% Total
Colombia	$2,630	12%
Chile	2,327	11%
Dominican Rep.	1,649	8%
Peru	1,622	7%
Paraguay	1,544	7%
Other Countries	12,019	55%
Total	$21,811	100%

1982

Country	Amount	% Total
Chile	$3,213	15%
Uruguay	2,189	10%
Mexico	1,934	9%
Colombia	1,901	9%
Peru	1,735	8%
Other Countries	10,234	48%
Total	$21,206	100%

1983

Country	Amount	% Total
Chile	$1,826	10%
Colombia	1,654	9%
Bolivia	1,434	8%
Dominican Rep.	1,345	8%
Peru	1,318	8%
Other Countries	10,086	57%
Total	$17,663	100%

1984

Country	Amount	% Total
Colombia	$3,443	19%
Bolivia	1,827	10%
Chile	1,686	10%
Argentina	1,347	8%
Costa Rica	1,331	8%
Other Countries	8,049	45%
Total	$17,863	100%

1985

Country	Amount	% Total
Colombia	$2,169	10%
Peru	2,126	9%
Costa Rica	2,038	9%
Bolivia	1,646	7%
Brazil	1,594	7%
Other Countries	13,086	58%
Total	$22,659	100%

1986

Country	Amount	% Total
Brazil	1,979	11%
Colombia	1,666	9%
Peru	1,613	9%
Argentina	1,391	7%
Costa Rica	1,234	6%
Other Countries	10,944	58%
Total	$18,817	100%

1987

Country	Amount	% Total
Argentina	$2,420	12%
Brazil	1,941	10%
Haiti	1,697	9%
Ecuador	1,269	6%
Guatemala	1,116	6%
Other Countries	11,110	57%
Total	$19,553	100%

1988

Country	Amount	% Total
Brazil	$2,167	11%
Argentina	1,680	8%
Guatemala	1,427	7%
El Salvador	1,366	7%
Bolivia	1,341	6%
Other Countries	12,386	61%
Total	$20,367	100%

1989

Country	Amount	% Total
Argentina	$1,782	8%
Mexico	1,720	8%
Brazil	1,718	8%
Peru	1,631	7%
Colombia	1,553	7%
Other Countries	13,622	62%
Total	$22,026	100%

Table 7 (continued)

Country	1990 Amount	% Total
Brazil	$1,872	9%
Mexico	1,484	8%
Colombia	1,311	7%
Guatemala	1,116	6%
Argentina	1,186	6%
Other Countries	12,445	64%
Total	19,414	100%

SECTION C

GRANTEE COUNTERPART CONTRIBUTIONS TO INTER-AMERICAN FOUNDATION GRANTS: 1972-1990

The Foundation assists organizations whose members contribute their own time, energy, and financial resources to the projects. Groups demonstrate their commitment to the projects' success by obtaining counterpart funds, both from their members and from other local or international sources. For each dollar that the Foundation has invested in projects between 1972 and 1990, grantees have pledged an average of $1.23.

TABLE 8

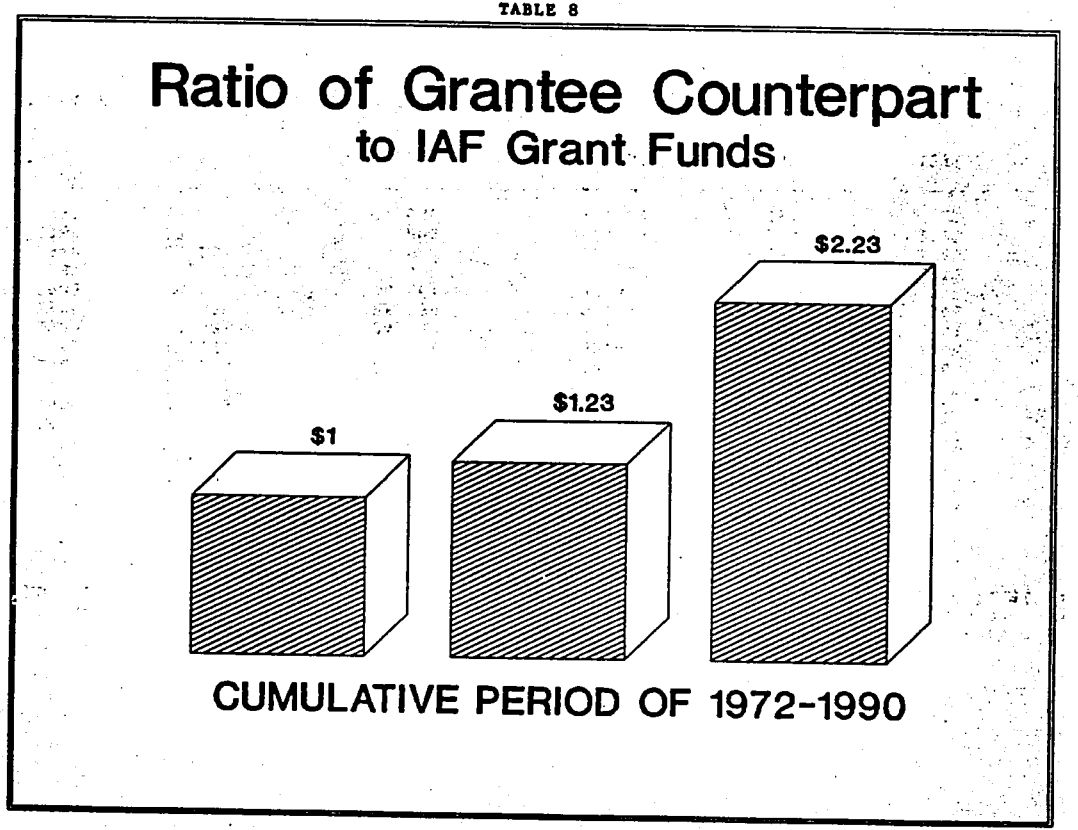
Ratio of Grantee Counterpart
to IAF Grant Funds
$1
$1.23
$2.23
CUMULATIVE PERIOD OF 1972-1990

Table 9

GRANTEE COUNTERPART CONTRIBUTIONS for 1972-1990
($ in thousands)

Fiscal Year	IAF Funds*	Grantee Contributions	Total IAF & Grantee Funds	Grantee Funds as % of Total	Grantee Funds as % of IAF Total
1972	$ 2,794	$ 2,504	$ 5,298	47%	90%
1973	2,944	4,263	7,207	59%	145%
1974	11,884	13,248	25,132	53%	112%
1975	12,634	18,787	31,421	60%	149%
1976	12,190	15,100	27,290	56%	124%
1977	14,967	18,458	33,425	55%	123%
1978	11,726	10,596	22,322	47%	90%
1979	16,866	14,431	31,297	46%	86%
1980	22,399	25,360	47,759	53%	113%
1981	21,811	27,949	49,760	56%	128%
1982	21,206	28,869	50,075	58%	136%
1983	17,662	21,826	39,488	55%	124%
1984	17,683	24,750	42,433	58%	140%
1985	22,659	35,256	57,915	61%	156%
1986	18,817	16,664	35,481	47%	89%
1987	19,552	37,400	56,952	66%	191%
1988	20,267	25,564	45,831	56%	126%
1989	22,026	26,883	48,909	56%	122%
1990	19,414	12,050	31,464	39%	62%
Total	$ 309,501	$ 379,958	$ 689,459	55%	123%

* Includes grants and grant supplements.

SECTION D

PROGRAM AREAS OF INTER-AMERICAN FOUNDATION GRANTS: 1972-1990

Foundation activities have been principally directed to the following program areas:

- Agricultural and rural development projects (including rural small enterprises) to improve the economic and social conditions of the rural poor;

- Education and training programs to train the unemployed for new jobs, to aid community leaders in carrying out their responsibilities, and to prepare peasants to take advantage of new technologies and marketing arrangements;

- Community services initiatives by poor communities to improve their access to such basic goods and services as housing, health, legal assistance, and food;

- Urban small enterprises to promote various types of micro- and small businesses that can generate new sources of income and employment for the urban poor;

- Learning and dissemination projects that contribute to a broader understanding of grassroots development issues affecting poor and disadvantaged groups; and

- Cultural expression activities that promote development by contributing to enhanced creativity, community and group cohesion, and cultural identity among the poor and disadvantaged.

Table 10

CUMULATIVE IAF GRANT OBLIGATIONS by PROGRAM AREA for 1972-1990*
($ in thousands)

Program Area	Total	Percent of Total
Agricultural and Rural Development (Including Rural Small Enterprise)	$135,516	43%
Education and Training	59,235	19%
Community Services	43,539	14%
Urban Small Enterprise	40,089	13%
Learning and Dissemination	25,228	8%
Cultural Expression	8,206	3%
Total	311,813	100%

* Includes grants and grant supplements.

Table 11

IAF GRANT OBLIGATIONS by PROGRAM AREA for 1972-1990*
(Percent of Fiscal Year's Grant Obligations)

Program Area	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Total
Agricultural and Rural Development (Including Rural Small Enterprise)	57%	37%	32%	34%	33%	44%	49%	49%	49%	36%	48%	39%	40%	44%	49%	46%	50%	44%	43%	43%
Education and Training	11%	29%	29%	13%	16%	15%	11%	11%	15%	16%	22%	17%	24%	21%	16%	22%	23%	24%	26%	19%
Community Services	25%	19%	12%	11%	19%	14%	10%	14%	12%	23%	9%	16%	18%	14%	15%	15%	7%	11%	11%	14%
Urban Small Enterprises	6%	11%	9%	20%	21%	8%	14%	16%	12%	8%	8%	13%	7%	14%	16%	12%	13%	17%	14%	13%
Learning and Dissemination	**	4%	12%	15%	6%	14%	16%	6%	8%	11%	13%	14%	9%	7%	3%	4%	5%	2%	5%	8%
Cultural Expression	**	**	5%	5%	5%	5%	1%	4%	3%	4%	1%	1%	2%	**	1%	1%	2%	2%	1%	3%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

*Includes grants and grant supplements.
** Less than 1%.

SECTION E

INTER-AMERICAN FOUNDATION FELLOWSHIP PROGRAMS: 1974-1990

The Foundation's Fellowship Program was initiated in 1974 to support field research in Latin America and the Caribbean by doctoral candidates and postdoctoral scholars from U.S. universities. This program, which now is limited to doctoral candidates, awards some 10 to 15 fellowships per year. In 1978, the IAF created a second fellowship program to support field research for master's degree students in U.S. universities that now provides about 10 to 15 awards each year. In 1982, the Foundation started a third program of 10 to 15 fellowships annually to junior researchers and development practitioners from Latin America and the Caribbean for graduate training in the United States.

Table 12

CUMULATIVE NUMBER of IAF FELLOWSHIP AWARDS for 1974-1990

Fiscal Year	Master's	Doctoral	Post-doctoral*	Latin American and Caribbean	Total
1974	-	4	-	-	4
1975	-	6	-	-	6
1976	-	3	1	-	4
1977	-	13	1	-	14
1978	19	7	3	-	29
1979	16	16	1	-	33
1980	21	14	1	-	36
1981	19	17	1	-	37
1982	20	20	-	13	53
1983	18	19	-	14	51
1984	18	18	-	12	48
1985	17	15	-	13	45
1986	16	14	-	12	42
1987	12	17	-	14	43
1988	13	16	-	17	46
1989	17	12	-	15	44
1990	15	17	-	15	47
Total	221	228	8	125	582 (100%)

*No longer awarded.

Table 13

CUMULATIVE NUMBER of IAF FELLOWSHIP AWARDS
in the MASTER'S, DOCTORAL, and POSTDOCTORAL PROGRAMS
by the FELLOW'S COUNTRY of FIELD RESEARCH for 1974-1990

Country	Master's	Doctoral	Post-doctoral*	Total	Percent of Total
Mexico	30	42	4	76	16%
Peru	37	25	-	62	13%
Brazil	29	27	1	57	12%
Colombia	23	11	-	34	8%
Bolivia	7	24	-	31	7%
Chile	12	15	-	27	6%
Costa Rica	14	10	-	24	5%
Ecuador	9	9	1	19	4%
Jamaica	3	12	2	17	3%
Argentina	4	10	-	14	3%
Guatemala	7	6	-	13	2%
Honduras	7	3	-	10	2%
Dominican Republic	5	4	-	9	2%
Paraguay	5	3	-	8	2%
Panama	2	4	-	6	1%
Nicaragua	2	4	-	6	1%
Haiti	4	2	-	6	1%
Belize	2	3	-	5	1%
Venezuela	3	2	-	5	1%
Dominica	2	1	-	3	1%
Grenada	2	1	-	3	1%
Uruguay	1	2	-	3	1%
El Salvador	-	2	-	2	1%
French Guiana	1	1	-	2	1%
U.S. (Puerto Rico)	1	1	-	2	1%
St. Lucia	-	2	-	2	1%
Suriname	1	1	-	2	1%
Others**	8	1	-	9	2%
Total	221	228	8	457	100%

*No longer awarded.
** Nine countries with one Fellow each: Anguilla, Antigua, Barbados, British Virgin Islands, Guadeloupe, Monserrat, St. Kitts-Nevis, St. Vincent, Turks & Caicos.

Table 14

CUMULATIVE NUMBER of IAF FELLOWSHIP AWARDS
in the LATIN AMERICAN and CARIBBEAN PROGRAM
by the FELLOW'S COUNTRY of ORIGIN for 1982-1990

Countries of Origin	Number	Percent of Total
Peru	24	19%
Chile	18	14%
Brazil	12	10%
Mexico	12	10%
Argentina	8	6%
Colombia	8	6%
Bolivia	6	4%
Paraguay	5	4%
El Salvador	4	3%
Costa Rica	3	2%
Dominican Republic	3	2%
Ecuador	3	2%
Jamaica	3	2%
Guyana	2	2%
Nicaragua	2	2%
Panama	2	2%
St. Lucia	2	2%
Venezuela	2	2%
Barbados	1	1%
Dominica	1	1%
Guatemala	1	1%
Honduras	1	1%
St. Vincent	1	1%
Uruguay	1	1%
Total	125	100%

Table 15

CUMULATIVE NUMBER of IAF FELLOWSHIP AWARDS
by the FELLOW'S UNIVERSITY AFFILIATION for 1974-1990

University *	Master's	Doctoral	Post-Doctoral **	Latin American & Caribbean	Total	Percent of Total
UC/Berkeley	21	30	-	12	63	11%
UCLA	21	20	1	2	44	8%
U/Florida	18	14	-	9	41	7%
U/Wisconsin	7	19	-	11	37	7%
Columbia	16	20	-	2	38	6%
U/Texas	23	9	-	2	34	6%
Cornell	11	14	1	4	30	5%
Johns Hopkins	14	6	-	6	26	5%
Stanford	10	9	-	2	21	4%
Yale	4	7	-	6	17	3%
Harvard	1	8	-	7	16	3%
U/Chicago	2	9	1	1	13	2%
Michigan State	7	4	1	-	12	2%
M.I.T.	2	6	-	2	10	2%
Duke	5	1	-	4	10	2%
New School for Soc. Res.	1	2	-	6	9	2%
UC/Davis	4	3	-	1	8	1%
U/Pittsburgh	4	3	-	1	8	1%
Boston University	-	1	-	6	7	1%
U/New Mexico	5	1	-	1	7	1%
Indiana	1	4	-	1	6	1%
New York University	2	1	-	2	5	1%
U/Minnesota	3	2	-	-	5	1%
U/Arizona	2	3	-	-	5	1%
American	1	2	-	2	5	1%
Notre Dame	-	3	-	1	4	1%
U/Michigan	1	-	-	3	4	1%
Clark University	2	1	-	-	3	1%
U/Colorado	-	2	-	-	3	1%
U/Massachusetts	-	1	-	2	3	1%
U/Pennsylvania	1	-	-	2	3	1%
UC/San Francisco	-	1	1	1	3	1%
City Univ. of New York	1	1	-	1	3	1%
Tulane	1	1	-	1	3	1%
U/Illinois	1	-	-	2	3	*
SUNY/Binghamton	1	-	-	2	3	*
Arizona State Univ.	2	-	-		2	*
U/Connecticut	-	-	-	2	2	*
U/Iowa	1	1	-	-	2	*
George Washington	2	-	-	-	2	*
U/Kentucky	1	1	-	-	2	*
Louisiana State	1	-	-	1	2	*
U/Maryland	1	-	-	1	2	*
U/Miami	1	-	-	1	2	*
U/North Carolina	-	2	-	-	2	*
Penn State	2	-	-	-	2	*
Rutgers	-	1	1	-	2	*
UC/San Diego	1	1	-	-	2	*
U/Southern California		-	-	2	2	*
San Diego State	1	-	-	1	2	*
SUNY/Albany	1	1	-	-	2	*
SUNY/Buffalo	-	2	-	-	2	*
West Virginia	-	-	1	1	2	*
Others ***	16	10	1	11	38	7%
Total	221	228	8	125	582	100%

*Total universities: 91.
**No longer awarded.
***Thirty-eight universities with one Fellow each: U/Alabama(MA), Brandeis(Ph.D.), Boston College(LA/C), Bryn Mawr(Ph.D.), Catholic University(MA), UC/Santa Barbara(Ph.D.), UC/Santa Cruz(MA), California State/Los Angeles(MA), Case Western Reserve(Ph.D.), Denver(Ph.D.), East Carolina(MA), Emory(LA/C), Gallaudet(LA/C), Georgetown(MA), Georgia(Ph.D.), Hawaii(MA), Iowa State(MA), Kansas(MA), Mississippi State(LA/C), Missouri(LA/C), Nebraska(Ph.D.), New Hampshire College (LA/C), New Mexico State(MA), North Carolina State (LA/C), Oklahoma State(LA/C), Oregon State(MA), Rice(LA/C), San Francisco State(MA), San Jose State(MA), School for International Training (LA/C), Southeast Institute for Group and Family Therapy(LA/C), Southern Methodist(PD), Tennessee (MA), Tufts(MA), U/South Florida(MA), Vanderbilt(Ph.D), Virginia(Ph.D), and Washington University(Ph.D).

Table 16

CUMULATIVE NUMBER OF IAF FELLOWSHIP AWARDS
by the FELLOW'S ACADEMIC DEPARTMENT for 1974-1990

Department	Master's	Doctoral	Post-doctoral*	Latin American & Caribbean	Total	Percent of Total
Anthropology	53	95	3	16	167	29%
Economics and Agricultural Economics	11	27	2	31	71	12%
Latin American Studies	48	-	-	3	51	9%
Political Science	18	21	-	11	50	8%
Sociology	9	20	1	14	44	8%
Public Health	16	6	-	15	37	6%
History	2	15	1	4	22	4%
Geography	10	10	-	-	20	3%
Education	4	8	-	3	15	3%
Linguistics	-	2	-	2	4	1%
Other	50	24	1	26	101	17%
Total	221	228	8	125	582	100%

*No longer awarded

Table 17

NUMBER of IAF FELLOWSHIP AWARDS
by RESEARCH AREA for 1990

DEVELOPMENT AREAS	Fellowship Program: Latin American and Caribbean	Doctoral	Master's	Total	Percent of Total
Food Production & Agriculture	3	8	2	13	28%
Enterprise Development & Management	2	4	5	11	23%
Education & Training	1	1	-	2	4%
Other Development Studies including Research and Dissemination)	5	1	3	9	19%
Housing	-	-	-	0	0%
Health	2	3	-	5	11%
Legal Assistance	-	-	-	0	0%
Cultural Expression	-	-	-	0	0%
Ecodevelopment	2	-	5	7	15%
TOTAL	15	17	15	47	100%

Table 18

CUMULATIVE NUMBER OF IAF FELLOWSHIP AWARDS
by RESEARCH AREA for 1974-1990

Topic	Master's	Doctoral	Post-doctoral*	Latin American & Caribbean	Total	Percent of Total
Agricultural and Rural Development (Including Rural Small Enterprise)	100	114	4	31	249	43%
Community Services	44	33	3	39	119	20%
Development Policy Studies (Other Learning and Dissemination)	22	38	-	37	97	17%
Education and Training	20	16	-	8	44	8%
Urban Small Enterprise	19	20	1	2	42	7%
Cultural Expression	16	7	-	8	31	5%
Total	221	228	8	125	582	100%

*No longer awarded.

AFRICAN DEVELOPMENT FOUNDATION

CONGRESSIONAL PRESENTATION

FISCAL YEAR 1992

THE AFRICAN DEVELOPMENT FOUNDATION
1400 EYE STREET, NORTHWEST
TENTH FLOOR
WASHINGTON, D.C. 20005

FEBRUARY 1991

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APPROPRIATION LANGUAGE

For necessary expenses to carry out the provisions of title V of the International Security and Development Cooperation Act of 1980, Public Law 96-533, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 9104, title 31, United States Code, $14,950,000, to remain available until expended. (*Foreign Operations, Export Financing and Related Programs Appropriations Act, 1991*; additional authorizing legislation to be proposed.)

FISCAL YEAR 1992 BUDGET

PROGRAM AND FINANCING
(in thousands of dollars)

	1990 Actual	1991 Est.	1992 Est.
Program by Activities:			
Direct Development Assistance	$4,032	$6,867	$8,308
Development Studies and Technical Assistance	1,838	2,414	2,545
Learning and Dissemination	270	319	355
Program Management and Operation	2,617	3,452	3,742
Total Obligations	8,757	13,052	14,950
Financing:			
Unobligated balance available, start of year	-10	-52	
Unobligated balance available, end of year	52		
Unobligated balance lapsing	46		
Budget Authority (appropriation)	8,845	13,000	14,950
Relation of obligations to outlays:			
Obligations incurred, net	8,757	13,052	14,950
Obligated balance, start of year	6,145	6,448	8,450
Obligated balance, end of year	-6,448	-8,450	-10,250
Outlays	8,454	11,050	13,150

OBJECT CLASSIFICATION
(in thousands of dollars)

	1990 Actual	1991 Est.	1992 Est.
Personnel Compensation:			
Full-time permanent positions	$1,111	$1,425	$1,560
Other than full-time permanent	251	300	305
Other personnel compensation	41	50	50
Total Personnel Compensation	1,403	1,775	1,915
Civilian personnel benefits	262	355	402
Travel and transportation of persons	350	455	490
Transportation of things	22	35	40
Rental payments to others	334	300	380
Communications, utilities, and miscellaneous charges	95	135	150
Printing and reproduction	56	95	120
Other services	310	435	460
Supplies and materials	34	51	60
Equipment	21	135	80
Grants, subsidies, and contributions	5,870	9,281	10,853
Total Obligations	8,757	13,052	14,950

Personnel Summary

Total compensable workyears:			
Full-time equivalent employment	31	37	40

ADF FUNDING HISTORY

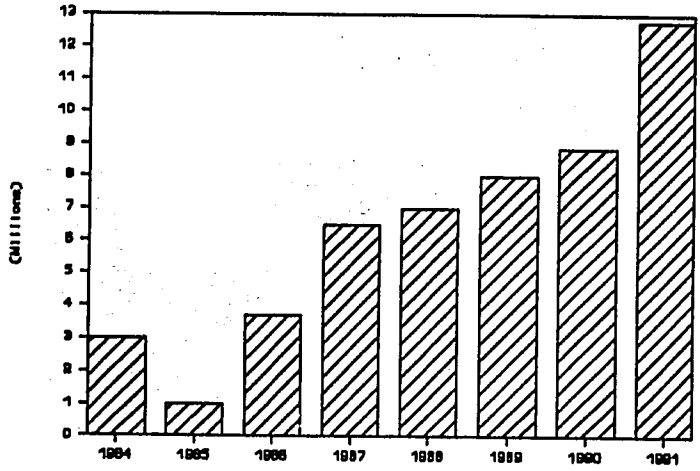
FY 1981—$2.5 million was earmarked in the Sahel Development Account for the African Development Foundation. ADF was not operational, therefore, FY 1981 funds were carried over to FY 1982 within the Sahel Development Account.

FY 1982—$2 million was earmarked in addition to the $2.5 million carried over from FY 1981 in the Sahel Development Account.

FY 1983—No additional earmark was provided because ADF was still not operational. The $4.5 million accumulated earmark from FY 1981 and FY 1982, however, was carried over to FY 1983 in the Sahel Development Account.

FY 1984—ADF became operational. $3 million was appropriated and the $4.5 million earmarked for ADF in the Sahel Development Account was transferred to ADF. Total funds available for FY 1984 were $7.5 million.

FY 1985—$1 million was appropriated. $1.7 million was carried over from unspent FY 1984 appropriations and $4 million was carried over from the no-year funds transferred from the Sahel Development Account in FY 1984. A total of $6.7 million was available in FY 1985.



ADF FUNDING: FY 1984 - FY 1991

FY 1986—Administration request was $6 million. $3.7 million was appropriated (post sequestration). $2.2 million was carried over from FY 1985 no-year funds. Total funds for FY 1986 were $5.9 million. In Fiscal Year 1986 all funds, including the no-year funds transferred from the Sahel Development Account, were obligated.

FY 1987—Administration request was $6.5 million. $6.5 million was appropriated. All funds were obligated.

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FY 1988—Administration request was $6.7 million. $7 million was appropriated. All funds were obligated.

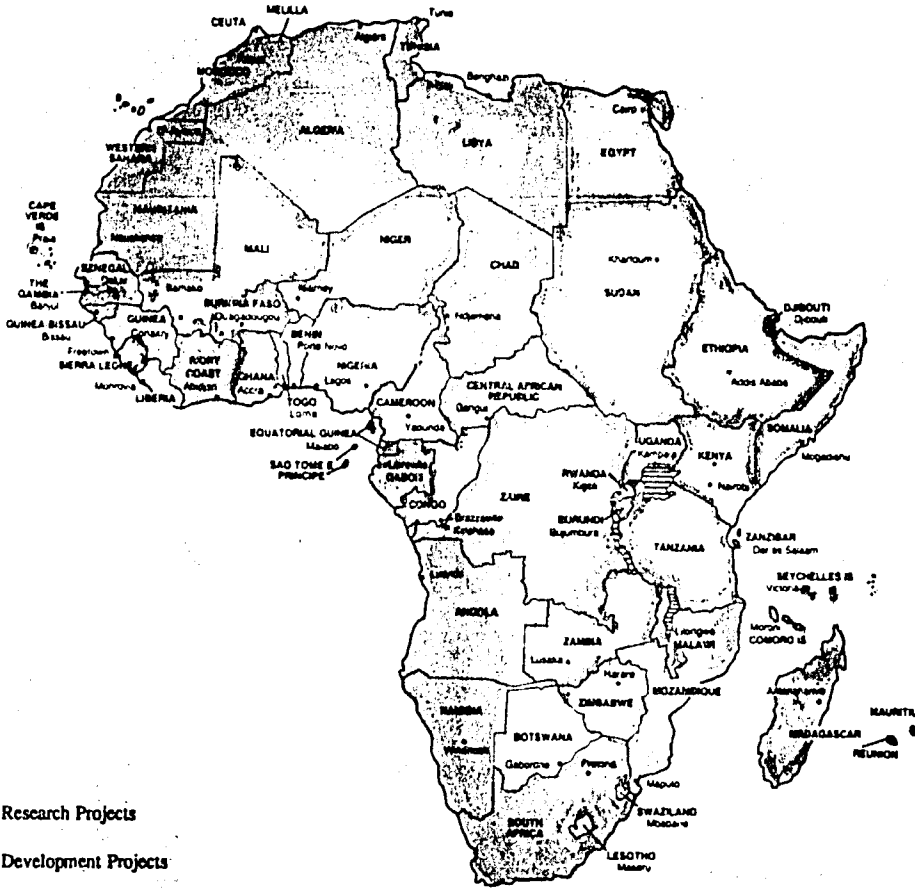
FY 1989—Administration request was $7.1 million. $8 million was appropriated. All funds were obligated.

FY 1990—Administration request for Fiscal Year 1990 was $9 million. House and Senate Subcommittee on Foreign Operations approved $9 million, however, with Budget Reconciliation the actual operating figure is $8,859,000 million. All funds were obligated by the end of the Fiscal Year.

FY 1991—Administration request for Fiscal Year 1991 was $11.5 million. House and Senate Subcommittee on Foreign Operations approved $13 million; however, an error in drafting the legislation resulted in an actual operating figure of $12,753,000 million.

FY 1992—Administration request for Fiscal Year 1992 is $14.95 million.

ADF-FUNDED COUNTRIES
FY 1984 - 1990



■ Research Projects

□ Development Projects

AFRICA

EXECUTIVE SUMMARY

For Fiscal Year 1992, the African Development Foundation respectfully requests **$14,950,000** in order to continue to carry out the objectives set forth in the African Development Foundation Act of 1980.

The Foundation plans to obligate: $8.3 million to finance the development initiatives of African grassroots organizations directly; $1.4 million to provide support and technical assistance to ADF grantees and potential grantees; and $1.1 million to fund action research and evaluation objectives. In FY 1992, ADF will fund 80 new development projects at an average level of $96,000 and 20 new action research projects at an average level of $30,000 in 29 African countries.

During its eight years of operation, ADF has found that the African people at the grassroots have the will and the ability to design and manage successful and sustainable development projects. Through their farming cooperatives, youth organizations, community service associations, and women's groups, they *can* generate income, create jobs, increase food production, gain access to clean water, and protect their environment, *if* they are given the resources and skills training that ADF can provide.

The grassroots development initiatives supported by the Foundation will include:

- Food production and food processing projects;
- Irrigation and water supply projects;
- Skills training and employment creation projects;
- Cooperative business development projects; and
- Credit assistance programs.

ADF will begin operations in two new countries, Burkina Faso and the Central African Republic. In addition, local assessments, preparatory to full-scale operations, will begin in two additional countries—Mozambique and Burundi—that would clearly benefit from the Foundation's presence.

ADF will continue to emphasize renewable energy technologies and projects with a positive environmental impact. Energy costs in Africa remain extremely high; and the search for adequate sources of energy often contributes to deforestation or other forms of environmental degradation. ADF has funded several projects involving solar energy in Niger, Egypt, and Kenya as well as bio-gas projects in Guinea and Benin. The Foundation has found that Africans are increasingly aware of the existence of renewable energy technologies; accordingly, ADF intends to continue to encourage applicants to consider the use of such technologies and to fund reforestation projects where appropriate.

NARRATIVE JUSTIFICATION: THE FISCAL YEAR 1992 PROGRAM

As of September 30, 1990, the African Development Foundation (ADF) had funded 259 grants in 29 countries in Africa, obligating a total of $22,436,037 dollars. More than 93 percent of this amount had been provided for development projects, the remainder going to development research.

OBJECTIVES

The African Development Foundation was established by Congress in 1980, under the authority of the African Development Foundation Act (22 USC 290h). ADF was established to:

- Strengthen the bonds of friendship and understanding between the people of Africa and the people of the United States;
- Support self-help activities at the local level, designed to enlarge opportunities for community development;
- Stimulate and assist effective and expanding participation of Africans in their development process; and
- Encourage the establishment and growth of indigenous development institutions which can respond to the requirements of the poor in their countries.

The Foundation encourages and supports Africans in carrying out their own development strategies and programs by:

- Providing support to small, community-directed development efforts;
- Supporting sustainable development strategies by indigenous African organizations;
- Supporting African scholars in research on grassroots development issues; and
- Facilitating the dissemination of development information and ideas at the community-level throughout Africa.

For Fiscal Year 1992, the Foundation respectfully requests **$14,950,000** in order to continue to carry out the objectives set forth in the African Development Foundation Act of 1980.

THE FY 1992 DEVELOPMENT GRANT PROGRAM

Of the forty-six countries classified as the world's poorest and least developed countries, thirty-one are in Africa. What's more, all of the macroeconomic data indicate that, over the past two decades, little progress has been made toward the economic development of Africa. Economic growth rates have plummeted. Per capita income has fallen. Export earnings are stagnant. Population growth has outstripped agricultural productivity. Since 1980, the average standard of living has fallen by one-fifth, as income, employment, nutrition, health, and educational levels have all declined. The end result is that, by almost any measure, Africans have less today than they had twenty years ago.

In the United States and throughout the international community, there has been considerable debate as to just what caused this crisis and why traditional "development" approaches had done so little to ameliorate it. The experts from Washington and London and Paris had come and gone, and millions of dollars in aid had been spent; but little seemed to have improved in terms of the daily lives of Africa's most disadvantaged people.

ADF was created, in this context, to delineate and implement a new approach to development assistance which is fully-grounded in the assumption that the true development "experts" are the African villagers, traders, farmers, and entrepreneurs who know best what they need and what works for them. The Foundation's experience to date clearly demonstrates that this is, indeed, a fruitful approach, now being emulated by other development organizations.

ADF has found that the African people at the grassroots have the will and the ability to turn their situations around. Out of the economic calamities of the past two decades, a growing and self-determined movement of African non-governmental organizations has emerged. These farming cooperatives, youth organizations, community service associations, and women's groups *can*—through their own self-help, development initiatives—carry out successful and sustainable development projects. They *can* generate income, create jobs, increase food production, gain access to clean water, and protect their environment, *if* they are given the resources and skills training that ADF can provide.

The majority of ADF's grants are for economic development projects.[1] ADF provides relatively small grants[2] directly to private organizations in Africa, e.g., village self-help groups or community development groups, to carry out development projects designed and implemented by the groups themselves. While the Foundation considers funding proposals by intermediary organizations, almost all grants will go directly to grassroots organizations.

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[1] The remainder are for development research projects.

[2] ADF grants range from a low of $700 to a high of $250,000.

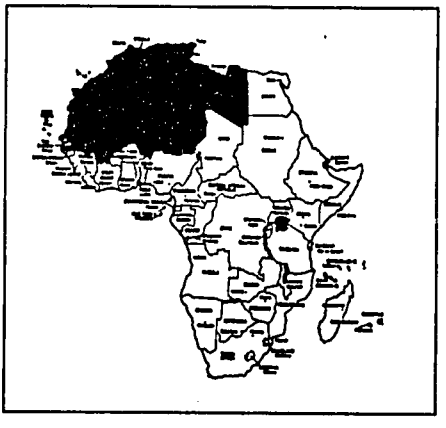
The projects funded by the Foundation in FY 1992 will build on the experience and knowledge the Foundation has gained over its seven years of experience and not only will bring hope, knowledge, and resources to the thousands of participants but also will help to add to the general store of development knowledge.

In Fiscal Year 1992, ADF expects to review some 800 complete proposals for small-scale community development projects. Approximately 400 of these will be reviewed in detail, and more than 75 will be funded. ADF will fund projects in a broad range of sectors including: agriculture; energy; communications; fish and animal husbandry; food preservation and marketing; industry, trades, and crafts; irrigation and water supply; education and training; health; and nutrition. Based on past experience, these projects will have between 2 and 2,000 participants with up to 10,000 beneficiaries for the largest and most comprehensive projects.

Because ADF *responds* to the development initiatives put forth by African organizations and individuals, it *cannot* predict the exact dollar amount of funds that will go to any given country prior to the receipt and review of proposals.

In FY 1992, ADF expects to fund approximately $8,308,000 in development project grants and cooperative agreements. These funds are to be equitably allocated in twenty-four countries, grouped into six regions, as follows:

THE SAHEL



ADF is operational in three countries in the Sahel Region—Mali, Niger, and Senegal—and has operating level agreements with each of these governments. These countries remain deeply and adversely affected by drought and desertification. Low rainfall has lead to both low agricultural productivity and overuse of land by humans and animals. These conditions have, in turn, lead to an exodus of population from rural areas to the now-overcrowded urban centers.

Added to this dire situation is the social and economic disruption that has been caused by the structural adjustment process. In each of these countries, structural adjustment has meant rather dramatic reductions in the size and scope of national governments and the mass unemployment of people who formerly worked for government agencies and parastatals.

As governments have become less and less able to address the basic needs of their populations, local village groups, cooperatives, and associations have sprung up and have

assumed many of the roles previously viewed as being in the sole purview of governments. Governments are now encouraging and supporting this process because they recognize that they have neither the financial means nor the human capacity to respond to the critical conditions in their countries.

From beginning operations in this region in FY 1984 until FY 1990, ADF had funded 11 development projects in Mali, 25 projects in Niger, and 14 projects in Senegal. Examples of ADF projects in the Sahel include those initiated by nomadic populations in the northern Sahel, who want to improve their cattle raising, and by more sedentary populations in southern Sahel, who have been concerned with improved rice and vegetable production.

In FY 1992, the Foundation plans to obligate a minimum of $1.3 million in the region. ADF's priorities for the Sahel will include support for: youth training and employment projects, agricultural production, income-generating activities, and handicapped training.

Senegal

As the structural adjustment process has tightened in Senegal, a significant expansion in the number of community-initiated, participatory, and non-state-controlled associations and federations has occurred. This has created a climate that is quite conducive to the ADF approach, as more grassroots entities have emerged than there are means to support them. ADF plans to finance food transportation, storage, and processing projects initiated by these groups. ADF will also fund efforts aimed at decreasing youth rural-to-urban migration and at providing credit to small farmers and small businesses.

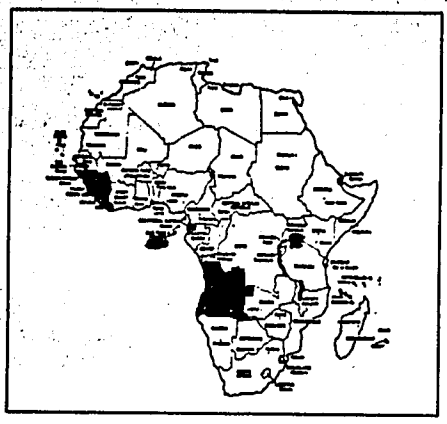
Mali

ADF interventions have been fully in line with the economic policy reforms that have been adopted by the Malian government since 1984. The Foundation offers support to non-governmental organizations, village associations, and cooperatives that are responding to the need for self-sustainable projects and activities that will contribute to economic growth. The principal target populations will continue to be the rural and urban disadvantaged, including rice and vegetable farmers, small entrepreneurs, and cooperatives engaged in income-generating activities. ADF will also assist nomadic populations that have adopted sedentary or semi-sedentary lifestyles.

Niger

Niger is a nation constrained economically by being both land-locked and drought-prone. These impediments notwithstanding, ADF has been able to fund a variety of projects initiated by rural organizations that have combined their efforts to achieve the common goal of developing their communities. Although few non-governmental organizations exist in Niger, ADF has identified a number of target populations. New ADF projects will concentrate on, but not be limited to, food production and storage; cattle raising and fattening; and small enterprise development with both nomadic and more sedentary peoples.

WEST AFRICA I



ADF's West Africa I Region has consisted of five countries—Cape Verde, São Tomé and Príncipe, Liberia, Sierra Leone, and the Republic of Guinea. In FY 1991, however, the Foundation decided to suspend operations in Cape Verde and Liberia.

The region is diverse linguistically, culturally, and historically. The Portuguese-speaking island countries of Cape Verde and São Tomé and Príncipe are isolated countries with special development challenges. These countries contrast sharply with mineral-rich, English-speaking Liberia and Sierra Leone and the French-speaking Republic of Guinea.

All of these countries, however, continue to suffer varying degrees of social and economic hardship due to structural adjustment and the attendant decentralization and privatization policies adopted by their governments. The weakening of national currencies and rampant inflation, in some cases, continue to dramatically erode the purchasing power of individuals and groups. Moreover, none of these governments have been able to maintain or increase its support for non-governmental development initiatives.

In Liberia, the cataclysmic civil war, which has all but completely wrecked Liberia since it began in December 1989, now threatens to adversely effect Sierra Leone and Guinea, where more than 350,000 Liberian refugees have fled, putting an even greater strain on already scarce goods and services.

From FY 1984 to FY 1990, the Foundation funded 6 projects in Liberia, 9 projects in Sierra Leone, 2 small projects in São Tomé and Príncipe, and 3 projects in Guinea. In the West Africa I Region, ADF has primarily supported food self-sufficiency, income generation, health, water sanitation, training, and renewable energy.

The Foundation plans to obligate a minimum of $1.3 million in the region in FY 1992. Priority areas will include: appropriate technology, renewable energy, food processing, small-scale import substitution, and training—all with well-defined income-generation components.

Cape Verde

Although ADF has had an outreach and project development program in Cape Verde since late 1988, to date the Foundation has been unable to fund projects in that country

due to a variety of barriers. Therefore, ADF decided to suspend its operations in Cape Verde for Fiscal Year 1992. Once conditions are more suitable, ADF hopes to resume active involvement in Cape Verde.

São Tomé and Príncipe

For the past two years, São Tomé and Príncipe has also been undergoing meaningful economic restructuring. As part of its structural adjustment agreement with the World Bank and International Monetary Fund (IMF), the government has agreed to devalue its currency, to cutback on civil service employment, as well as to reduce government subsidies on commodities and import tax exemptions. ADF expects these changes to have a significant impact on the sustainability of projects.

Existing ADF projects, the Caue and Cantagalo Women's Household Pig Breeding Projects, have already generated interest in spin-off and linkage projects. In addition, ADF will focus on funding leather tanning, shoe making, masonry, and solar drying projects in São Tomé and Príncipe in FY 1992.

Liberia

The civil war has effectively foreclosed the possibility of ADF interventions in Liberia during FY 1991. And although the civil war now appears to be coming to an end, it will be quite some time before this country is ready for ADF to resume implementing its approach to development. Hopefully, by mid to late FY 1992, ADF will be able to resume its work in Liberia as part of an international effort to help rebuild the country.

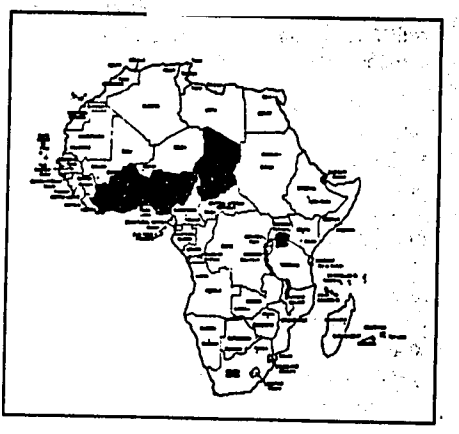
Sierra Leone

Development in Sierra Leone has been hampered by chronic food shortages, limited foreign exchange earnings, and falling prices for mineral exports. The country currently imports at least fifty percent of its food staples. It is not surprising, then, that agricultural development continues to be the government's priority while it attempts to liberalize its financial and monetary policies. Its goals include: reforestation, mechanized agriculture, increased use of fertilizers, improved seeds, more extension workers, and greater emphasis on rice production. In keeping with these policies, ADF will support projects in agro-forestry, agricultural training, and post-harvest recovery in Sierra Leone in FY 1992.

Republic of Guinea

Guinea has been engaged in a structural adjustment program since 1986. The government of Guinea's major development priorities are small and medium enterprise development, agribusiness, and diversification of exports from minerals to agricultural projects, such as fruit and coffee. As part of its structural adjustment process, the government is engaged in decentralization and monetary reforms. In FY 1992, ADF will fund renewable energy, agriculture, handicapped training, and craft production projects in that country.

WEST AFRICA II



ADF's West Africa II Region consists of three countries—Ghana, Benin, and Togo. ADF is active in all three countries and has operating level agreements with each government. In 1990, ADF signed an agreement with the government of Burkina Faso and expects to become active in that country in FY 1992.

Each country has been struggling since independence to cope with an inherited political/economic structure that is characterized by a bloated bureaucracy, massive state-owned enterprises, and large numbers of civil servants. As economic realities have forced these countries to re-examine the efficacy of large state sectors, each has begun to dismantle parastatals, to lay off civil servants, and to promote the private sector.

Former government employees are being encouraged to return to the land, to join village communities, and to facilitate the organization of local cooperatives and associations. Their goal is to generate income through increased agricultural production and the establishment of small businesses.

From beginning operations in this region in FY 1985 until FY 1990, ADF funded 6 projects in Ghana, 5 projects in Benin, and 14 projects in Togo. The Foundation's activities have entailed support for: community development, water resource management, small-scale agriculture, credit extension, and agricultural training. ADF plans to obligate a minimum of $1.3 million in the region in FY 1992 and will continue to support the above types of projects.

Ghana

Ghana is widely held to be a "success story" for structural adjustment. At the level of macro-economic indicators such as economic growth, progress has certainly been made. Nonetheless, the rural poor and other economically disadvantaged sectors of Ghanaian society have been negatively affected by the deterioration of services traditionally provided by the social sector. Consequently, the government, in partnership with the multilateral banks, has been implementing a "Program of Action to Mitigate the Social Cost of Adjustment," also known as PAMSCAD, which has allocated $16 million for community projects and small-scale mining. Furthermore, the government's decentralization drive has successfully stimulated self-help initiatives among the Ghanaian people. This policy, combined with a good working relationship between the government and grassroots organizations, has created a favorable environment for the ADF approach.

In FY 1992, the priority sectors for ADF support will include: agriculture—emphasizing food production and storage; education—stressing the development of community—controlled agricultural and vocational schools; and health—focusing on primary health care and community sanitation.

Benin

Benin is a country in transition economically. In 1989, acknowledging nearly fifteen years of economic mismanagement, the government launched a major overhaul of the economy that has entailed the privatization of enterprises and the encouragement of foreign investment.

During FY 1990, ADF was unable to fund projects in Benin because of the nationwide collapse of the banking system. At present, three banks are operational; and ADF expects to support at least four new projects in Benin in FY 1992. ADF's primary goal will be to fund self-sustainable food production projects and food production supporting activities.

Togo

For the past twenty-five years, Togo has had one of the most stable governments in West Africa under the leadership of President Gnassingbe Eyadema. Togo is often described as the country most supportive of private enterprise, having embarked on one of the most ambitious privatization processes in Africa.

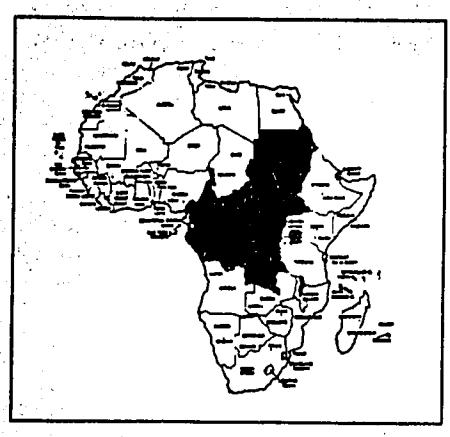
The major obstacle to economic growth in Togo remains the inability of the economy to generate adequate hard currency earnings to both service the external debt and to maintain investment and imports. Hence, ADF will target agricultural and water resource management, women's, handicrafts, and small animal husbandry projects in FY 1992.

Burkina Faso

Like Niger, Burkina Faso is poor, dry, and land-locked. The country's development needs are enormous. The infant mortality rate is one of the world's highest, and life expectancy is only 43 years. The literacy rate is thirteen percent, and only twenty-two percent of the population has attended schools of any kind. Per capita income is estimated to be $150 per year. Despite these astounding statistics, Burkina Faso is often overlooked by donor governments—for political reasons more often than not.

The Foundation believes that Burkina Faso is a highly suitable setting for ADF-type interventions for two reasons. First, there is a history of funding of "self-help" type projects in the country. Second, the Burkinabe are industrious and fully understand the need for their active involvement in small-scale development activities. After a careful assessment of the country in FY 1991, the Foundation expects to begin supporting grassroots initiatives geared toward agricultural production and other income-generating activities in Burkina Faso in FY 1992.

CENTRAL AFRICA



ADF's Central Africa Region includes three, active countries—Cameroon, the Congo, and Rwanda. Having signed an accord with the government of the Central African Republic in 1990, ADF plans to begin operations in that country in FY 1992.

ADF involvement in this region has been made more difficult, over the past year, by the social pressures created by structural adjustment. In each of these countries, the ranks of the unemployed are being swelled by both recent college graduates and former civil servants.

Moreover, throughout the region, a historic mistrust of "others" is one of the most harmful legacies of colonialism. Consequently, people prefer to work as individuals and are reluctant to form associations and cooperatives.

Despite these impediments, from FY 1985 to FY 1990, the Foundation funded 10 projects in the Cameroon, 3 projects in the Congo, and 7 projects in Rwanda, concentrating on food production and processing, rural water development initiatives, skills training, conservation and reforestation, credit for micro-enterprises, fisheries, and manufacturing. The Foundation plans to obligate a minimum of $1.3 million in the region in FY 1992 in the same priority areas.

Cameroon

Cameroon is relatively stable and remains a viable country in which to fund projects. While Cameroon is virtually self-sufficient in food production, the country still has trouble in transporting food from the regions of the country where it is produced to other parts of the country where it is consumed. Therefore, the central focus of ADF's involvement in Cameroon will be food processing and distribution. In FY 1992, ADF will also focus on supporting micro-enterprises and providing management skills training.

People's Republic of the Congo

Historically, non-governmental organizations and associations have been few in the Congo, but their numbers are growing daily. ADF is now receiving an increasing number of grant applications from a variety of disadvantaged groups, including the handicapped and Pygmies. For ADF, priority will be given to projects geared toward attaining food self-sufficiency: food production, processing, marketing, and storage as well as meat and fish production.

Rwanda

In November 1990, the Rwandan government embarked upon a structural adjustment program encompassing a broad range of economic reforms, including substantial devaluation of the national currency. That devaluation has lowered Rwandans purchasing power to such an extent that today few Rwandans have money for more than the basic necessities.

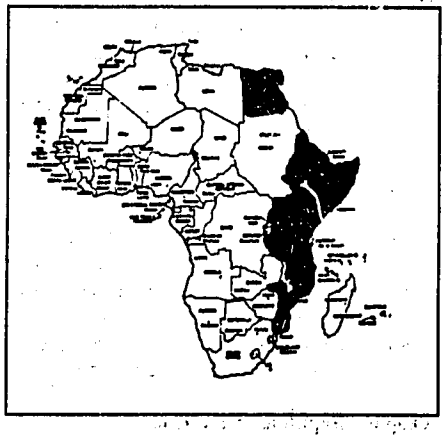
Although ADF expects this impediment to successful programming to continue for some while, the Foundation plans to continue its work in Rwanda in FY 1992. Because it has the highest population density of any country in Sub-Saharan Africa, ADF will focus its attention on training Rwandans in non-rural skills, such as automotive mechanics and carpentry.

Central African Republic

The Central African Republic is a country with very many development needs and very few donors. Although there is interest in micro-enterprise development in the country, potential groups have not received the support they need to actually start up businesses. ADF plans to help to fill this void, beginning in FY 1991, by funding two small projects.

EAST AFRICA

To date, ADF's East Africa Region has consisted of four active countries—Egypt, Kenya, Somalia, and Tanzania. By FY 1992, however, ADF will have significantly restructured its program in this region by phasing out operations in Kenya, suspending the program in Somalia, and beginning to work in Uganda. If an accord between the Mozambican government and ADF can be negotiated in FY 1991, then the Foundation may begin working in that country in FY 1992.



Each of these countries to a greater or lesser degree has been in the throes of political crisis for the past several years. For each, political problems have been compounded by economic decline.

By the end of FY 1990, the Foundation had funded 1 project in Egypt, 15 in Kenya, 6 in Somalia, and 15 in Tanzania. This has included grassroots initiatives in water supply and management, basic food and animal production, and small enterprise development.

The Foundation plans to obligate a minimum of $1.3 million in the region in FY 1992. Priority will be given to renewable energy, conservation, agriculture, small business development, youth training, and health projects.

Egypt

In its work in Egypt, ADF, unlike other donors, has reached out directly to the unassisted poor at the village level. The Foundation's activities in that country in FY 1992 will center around further defining an approach that extends assistance directly to needy groups. ADF funding will continue to be concentrated on integrated agricultural production projects in rural areas.

Kenya

By March 31, 1991, ADF will have ended programming in Kenya. This decision was based on the difficulty not reaching a formal accord with the government of Kenya had caused, the number of other donors operating in that country, and the conviction that the Foundation's scarce resources are in greater demand and could be better utilized elsewhere.

Somalia

Civil war in Somalia has necessitated that ADF, like other donors, suspend its operations in that country until order has been restored and the reconstruction process has begun. The Foundation will consider returning to Somalia because, before the civil war virtually disrupted the entire country, its program had been among the most successful in terms of grantee interaction, capacity strengthening, and direct outreach to the poor. Should the conditions for return be met at some time during FY 1992, the Foundation will again support projects in food and livestock production, credit and assistance to informal business enterprises, and renewable energy.

Tanzania

Tanzania remains one of the world's twenty-five poorest countries. Since independence in 1961, the government's priority has been lifting the majority of the population out of poverty, illiteracy, and disease. It adopted policies that emphasized redistribution of income, instead of economic growth. After years of economic decline, however, the government has been forced to adopt new methods and strategies.

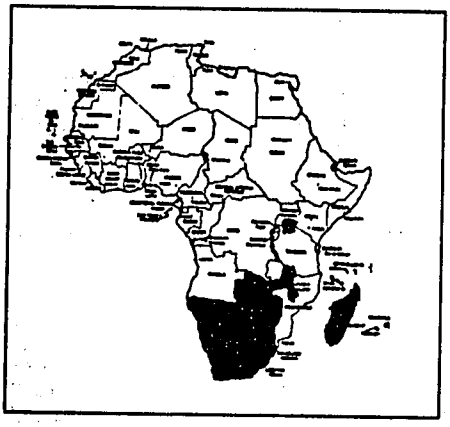
Despite its many economic failings, Tanzania's projects have been a very successful example of the ADF approach in operation. Moreover, the Foundation believes that recent political and economic changes will greatly enhance its operations in Tanzania. Of particular interest in FY 1992 will be a recent government decision to mandate that banks set up special loan programs for women. In response to this initiative, ADF has already begun discussion with several women's organizations on topics ranging from support of small and medium-sized businesses to support for day-care centers linked to income-generating activities.

Uganda

ADF signed an accord with the Ugandan government in February 1990 and conducted an assessment of the country in December of that year. Since the current government, led by President Yoweri Museveni, came to power in 1986, Uganda has shown a number of promising signs; but the process of development is just beginning.

ADF's assessment of Uganda has revealed a number of potential targets of opportunity. Women and children are the most vulnerable populations in Uganda. In most communities, women are the primary producers and must shoulder many of the responsibilities for the maintenance of the family despite their lack of formal education, skills training, access to credit, or even the right to own land. Ugandan schools are collapsing, and youth are dropping out of schools at alarming rates. Though many are eager to be productive and have formed little groups to engage in agriculture and masonry, they have received little in the way of tangible support. The handicapped and children orphaned as a consequence of AIDS are also greatly in need of assistance. In FY 1992, ADF will begin looking to these groups as potential recipients of ADF support.

SOUTHERN AFRICA



ADF's Southern Africa Region includes four active countries—Botswana, Lesotho, Zambia, and Zimbabwe. Despite their concerted efforts to lessen their economic ties with South Africa over the past ten years, these countries remain dependent on the minority-ruled regime. Each is landlocked; and the key transportation routes go through South Africa—their only access to world markets through South African ports. Some depend heavily on South Africa for food or for oil imports. For each of them, South Africa is the source of a large percentage of the machinery, equipment, spare parts, chemicals, and plastics they import.

Botswana and Lesotho are formally linked to South Africa through a customs union and are closely controlled through this arrangement. Although Zimbabwe is not formally linked to South Africa, South African capital has been heavily invested in that country. Until these linkages are substantially weakened or until majority-rule comes to South Africa, ADF will have to be mindful of the fact that what goes on *inside* South Africa will continue to have a tremendous impact on the region as a whole.

From FY 1984 to FY 1990, ADF had funded 11 projects in Botswana, 12 projects each in Lesotho and Zambia, and 25 projects in Zimbabwe. ADF has supported projects that emphasize skills training and employment creation, agricultural production, rural industry, and credit for micro-enterprises. The Foundation plans to obligate a minimum of $1.3 million in the region in FY 1992 for similar kinds of activities.

Botswana

With its steadily-growing economy, Botswana is often characterized as the "model country" in Sub-Saharan Africa. In less than twenty-five years, Botswana has gone from being one of the world's twenty poorest countries to having one of the world's fastest growing economies, fueled by mining and trade in diamonds.

The problem is that wealth in Botswana simply has *not* trickled down to the country's poor, especially in the rural areas. The government has, therefore, made rural development and the creation of employment opportunities its priorities. In keeping with those priorities, ADF's target populations have been village development committees and youth groups. In FY 1992, the Foundation will continue to support vocational skills training, food production and processing, and agricultural management training projects.

Lesotho

Lesotho is a poor, tiny "island" surrounded by a hostile South African sea. Eighty-five percent of Lesotho's exports are to South Africa, and nearly ninety-five percent of its imports are from that country. Moreover, nearly one-half of the adult male labor force are employed as miners or domestic servants in South Africa—driven from Lesotho by the shortage of arable land, the depressed state of agriculture, and the lack of other employment opportunities. With male members of the family gone for twelve to eighteen months at a time, women must shoulder the burden of providing for their families and keeping them together. It is not surprising, then, that the Foundation will continue to focus on women and youth in Lesotho by funding income-generating and skills training projects.

Zambia

Historically, the price of copper on the world market has been the key determinant of Zambian economic success or failure. When earnings from the export of copper were high during the 1960s and early 1970s, the government made massive investments in import-substituting enterprises and in physical and social infrastructure. But when the world price of copper began to drop precipitously during the mid 1970s, the Zambian government began a downward spiral of borrowing and spending that led to a virtual collapse of the economy in the late 1980s.

In February 1990, the Kaunda government reopened negotiations with the IMF and World Bank and subsequently adopted a structural adjustment program that has meant a substantial devaluation of the currency and the elimination of subsidies on basic foods

like maize. This situation touched off the worst violence in Lusaka since independence, as people took to the streets in protest. Although the political situation is now calmer, the economic situation, especially for the most vulnerable groups, remains perilous. In FY 1992, ADF will continue its work with the most vulnerable populations—youth, women, and small farmers—by supporting agricultural productions, skills training, and credit projects.

Zimbabwe

Since independence ten years ago, the Zimbabwean government has made commendable efforts toward providing quality education, health care, and other benefits to more and more of its people. Ten additional vocational schools have been built. Secondary school enrollment has increased more than nine-fold; and university enrollment has increased five-fold. Infant mortality, perhaps the single, best indicator of a people's physical well-being, has fallen from 120 per 1000 to 70 per 1000; and 70 percent of children have been immunized.

Still, the government has not been able to create enough jobs or to redistribute enough land to raise the standard of living for a substantial portion of its population. Last year, in Zimbabwe, more than 300,000 school leavers were waiting to enter a job market that could absorb only 10,000. Many thousands of peasant farmers remain landless. In FY 1992, the Foundation will continue to focus on these groups and will support projects geared toward skills training, job creation, and credit to small business.

IN-COUNTRY TECHNICAL ASSISTANCE

As Congress' Office of Technology Assessment pointed out in its 1988 assessment of the Foundation, without professional, highly-skilled representatives "on the ground" in each country, the ADF approach simply would *not* work. Who would do the day-to-day monitoring of ADF projects? Who would help grassroots grantees secure competent and reliable local technical assistance? Who would help illiterate or semi-literate potential grantees turn sound ideas into fundable proposals? That is why ADF has worked for the past several years to strengthen and improve its network of in-country support units, known as Country Liaison Officers or CLOs.

Of course, ADF's CLO structure requires significant resources to support these activities. The average cost of a CLO is about $60,000, of which approximately $21,000 represents the remuneration of the CLO, with the balance for office rent, communications, transportation, and, in most cases, the salary of a secretary. These costs are minuscule, however, compared to the cost of placing an American staffer overseas, providing the same support services.[3]

[3] AID estimates this cost to be over $200,000 per year.

Since FY 1990, ADF has also expanded its network of African specialists in program evaluation, who conduct on-going, participatory evaluations of ADF projects on a consultant basis. These Resident Evaluators, or REs, facilitate the implementation of on-going self-evaluations by ADF grant recipients. The results of these evaluations are made available both to the Foundation and to grantees. This process serves as a critical feedback and management tool for the grant recipients to help guide their project, make adjustments where necessary, and determine their progress toward self-sufficiency.

THE FY 1992 RESEARCH AND EVALUATION PROGRAM

In fulfillment of its legislative mandate to support "development research by Africans and the transfer of development resources, expertise, and knowledge within Africa," the African Development Foundation provides grants for research, initiated and conducted by African scholars, development professionals, students, and community groups. Researchers investigate problems related to grassroots development as well as to make concrete suggestions and recommendations that will be useful to local community project designers and implementers.

Although ADF has supported development research activities in Africa only since FY 1986, the program has already produced favorable results. A research grant, for example, awarded to Dr. Olayiwola Erinosho to examine primary and traditional health care needs in Nigeria, has resulted in AID funding a $25 million grant to Nigeria to implement solutions to problems identified in that research report. In Uganda, ADF-supported research on "Planning and Management of Non-Formal Education Programs for Rural Development," conducted by Dr. Cooper Odaet, led the Ugandan government to adopt recommended changes in its adult education program. In addition, Dr. Salah Arafa, a physics professor with the American University in Cairo, Egypt, recently completed his research on the use of solar powered video training systems for increasing production activities in Sub-Saharan Africa. The findings of his research were so well-received in the thirteen African countries he visited that the American University in Cairo has proposed that ADF fund a three-year training program in renewable energy resources for local African technicians.

ADF's support to African research contributes to the creation of a cadre of African scholars and development practitioners who are part of the intellectual resources of Africa. All research grants include a knowledge transfer component, which allows the results of the research to be disseminated to appropriate audiences, either through publications, workshops, seminars, videotapes, or other media. The Foundation believes that getting the results of the research into the hands of grassroots development practitioners is as important as the research itself.

In FY 1992, the Foundation expects to fund some 20 research projects with an average size of slightly less than $30,000. Research projects are not limited to those countries in which ADF funds economic development grants, but can be funded in any country in Africa. To date, in addition to those countries where ADF is active, research projects

have been funded in Burkina Faso, Cape Verde, Ethiopia, Malawi, Nigeria, Sudan, Swaziland, and Uganda.

The Foundation funds three categories of research grants: (1) Action Research; (2) Knowledge Transfer; and (3) Fellowships. Each is described below.

ACTION RESEARCH GRANTS

The Foundation provides Action Research Grants to African scholars, development professionals, students, and community developers as a means of improving the overall quality, efficiency, and sustainability of self-reliant development. Action Research refers to the systematic efforts, in concert with local people, to document, understand, and attempt to resolve problems that are impediments to self-sustainable development at the local level. The minimum educational requirement for the principal researcher is a Bachelor of Arts degree or the equivalent.[4] Action Research Grants are made for a period of twelve to twenty-four months.

KNOWLEDGE TRANSFER GRANTS

Knowledge transfer grants are designed to support the ability of African researchers, community developers, and institutions to share the results of research activities with their counterparts and policy-makers in local, regional, and international fora. The communication of research findings within Africa potentially increases self-reliance. The replicability of policies and methods that might be applied within common environmental zones, for instance, makes an African regional perspective on development feasible. Knowledge transfer grants support either individuals or institutions in the organization of regional conferences, seminars, or workshops, and the production of videotapes which address specific issues relevant to grassroots development. Funding might include the publication of the proceedings of a workshop and the dissemination of that document to relevant agencies and organizations within Africa and elsewhere.

FELLOWSHIP GRANTS

The Foundation supports African scholars, development professionals, and graduate students interested in examining issues specifically related to grassroots development. Senior Fellowships are awarded to African academicians and development professionals who have already demonstrated their commitment to grassroots development through professional careers in research, teaching, program administration, or field work. Moreover, these individuals' careers must reflect a combination of study and work.[5]

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[4] Technical training or professional experience may serve as a substitute for a degree.

[5] Typically, ADF expects a Senior Fellowship recipient to have ten years of substantive experience or five years and at least a Masters degree in a relevant field.

Grant recipients must live and work in Africa and have the endorsement of a local institution or organization with whom the researcher will be affiliated. Senior Fellowships are given for a period of twelve to eighteen months.

Doctoral Fellowships are awarded to African students, currently pursuing doctoral degrees at universities in the United States, to enable them to conduct field research in Africa on subjects directly related to grassroots development. Grant recipients must show that secondary sources of funding available in the United States have been fully exploited prior to receiving ADF funding for research abroad. Doctoral research grants are given for a period of twelve months and include costs related to the research, analysis, transportation, and preparation of the dissertation. Deductions will be made if students are already receiving benefits from fellowships that cover international transportation or other research-related expenses. ADF doctoral fellowships are given only to candidates doing research in fields of study that directly relate to ADF's overall development funding program.

EVALUATION

The Foundation operates a comprehensive project evaluation program whose goals are to assist grantees in evaluating their own projects and performance and to provide feedback to ADF's staff on its own performance and on the successes and failures of the groups and projects it has funded.

These evaluations are conducted through a network of Resident Evaluators, African professionals committed to grassroots development who work part-time for the Foundation. Evaluations are conducted using a participatory approach which involves the evaluators making repeated visits to the project, preferably from the start to the finish of the project, and assisting the grantees in evaluating their own progress. The evaluators also prepare reports discussing the types of problems encountered and the solutions developed by the participants which become part of ADF's Learning and Dissemination Program. This process requires a significant investment of ADF's resources, but it is necessary. Because the Foundation does not have sufficient resources to evaluate every project, it selects projects for evaluation based on the prospects for learning *and* the likelihood of replicability of the project.

In FY 1992, the Resident Evaluator network will be expanded from 17 to 20 professionals, providing coverage to almost all ADF-funded countries. The amount spent on evaluations will increase from about $450,000 in FY 1991 to about $500,000 in FY 1992 as the development projects approved in late FY 1991 and FY 1992 become ready for evaluation. About 50 new evaluations will begin in FY 1992, adding to the 34 begun in FY 1991. It is anticipated that one-third of these project evaluations will be published as part of the ADF's Learning and Dissemination program.

THE FY 1992 LEARNING AND DISSEMINATION PROGRAM

ADF's enacting legislation also calls upon the Foundation to "disseminate to the American public and to the United States and multilateral development institutions insights gained from [the] African development projects [it assists]." The Foundation's principle vehicles for learning and dissemination have been the *ADF Working Paper* Series; the ADF journal, *ADVANCE*; and the ADF newsletter, *Beyond Relief*. ADF's *Working Papers* feature the results of evaluations of grantee projects and ADF-funded research. *ADVANCE* is the only scholarly journal that focuses on development from the perspective of the grassroots recipients. It provides a vehicle for ADF project grantees, African scholars, development professionals, and research fellows to share lessons learned and stimulate a dialogue among African development specialists, organizations, and village groups. *ADVANCE* and *Beyond Relief* are each published once-a-year.

During Fiscal Year 1992, ADF intends to significantly expand its Learning and Dissemination program by preparing and publishing a number of reports documenting the lessons learned from the development projects it has funded and the results of research projects. These reports will be disseminated to development specialists and practitioners operating from the United States and other developed countries and to non-governmental organizations in Africa, as well as to other appropriate audiences, such as Congress, executive branch agencies, and the American public.

In addition, the Foundation intends to increase the number of Knowledge Transfer Grant awards. With these grants, which average about $3,000, selected grassroots organizations with special, worthwhile knowledge or experience in the development process will be given the opportunity to share project information or other relevant experiences with similar organizations in the same country or region, through the publication of brochures and workshops.

PROGRAM SUPPORT IN FY 1992

The Foundation's program support budget for FY 1992 is $742,000. This figure represents twenty-five percent of the Foundation's total budget.

The continuing decline of the dollar placed extraordinary pressure on ADF's operating budget during FY 1990, as the costs of doing business in Africa continued to rise. Communications and travel costs, in particular, have been affected by the falling dollar. Salary and benefit costs for ADF's Washington staff also rose during the year. Despite these increases, the Foundation was able to reduce the proportion of its funds spent on its Program Support activity from 30.7 percent to 29.9 percent during the year, and the proportion of its total appropriation obligated for grants and cooperative agreements increased from 64.1 percent to 66.7 percent.

During Fiscal Year 1992, two additional professional staff and two clerical support staff will be added to assist the regional managers in selected regions in coping with their heavy workload. Travel costs are expected to continue to increase due both to increases in the level of program activity and to inflation.

AN ADF CASE STUDY: THE BINSHUA WATER PROJECT

In FY 1986, ADF awarded a grant in the amount of $112,313 to the Village Development Association in Binshua, a small village in northwest Cameroon. The goal of the project was to construct a gravity-flow water system to provide potable water to the village as well as to construct an intake dam, sedimentation chamber, and stream catchment. ADF funds were also used to build a storage tank and to install seventeen stand pipes. What follows is an evaluation report written by the Binshua villagers themselves at the conclusion of their project. The Binshua Water Project, successfully completed in 1989, clearly illustrates the meaningful impact that ADF funding can have on the daily lives of Africa's people.

INTRODUCTION

In this report, we attempt to trace the very long story of how the Binshua people struggled to bring pipe-borne water to their village. We have also made a modest effort to introduce the reader to the village—its origin and geography, the traditional and political institutions, and the social and economic activities of the people.

We have treated the traditional institutions at some length, in order to give the non-native some idea of typical village government and life in a traditional society, and how both cope with the onslaught of Western-oriented lifestyles. Many of the problems that beset the Binshua Project in its initial stages have been exposed to show how, in spite of everything else, we achieved the desired objectives in the end, although at a higher cost. As we note elsewhere in this study, the financial contribution from the African Development Foundation (ADF) accounted for more than sixty-six percent of the total cost of the project. MIDENO in-kind contribution accounted for twenty-four percent of the total cost. Our "salvation," thus lay with these two institutions. It would be fair, however, to say that without ADF funding, the drinking of pipe-borne water in Binshua would probably not have been achieved in our lifetime. It is also important to point out that while ADF, the Rural Council in-kind contribution, and the local cash contributions were handled by the Project Committee, other contributions were not.

It is sad to say, however, that after all of these struggles, water still does not reach all of the people, as has been apparent during this first dry season. Many pipes are shut down because of water shortage. Attempts must be made to add other known sources immediately so that life can be comfortable, at least in this first year of the project's realization.

Since it has not been possible to include details of everyone whose contribution helped us realize this project, the village Chief, the Chairman, and the Water Project Committee

would like to express their collective thanks to everyone who helped in one way or the other. They are sincerely thankful to efforts made by the Community Development Department and SATA in the initial stages of the project.

Patrick Mbunwe-Samba
Advisor to BIDA
Coordinator, Report Committee 1989

HISTORY OF BINSHUA VILLAGE

The Mbum people occupy the highland plateau of the central Sub-Division of Donga/Mantung Division in the Northwest Province of the Cameroon Republic. The tribe, bounded by geographical location, language and custom, is divided into three clans—Wiwarr, Witang, and Wiye. This superficial division was conditioned by a number of factors. Firstly, it was generated from the succeeding waves of the immigration periods; secondly, it was from the devices of colonial masters to satisfy their administrative purposes; and thirdly, it was a design of the competing settlers to assert superiority over the other.

From contact and research documents, Binshua Village is a member of the Wiwarr family group, supposedly, the aborigine of the Nkamba plateau. Their clan head is Mbot Village that harbors "BIRBOH," their traditional source of origin and true point of dispersal.

WIWARR

Though many unauthenticated and unconfirmed sources say that the Wiwarr or the Mbot family group are of Tikari origin, their true source is the fertile valley of Mbirbon, as confirmed by the documented material of the early colonial masters. The Wiya, asserted by these sources, as the earliest immigrants into the plateau, confirm that the Wiwarr are the aborigine of the Nkamba plateau.

Pa Ndimbe, a prince and elder of the Ndu Chiefdom, in oral testimony to Dr. Jeffreys, the earliest colonial administrator for Bamanda area, had this to say:

> *We do not know when came the Mbwat (Wiwarr). The first time we met them was when they were driven into us by an attack made on them by Balikumbat... Though the Mbwat speak the same language as ourselves, yet they did not come with us. All their ancestors came from Mbirboh.*

With this testimony from the oldest immigrant we have, as a matter of course, to acknowledge the Wiwarr family group as aborigine of indigenous settlers of Nkambe Central Sub-Division. Furthermore, Mr. Hawkesworth, a later administrator of the same region made the following comments:

> *Though the Wiwarr had no other claim of origin outside Mbirboh, they are also of Tikar extraction like the Wiya and Witang.*

Though the concluding part of the sentence contradicts the major and proved claim, we would like to stick to the fact that, "the Wiwarr had no other claim of origin outside Mbirboh," than the latter, in that no other proof has been advanced to account for this assertion.

LEADERSHIP

The earliest settler in the Mbirboh valley to have asserted and imposed his authority over the rest, was BOMNSA, who naturally became the first clan head (NKFU) of Wiwarr. He had five sons amongst a host of daughters. Of these youth, Bomnsa ruled that the eldest of them would become heir to the throne at his death. Owing to his democratic ideals of power sharing, he divided his territory among seven lords who eventually became sub-chiefs (PTALLA). Their succession, too became hereditary; subsequently, these seven lords traditionally assumed the functions of king-makers, in the event of the "loss" of a chief or Fon.[1]

Bomnsa's sons were Meniku, Chisse, Ngo, Mbombo, Nfor, and Ndigwanya, in chronological order. When Bomnsa died in the early sixteenth century, rather than crown Meniku Chief as instructed, Mbombo-Nfor was preferred. Though the population had also grown out of proportion for this narrow valley, with accompanying threats of attack from intruders, Meniku bolted away, grudging those who had disrespected his father's will. With a large group of sympathizers, he marched through Djottin, Din, Nkot, and finally settled in Bum. He appointed loyal vassals to rule these areas for him. Further upheavals sent Chisse eastward to found Ntumbaw. Ndigwanya continued further downwards to found Nsop (SOP); and Ngo continued further out to found the Ndedzen Chiefdom in Bui Division.

ORIGIN OF BINSHUA VILLAGE

In the early seventeenth century, the villages of Binshju, Nkambe, Kungi, Saah, Njap, and Mba were founded by the sons and faithful followers of Mbombo-Nfor, successor to Bomnsa. These villages, though independent chiefdoms, bore allegiance to the clan head and occasionally sent presents to him. As information holds, all of these villages except Binshua, at one time or the other, gave a daughter (Winto) in marriage to the Fon of Mbot. The Warr clan had the largest number of villages in the tribe: Mbot, Ntumbaw, Sop, Chup, Binshua, Nkambe, Kungi, Saah, Njap, Wat, Wandri, and Mba—twelve in number.

From the many people interviewed, the consensus holds that the Binshua people, under the dynamic and hardy leadership of Dungchi Mungo, have occupied their present site since the early seventeenth century.

A noteworthy point about this immigration process is the fact that this unit of Warr villages—Nkambe, Kungi, Ngotong, Njap, Saah, Binju, and Bijeng—were all settled in

[1] The words Chief, Fon, Nfor, Foyn are used interchangeably in this study.

Binshua before moving to their present environments. These village names are still maintained for the areas they occupied and are both farming and grazing lands for the villagers today.

BINSHUA TODAY

The Binshua village is still a force to reckon with. With a growing population of over 6,300, she is situated on the Bamenda-Nkambe Ring Road. Her location is five kilometers from Nkambe Town, the Divisional Administrative Headquarters, and seven kilometers to Binka, also on the Ring-Road. It is bordered on the southern front by Takenken and Njap and on the northern front by Moh and Bih villages.

Situated on a plateau about 1,500 meters above sea level, the vegetation is principally savannah grassland. Its sparse forest deposits on valley areas have served as hideouts during raids, but they have long been cleared down for firewood as well as to provide farmland for the bulging population.

Artificial forest reserves now abound in the locality with the advent of eucalyptus and cypress trees. These now provide the much-needed wood for cooking and building. In addition, the forest serves as a windbreaker for buildings during hurricanes and tornadoes that are rife during the prolonged dry season and are worse during the heavy rains. Her geographical location deprives her of many natural resources.

Such geographical features as those of Binshua are characteristic of watersheds. Unfortunately, from this divide, the springs flow to serve the needs of settlers of valley areas, such as Tabenken, Njap, Moh, Binka, etc., but not the Binshua village itself. She is like the hedgehog that divides its tail to other animals but leaves none for itself.

Furthermore, the low water-table provides little or no feasibility for the boring of wells. The population has been left at the mercy of God, to survive from drinking rain water or surface-runs in the wet season and dirty water from the scarce valley-swamps, that has to be kept for hours to settle before usage, in the dry season.

Incidentally, food during this harsh season is cooked with dirty water, as there is little time to allow it to settle. One considers, too, that germs will be killed when boiling the water. Usually, one does not thirst for water, as the odor would normally subdue this wish.

God alone knows how we have survived from the deadly epidemics that have accompanied bad water sources. Good health, perhaps, could equally have been assured by the cold nature of the climate. The presence of witches and wizards and the sharp rise and proliferation of diviners and sorcery came as a result of deaths caused by water-related diseases.

It is, indeed, a relief that the quest for pipe-borne water dawned on the people in late 1975 and is now a reality thirteen years later!

ECONOMY

The village people, like the rest of Donga-Mantung people, practice mixed-farming. Agricultural practices are dominantly subsistent. Crops grown are in such a limited quantity that they suffice only to feed the population. The little excess is sold in the local market and the main divisional market of Nkambe town.

Major food-crops grown are: maize, beans, yams, cassava, plantain, bananas, cocoyams, and Irish and sweet potatoes. As a result of the limited water supply, vegetable production is limited to huckleberry, cabbage, spinach, bitter herbs, and pumpkin leaves—grown only during the rains. Vegetables are hard to get in the dry season.

The only cash crop grown is arabica coffee and cultivation has not reached plantation level. Production is limited by energy resources and the availability of farm land. But production quality is gradually being improved with the introduction of fertilizer usage and the utilization of govemment employed village extension workers, who advise on crop treatment and care.

There is extensive animal breeding that is determined by the vegetational limitation. Cattle is reared extensively by villagers and the resident Fulani populations. Goats and sheep are bred on a small scale by almost every family. A limited number of pigs are reared, as they are very destructive. The local breed of chicken are kept in limited stock by every household because they are needed for sacrifices, sorcery, and gifts.

Cattle breeding here is a gruesome venture during the prolonged dry period. A good number are lost owing to the shortage of water and unavailability of fresh grass for grazing. An introduction of an all-season breed of cattle in the foreseeable future, that can resist the drought and feed on hay, would be wonderfully relieving to the people.

CATTLE MARKET

To encourage and enhance cattle breeding, the Ministry of Livestock and Fisheries has established the Nkambe Central Cattle Market in Binshua. It provides a number of facilities for the villagers during its weekly sessions. Kola nuts grown in the village are sold to cattle dealers. Some neighboring villages are not happy that this market is situated in Binshua and are trying to create confusion again, but it is in Binshua all the same. There is nothing anyone, however ambitious, can do about realities.

CO-OPERATIVES

The village renders two farmer's co-operative facilities to its citizens. The first and oldest is the Farmers' Cooperative Society that buys and markets arabica coffee. It is a seasonal operation because coffee is harvested once a year only. This society is an arm of the Nkambe Area Co-operative Union. Its production tonnage has grown beyond 150, but has not exceeded 200 tons yet. Membership is limited to coffee farmers irrespective of sex and social status.

The second and more recent group is the Oongmoye Women's Cooperative Society. It is more broad-based than the coffee cooperative, in that it incorporates the manufacture of handicrafts, the teaching of child welfare lessons, the sale of essential household needs, and the cultivation of food crops on a collective basis.

SOCIETY AND GOVERNMENT

The Wimbum are generally a hard-working, but sociable, people. To maintain this convention or culture, a day is set aside for meetings, social gatherings, and societies (ngwa). This day is "Ndfung," the traditional Sunday.[2] A form of banking system is practiced within these units. Money is saved according to varying capacities. Loans requested are regulated by the amount saved by the borrower and financial strength of his suretee. Many people can only manage to save money to pay their taxes and nothing else.

The social aspects are fostered by the drinking of large pots of corn-beer (shaa) or raffia palm wine. On some selected days, these organizations may end up with hectic cultural dances. Every quarter of the village is authorized to operate a major one. These four units are most important because they also function as agents of administration. Information from the Fon or other village authorities is disseminated through this medium.

VILLAGE ADMINISTRATION

Administratively, the chiefdom is ruled by the Chief.... He is the central figure and functions as the president and final arbiter in all administrative and traditional matters. He is nominal chairman of all other social groupings or institutions. On the part of government, he is the tax collector.

During the installation of a new chief, a female virgin is enthroned with him. While the male is Fon and overall lord of the village, the female is "Yaa," and leader of women. She also functions as interim leader in the event of temporal absence of the reigning Fon. Her authority is respected pending the enthronement of another Fon.

It clearly appears that the Wimbum, particularly the Wiwarr, have been a democratic people from the inception of their life. They appreciate power-sharing and consultation. In this light, the Fon is assisted by a number of sub-chiefs.

TRADITIONAL COUNCIL

The Traditional Council is the basis of the village judicial system. It arbitrates in all forms of disputes—from land to marital issues. It meets once a week. It is composed of two members selected from each of the four quarters though the nominal judge is the Fon.

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[2] It is the day on which the first chief was "lost" or "disappeared," for Fons never die.

THE BINSHUA DEVELOPMENT ASSOCIATION

The discussion on social organization in Baraki could never have ended without reference to BIDA. This acronym means BINSHUA DEVELOPMENT ASSOCIATION. Hence, it is the mother organization in that it embodies all the organs of development in the village. It is referred to in common parlance as the "eye, ear, and mouth" of Binshua within and without the village frontiers. That is to say, it is this organization that sees, observes, and acquaints itself with new development ideas carried on in different parts of Cameroon and the world. It is BIDA who studies and makes necessary contacts with philanthropic and charitable organizations in all corners of the globe for the sole purpose of developing Binshua village.

This organization, formally inaugurated on 4 September 1983, was conceived as far back as December 1970 following the coronation of the present Fon. Its president then was Pastor Joseph Musa at the moment Field Pastor of Baptist churches in the lower Mbembe area of Ako District. The organization later lapsed with the scattering of members in different areas of the territory. Realizing that the bulk of the population works out of the village, we resorted to the formation of branches that would eventually vitalize the mother branch in the village. Consequently, the organization has become more stable because it is the only body that looks at development from a broad spectrum. The aims of the organization are:

- To foster the growth of our culture and tradition;
- To exchange ideas that reshape development programs;
- To maximize the benefits of mutual assistance;
- To accelerate the development of our village; and
- To enlighten, advise, and educate our elders and leaders.

Current projects are: rounding-up the water supply project; reconstructing the existing Catholic Primary School; restructuring of the palace, the seat of village Government; building a hall for cultural activities; and improving the life of the people through the training of women in their cooperative organizations.

Membership is open to all sons and daughters of Binshua residents within and without the village. The branches conceive the project phases and levy themselves for their realization. The most active branches have been those of Yaounde, Douala, Limbe/Tikar, and Bamenda.

HISTORY OF THE BINSHUA WATER PROJECT

The prime necessities of life are air, water, and food. For a people to exist on this earth, they must have these in sufficient quantities. Did the Binshua people have these necessities when this Fondom was being established? Certainly, these were some of the attractions for their choice of this place to settle.

When Binshua people migrated from Mbirboh in present day Lower Mbot, they chose to settle on these high ridges that form the land on which Binshua village is built because of its beauty. One of these attractions was the sparkling streams that flow and meander through the natural forest, which beautified the valleys and made the land look like a dissected plateau. Many visitors admired it and some were even jealous of it.

As the Binshua people finally settled, they enjoyed the water and used the forest for firewood and for hiding from their enemies. The wanton usage of the forest, however, gradually depleted it. The stream's flow continued to decrease year after year. The arrival of cattle and horses also contributed to the destruction of vegetation and water, hence the problem of water started about 1940.

People had to carry water from distant valleys in calabashes. Disease and rampant death were common. As the population increased, the natural forest was destroyed by people scrambling for land to cultivate their farms. The beautiful valleys with their meandering streams were cultivated into farms; fish ponds were dug; and the main streams dried out in the dry season. People dug local wells in valleys in search of water.

Water carrying during construction of buildings became a business. The water table continued to sink and sink. The rampant deaths in Binshua village, which were brought about by poor water conditions, generated the myth of witchcraft practices. Many of the young elite of the village no longer visited their homes because of their fear of witchcraft.

There was disunity everywhere; hence, there was degeneration in agriculture, education, infrastructure, communication, and social standards. The oldest Catholic School, which contributed to the many highly educated elite of Binshua, depreciated in standards and buildings. In fact, no proper buildings were put up by the Catholic authorities for the nearly half a century of the school's existence.

During that dark and confused period, only very few educated elite visited Binshua village. Futile attempts were made by this group to educate the people and to discourage the belief in witchcraft, which was doing so much harm to the development of the village. Binshua people everywhere discussed the development of the village and the improvement of life, but nothing concrete was being done.

In 1976, Mr. Clement Kimbi Tatah, then Headmaster of Catholic School Binju, was elected councillor to the Nkambe Rural Council to represent Binshua village. On 16 July

1976, he presented a development plan to the Binshua traditional council with the following items:

- Water Supply Project;
- Witchcraft;
- The problem of the educated elites; and
- Construction of the Catholic school and upgrade of its standards.

Encouraging the people to seriously take up the Binshua Water Project, Councillor Tatah stated that the Binka and Mbipgo villages were already enjoying pipe-borne water.

The Fon and his councilors made an application to the Community Development Department—Nkambe in 1976, for water feasibility studies to be made; and after two years, the Community Development Engineer gave the Binshua people the results. That was in 1978. With his guidance and advice, the first general meeting to elect committee members was convened on Saturday, 16 September 1978, at the Fon's palace. The Fon's palace was jammed to capacity with representatives from all the four quarters of Binshua.

The people selected a committee to lead the Water Project. In October 1978, the Committee was installed at the Fon's palace. During this period, the idea of drinking pipe-borne water was burning in the Binshua people. At the first meeting the following resolutions were taken and communicated to all Binshua people at home and abroad, regarding the contribution they were to make:

• Women	1,000 francs
• Youths	2,000 francs
• Nobles	15,000 francs
• Taxable people	5,000 francs
• Rich people & elite residents	10,000 - 20,000 francs
• Fulanis	20,000 francs

People resident at home were also to contribute in-kind; that is, they were to carry stones and sand to the site, helping the mission and other technical workers.

Actual work started by cleaning the water source at the Kopfu forest on 19 September 1979. Construction work then followed on 2 November 1981, with nine skilled and five unskilled workers. The Binshua population supplied the unskilled workers as part of their contribution. At this stage, the population had contributed about 1.5 million francs in cash.

Work on the catchment tank continued with all enthusiasm. But on 8 December 1981, there was this outrageous and unprecedented attack by a neighboring village on the catchment tank. This cowardly act was done secretly at night; and the Binshua people

got up in the early morning that fateful day to discover that the entire catchment tank, including all the tools and remains of material, were destroyed.

The Binshua people were shocked and almost decided to resort to jungle law in the face of this terrible provocation had the administration not stepped in. Suspected people from a neighboring village were arrested and detained for seven days. The peace-loving people of Binshua were concerned more about their project than about cases, thus they left this case of carefully coordinated vandalism for the administration to sort out. The damage done was costed at about 900,000 francs CFA.

THE WILL TO CONTINUE

This unexpected catastrophic set-back resulted from the fact that the people from the neighboring village felt that the Binshua people encroached on their piece of land to tap water without due consultation. This was not true because, after the source of the water was discovered and found suitable, elders from Binshua met the landlord with raffia palm wine, as it is traditionally done according to the customs of the tribe, and he gave the clearance.

Some elders of this village felt that since the Binshua people previously had a boundary dispute with them and won the case in court, on a boundary which had been demarcated in those "good-old colonial days" before many of us were born, the Binshua people should pay some compensation before tapping the water. Thank God, the administration acted quickly in finding a solution, which satisfied the Binshua people, although it is difficult to forget this or other such recidivist tendencies.

Binshua people were down by 800,000 francs CFA. This "challenged," rather than discouraged them and spurred them on to redouble their self-reliant efforts and determination to raise more funds. Instead of finding fault and nursing grudges against an aggressive neighbor, the people of Binshua mobilized all the resources at their disposal in cash and in-kind to reconstruct the catchment tank. One humorous villager was heard to have remarked, "Perhaps this destruction was necessary after all," when he saw the renewed vigor with which the people worked.

Touched by this crime and realizing the frustration this would cause on the enthusiasm of the Binshua people, some educated elite helped our falling morale with a substantial contribution, which, in addition to what had been collected, raised the village cash contribution to 2½ million francs. In any case, however noble this effort looked, it was still inadequate for the size of the project.

The Water Project Executive had to meet weekly to explore other means of raising more money. And raising money from the same villagers who at best are subsistence farmers, who had contributed money many times before, and who supplied the unskilled labor for the project, was not easy or a pleasurable exercise for the Water Project Committee members. Thus, the committee resorted to very unpopular measures such as seizing hoes, clothes, and cooking pots from the women, and goats and other property from the men

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folk. Some of these were auctioned with the proceeds added to the project funds, which were being used up very rapidly.

SOLICITING EXTERNAL SUPPORT

In spite of all the efforts and sacrifices the people had made in their quest to drink pipe-borne water some day, it was becoming clearer to the Water Project Committee that it had to go outside to solicit for funds. Through the assistance of technicians who were placed at the disposal of the village water project, applications were made for assistance. The following institutions responded favorably, according to their resources:

• Nkambe Rural Council	30 bags of cement
• Government	50,000 francs
• SATA	50,000 francs
• MIDENO	Materials worth 15 million francs

This aid came in time to relieve the villagers from pressure of some of the very hard measures taken to raise money. However, attempts were still being made to contact MIDENO, in particular, to give. The MIDENO aid was very substantial and went a very long way to consoling an already beleaguered public moral. MIDENO actually gave the people hope that, in fact, somehow, one day the drinking of pipe-borne water was no longer a very distant dream.

By January 1983, all known sources of financing were exhausted. We were informed that MIDENO support was finished and that other funds had been used up. The executive could not foresee another levy on the already tired villagers, who still were active quarrying stones, carrying sand and cement, and digging the trenches.

In 1983 what the people and particularly the project committee dreaded most to hear was that the project was to stop. And truly, it came to pass one weekend that the project stopped; and workers, engineers, and the natives packed their bags from the site and left. It was the shame and the humiliation that the Binshua people, a proud, hard-working people, a courageous lot who had been admired for bravery and resilience, wanted to avoid. Now it had come; and there was no pretense about it. We had to face reality. This the people did with fire in their hearts, but with fever on their lips!

Perhaps the embarrassment and humiliation which the people suffered as a result of the suspension of work on the water project was necessary after all. Just as the destruction of the catchment tank had rallied even backsliders in Binshua, the work stoppage enabled the people to renew their efforts once again.

The 4 September 1983 saw the inaugural meeting of a new organization in the village called the Binshua Development Association (BIDA). This group of educated elite gave birth to a dynamic institution whose objectives are as follows:

- To foster the revival of culture and tradition of the village;

- To exchange ideas;
- To maximize the benefit of mutual help;
- To accelerate the development of the village, i.e., water, roads, culture, schools, etc.; and
- To enlighten, advise, and educate our elders and leaders.

On 23 August 1984, the general meeting of the Binshua Development Association (BIDA) was held in the village. Delegates came from all over the country. The minutes produced at this meeting have been a very useful tool for the village. These minutes have been read in many parts of the world and have been responsible for the favorable decision on some of the aid that the Binshua people have had, including the ADF grant and the Binshua Women's Cooperative Organization.

One of the primary objectives of BIDA was to find ways of reactivating the water project, which had come to a standstill. Apart from contributing sums of money on the spot and making pledges for a target contribution to revise the water project, there was nothing much the BIDA group could do. The main reason being that there was no Binshua educated elite in any responsible position who could bring the cry of the people to the authorities to get proper attention.

Secondly, there were no rich people in Binshua who were capable of donating substantial sums of money for a project of this magnitude. Faced with these realities and considering the Cameroon Government's open-door policy and dedication to the encouragement of self-reliant efforts, some elite outside and inside the country went out to make applications to foreign bodies for funding. That is how the ADF miracle materialized.

THE AFRICAN DEVELOPMENT FOUNDATION (ADF) MIRACLE

The story of ADF involvement in the Binshua Water Project is an example of how God still works miracles on earth today. It is a story of "manna from heaven." It is the story of the resurrection of a people who had collapsed physically and whose morale was at the lowest ebb and without the slightest glimmer of hope. At this juncture, it is not important nor is it necessary to narrate the whole story in detail of how this miracle began. If anything, we must be thankful for the sympathetic understanding of the ADF envoy, Leonard Floyd, who made many journeys to Binshua right to the water source, a place so difficult to reach even on foot.

The story about the grant began with a television announcement about ADF assistance to developing countries, which Mr. Augustine Banda Ngenge watched in his home in Maryland (USA). After consulting with another relative, he obtained forms from ADF's office in Washington, DC. They sent the forms to Binshua through an American, Mr. Lamb, who taught at the Binshua Comprehensive College. Mr. Mbunwe-Samba, BIDA advisor, and Mr. L. O. Shey began the process of filling out the form. The project committee was then contacted for specific information and the forms were then sent to

the US. Thereafter, a series of queries and supplementary information was requested before an ADF officer came to see the status of the project before a final decision was taken to grant the funds.

The news that ADF had offered a grant of 41,358,087 francs CFA hit Binshua like a bomb. Many Binshua people, who had never heard of such an amount in their lives and who were wondering whether America was further away than Yaounde and as big as Nkambe Town, to have such money, did not understand what it all meant. In fact, it was no use trying to explain "who" this ADF was and how "he" knew that we needed money to finish our water project.

The African Development Foundation is a non-profit corporation of the Government of the United States of America which focuses its attention on the expansion of direct support to indigenous African groups and individuals in such areas as farming, education, husbandry, manufacturing, and water management.

From our own experience, it was very encouraging and wise to pay the checks directly to the grantee's project bank account so that it would be managed solely by the villagers.

In September 1986, the Chairman of the Water Project, Mr. Benjamin Ngala and BIDA President, Mr. Emmanuel Njiko, signed the agreement for 41,358,087 francs CFA to be paid in three installments as follows:

- The first installment was used to construct:

  — The intake dam;
  — The spring catchment and chamber;
  — The sedimentation tank; and
  — The storage facility.

- The second installment was used for:

  — Plumbing labor;
  — Fittings of various sizes; and
  — Pipes for the pipeline.

- The last installment was used to construct seventeen stand pipes.

The population, with renewed vigor, were at hand carrying stones, sand, cement, sticks, timber, and cement blocks to Mbikop forest. They also dug the more than four-kilometer pipeline, from the forest to the village, as well as the many other trenches to various quarters in the village. Local contribution in-kind is estimated at more than 2.500.000 francs CFA.

CONCLUSION

We cannot end this "History of the Binshua Water Project" without acknowledging our indebtedness to a large number of people and institutions that have helped us to realize our dream. By having good drinking water, we will prove to the people that if their conditions of living are changed positively, their lives will be changed as well. It will prove to the people that the poor water they had at first was the main cause of dysentery, diarrhea, and other water-related diseases, and not witchcraft.

The Binshua people are extremely thankful to ADF for their financial support. We soon came to realize that a water project of the scale we were involved with was not a simple affair. Even if the Binshua people had put in ten times the amount of contributions they had made, it would still not have been possible to drink pipe-borne water.

Our sincere thanks also go to the Government of Cameroon which gave support through MIDENO and through the Community Development Department—support in cash and in-kind, and support in the number of experts that handled the entire project from the beginning to the end. The MIDENO support was very relieving and we hope that next time it could be better coordinated. Our thanks are also extended to SATA contribution and personnel and to Nkambe Rural Council for the thirty bags of cement. We must also express our appreciation to the Binshua people in the USA for the support both financial and otherwise. To the elite outside the division who did everything to make sure that our project would succeed, we are extremely thankful.

Many thanks also go to the Chief, the Executive of the Water Project, whose driving force kept the hope of the people alive, even during the turbulent period.

To the men, women, and children of Binshua who toiled day and night to realize this project, the pleasure is now yours and you will see that your suffering has not been in vain.

THE ACCOMPLISHMENTS OF FISCAL YEAR 1990

The African Development Foundation obligated 27 new project grants, 59 amendments, 38 cooperative agreements, and 13 research grants in FY 1990. The following are brief descriptions of the development projects and research grants funded during that fiscal year.

DEVELOPMENT PROJECTS

THE SAHEL

Niger

Eggo II Project
US$195,440 **Four Years**

The Cooperative of Herders of Eggo Valley was formed as a direct result of another ADF-funded project in the region, the Dakoro Herder's Project, which has had a significant impact on the region through the creation of a new community and commercial center. The Cooperative is composed of nearly 200 households, 700 people in all, that have come together as several "groupement mutuals." Almost all of the group's members are illiterate; and a technical team, with the help of the ADF Country Liaison Officer and ADF Regional Manager, has worked with the Cooperative in putting their ideas on paper.

The Eggo II Project seeks to duplicate the "Dakoro integrated community development model" in the Maradi Department of Niger. The project's activities include: literacy training, human resource development skills training, the purchase of ruminants and cattle for economic development, the construction of a borehole for the improved health of both humans and animals, and the construction of four cement buildings for classrooms and a storage area. A literacy teacher will be engaged for three years who will live in the community and teach reading, writing, and numeracy skills.

ADF funds are being used for constructing the classrooms and storage area; for purchasing animals, animal medicines, and classroom supplies; for installing the borehole and a solar energy system; and for providing technical assistance and training.

Essouie Project
US$216,461 **Four Years**

The Cooperative of Hanzamata at Essouie, composed of 200 pastoralists, is located between Agadez, a tourist town, and Arlit, a mining town, in Niger. The community,

which has lived largely by traditional means of livestock production, has recently begun gardening. Lacking sufficient resources to improve its productivity, the community found itself highly susceptible to the ravages of drought.

Through the Essouie Project, the Cooperative seeks to generate increased income and to foster community stability as a means of stemming the tide of out-migration. The objectives of the project are to:

- Manage a five to twenty-hectare area for the production of vegetables and dry or cold season crops such as wheat and corn;
- Construct a borehole and establish an irrigation system with two principal basins and four secondary basins;
- Erect a fence to protect the gardening perimeter and a storage space for animal feed and agricultural products;
- Plant trees to create a protective barrier against wind erosion and sanding of the garden area;
- Purchase modern implements, such as rakes and hoes;
- Create a demonstration plot for training in agricultural techniques by the local government agriculture service;
- Provide training in management and bookkeeping as well as in preventative health care; and
- Establish a dry goods store.

ADF funds have been allocated for constructing the borehole, well, irrigation system, and store; for purchasing livestock, agricultural inputs, and fencing equipment; and for providing training.

Senegal

Senegalese Women's World Banking (WWB) Project
US$28,814 **Eighteen Months**

The Federation of Women's Associations of Senegal (FAFS) is a non-governmental organization, founded in 1977, whose purpose is to improve the social, economic, and political condition of Senegalese women, particularly in rural areas. The Federation is broadly representative and is now composed of more than 160 women's associations.

The goal of the Senegalese Women's World Banking (WWB) Project is to increase women's access to credit through the creation of a financial institution capitalized by women. Their plan is to implement a promotional strategy and educational campaign that will

result in increased FAFS membership and in the sale of 30,000 shares of the bank a 10,000 francs CFA per share. The project's objectives are to:

- Reach the largest possible number of women in both rural and urban areas through the media, posters, public speaking, and other means to make them aware of the existence of the project and to motivate their participation in it;
- Make it possible for a large number of women to subscribe to WWB capital by talking to them about their financial resources and about the subscription terms;
- Facilitate the regional establishment of assistance bases capable of meeting women's specific needs for information; and
- Inspire women to have self-confidence and to facilitate their effective integration into the country's economy through the WWB.

ADF funds are being expended for communications, administrative support, travel, and other types of outreach costs.

WEST AFRICA I

Liberia

Arthington Women's Self-Help Quilting Project
US$69,202

Three Years

The Arthington Women's Self-Help Quilting Club, founded in 1987 by the women of Arthington, Liberia, has 28 members. The quilts that the group produces are in great demand throughout Liberia, with a potential for markets outside the country as well.

The goal of the Arthington Women's Self-Help Quilting Project is the creation of a self-sustaining quilting industry through enabling women to increase their production capacity and marketing efforts.

ADF funds are assisting the group to purchase quilting equipment, sewing machines, work tables, and raw materials in bulk; to pay the initial rental costs for the workshop space; and to train two of the group's members in project management, bookkeeping, sales, and stocking.

São Tomé and Príncipe

Cantagalo Women's Household Pig Breeding Project
US$17,150 **Two Years**

The Association Leton-Cantagalo was formed in 1989 by ten women who wanted to develop a household pig breeding enterprise. Although the women had planned to raise pigs independently, they realized that coming together as a group would enable them to share the costs of a boar for breeding purposes and of veterinary supplies and services.

The Cantagalo Women's Household Pig Breeding Project entails each woman receiving two three-month-old piglets: one to be raised for breeding at the appropriate age, the other to be fattened for sale at nine-months of age. Piglets from the subsequent litters will be raised for either breeding or sale. The pigs are to be fed locally-available food stuffs and supplements.

ADF funds are being used to purchase pigs and to construct a concrete and metal-roofed pigsty in each woman's yard.

Caue Women's Household Pig Breeding Project
US$17,150 **Two Years**

As in the case of the Cantagalo Project, the Association Mina-Caue was formed in 1989 by ten women who wanted to develop a household pig breeding enterprise. Although the women planned to raise pigs independently, they realized that coming together as a group would enable them to share the costs of a boar for breeding purposes and of veterinary supplies and services.

The Caue Women's Household Pig Breeding Project entails each woman receiving two three-month-old piglets: one to be raised for breeding at the appropriate age, the other to be fattened for sale at nine-months of age. Piglets from the subsequent litters will be raised for either breeding or sale. The pigs are to be fed locally-available food stuffs and supplements.

ADF funds are being used to purchase pigs and to construct a concrete and metal-roofed pigsty in each woman's yard.

Sierra Leone

Tagore Oil Mill Project
US$75,000 **Four Years**

The Tagore Agricultural Development Association (TADA), founded in 1977, is a voluntary organization with 74 members from 10 villages that provides communal labor on a rotational basis.

The goals of the Tagore Oil Mill Project, to be achieved through the purchase of a small palm oil mill, are to:

- Minimize waste and maximize palm oil recovery to improve farmer income;
- Decrease labor input and increase oil quality;
- Allow farmers more time for other agricultural activities;
- Utilize palm kernels, a hitherto wasted by-product; and
- Introduce mechanization and increased productivity.

ADF funds are being used to cover operating, administrative, technical assistance, and equipment costs.

JACECREC Skills Development and Job Training Facilities for Disabled and Disadvantaged Rural Indigenes Project
US$193,383 **Four Years**

The Jangee All-Age Community Education and Cultural Resource Center (JACECREC) is a registered, informal educational corporation, formed by Jangee Chiefdom residents.

The principal goal of the JACECREC Skills Development and Job Training Facilities for Disabled and Disadvantaged Rural Indigenes Project is to stem the flow of rural to urban migration in Sierra Leone by creating medium and small-scale handicraft enterprises through training unskilled and illiterate or semi-literate adults in handicrafts production and marketing. The project's objectives are to:

- Train the handicapped and disadvantaged in the production of locally-consumed products such as hand tools, cloth, and baskets;
- Upgrade the skills and knowledge base of indigenous craftspersons in the areas of applied design and appropriate technology;
- Teach basic office skills—including typing, bookkeeping, shorthand, store-keeping, management, and communications—to local residents;
- Collect and preserve the invaluable expertise of the community's indigenous craftspersons, renowned for their knowledge of herbs and natural dyes;
- Promote literacy in indigenous languages; and
- Provide a facility for the marketing of crafts produced by local craftspersons.

ADF funds are being used to pay for workshops, hand tools, administrative costs, and technical assistance.

WEST AFRICA II

Ghana

Krobo Cold Storage Project
US$234,392 **Five Years**

The Manya Krobo Fish Dealers Association is a commercially-oriented community development group of 38 women, registered with the Ghanalan government in 1989.

The goals of the Krobo Cold Storage Project are to promote income-generating activities for women, to stimulate economic activity in the Krobo community, and to provide an affordable source of protein to that community through fish supply and processing. The objectives of the project are to:

- Construct a cold storage facility and office;
- Purchase and install refrigeration equipment for a cold storage house;
- Initiate a revolving credit program;
- Provide training in oven construction and maintenance, fish smoking, business management, and cold storage monitoring and administration to the Association's members; and
- Provide technical assistance to the management for two years.

ADF funds are being used to purchase materials and equipment for the cold storage facilities; to provide capital for the revolving credit fund; and to cover operating, training, and technical assistance costs.

Togo

Damade Integrated Agriculture Project
US$76,139 **Five Years**

The Modern Producers' Group (GPM) is a legally registered cooperative, founded by 40 farmers in 1987, in the village of Damade, located 80 kilometers north of Lome, Togo. The Cooperative's primary activities are chicken and vegetable raising.

The goals of the Damade Integrated Agriculture Project are to:

- Enhance the living standards of GPM members by increasing their incomes;
- Meet a portion of the food needs of local and regional inhabitants;

- Reduce the shortage of food products during the dry season by engaging in dry season cultivation; and

- Contribute to national food self-sufficiency.

Heretofore, GPM members in Damade had irrigated their vegetables with water provided by the only source available during the dry season—a small earthen dam. Although the need for water had grown substantially, GPM had been unable to construct a larger and reinforced dam because it lacked sufficient funds. This project will entail reinforcing the dam and installing an irrigation system.

ADF support is being used to finance reinforcing the dam and installing the irrigation system, as well as purchasing gardening equipment and tools. ADF will also cover operating expenses for one year of gardening, including: seeds, fertilizer, insecticides, fuel for the irrigation pump, land preparation, and technical assistance.

MaCabane Project
US$93,216

Five Years

The MaCabane Poultry and Vegetable Producers, formed in 1986, is a livestock production cooperative with 23 members, located in Atsive, a village in southern Togo. The Cooperative was created to expand animal husbandry production so as to better meet the consumption needs of the region's inhabitants, as well as to encourage youth interest in forming small-scale animal husbandry cooperatives.

The primary goals of the MaCabane Project are to raise the standard of living of the Cooperative's members through income-generating activities and to create employment opportunities for the community's youth. The Cooperative has requested support from ADF to expand their present activities in poultry production, primarily, and in vegetable and fish production, secondarily.

ADF funds are being used to construct a dam; to install an irrigation system; to purchase tools and equipment for gardening, poultry-raising, and fish farming; and to provide technical assistance and training.

CENTRAL AFRICA

Cameroon

Ebom Women's Village Store Project
US$16,800

Two Years

The Association of Women for Progress of the Ebom was founded in 1986 by 45 women living in Ebom, a village located in an isolated region approximately 250 kilometers southwest of Yaounde, Cameroon. The village and the surrounding areas have a population of nearly 10,000 people, mostly of the Yanda ethnic group. Most of the women who are members of the Association are poor, subsistence farmers.

The goals of the Ebom Women's Village Store Project are to increase the income of the group's members and to address the lack of regular access to staple household goods in the village through the establishment of a village store, selling items including: sugar, soap, kerosene, farming tools, and building materials. The objectives of the project are to:

- Renovate the existing building that will house the store;
- Stock the store with merchandise to be sold at market price;
- Train members in bookkeeping and management; and
- Implement other projects with income generated by the store.

ADF funds are being used to renovate the building that will serve as the village store; to create a fund for purchasing merchandise to stock the store; and to purchase an adding machine, a scale, and a tank for storing kerosene. Additionally, ADF is providing funds for transporting the merchandise from the town of Mbalmayo to Ebom for the first year of the project and for management training of the Association's management committee.

GTJD Agro-Pastoral Project
US$187,752 **Four Years**

The Groupe de Travail des Jeunes Demunis (The Working Group of Young Destitutes) is an association of 32 young women and men, living in Nkolzoa, a village located approximately 70 kilometers from Yaounde, Cameroon. Prior to their request for ADF support, the group successfully installed a simple well and constructed classrooms for the village elementary school.

The GTJD Agro-Pastoral Project has three components: pineapple production, pig breeding, and animal feed production. The objects of the project are to construct a piggery, to cultivate three hectares of pineapples, and to construct and operate a small animal feed plant. The direct beneficiaries of the project will be the 32 members of the Association and their families, a total of 256 people. The 81,700 inhabitants of the surrounding area, however, will indirectly benefit from the project as a market for the Association's products.

For pineapple production, ADF funds are being used to purchase agricultural tools, pineapple cuttings, sprayers, tools, tractor rental, and truck hire for marketing. For pig breeding, ADF funds have purchased 31 pigs, veterinary medicines, and freezers for the conservation of fresh meat. In constructing the animal feed plant, ADF support has been used to purchase a food grinder and locally-available raw materials.

Kribi Fish Project
US$228,102

Five Years

The Comité de Development de Peche de Kribi (CODEPEK) is a fishing cooperative formed by 32 women and men who have been working together informally since 1988. Because they lacked adequate financial resources, CODEPEK members had been unable to formalize their activities into a fishing business until January 1989.

The goal of the Kribi Fish Project is to increase the financial resources of group members through the production and marketing of fish. The objectives of the project are to:

- Purchase fishing equipment for twenty fishermen;
- Construct a warehouse containing two sections, a large area for mounting and repairing fishing equipment and a smaller area for smoking fish;
- Construct a building with a cold storage room, an office, a locker room, and a wash area; and
- Purchase weighing equipment.

ADF funds have been used to purchase fishing and weighing equipment; to construct the warehouse and building; and to cover the first year's operating costs.

Rwanda

Gitarama Batik Project
US$84,718

Three Years

The Gitarama Group of Craftswomen, registered in 1988, is a cooperative composed of 20 women who live in the Commune of Nyamabuye in the District of Gitarama, 87 kilometers south of Kigali, Rwanda. Because of the high demand for batiks throughout Rwanda, the Cooperative's members have chosen to make batik products; and they have engaged a Canadian volunteer to train them in batik making, stenciling, silk screening, and pattern sketching techniques.

The goal of the Gitarama Batik Project is to increase the financial resources of group members through the production of batik and stenciling products. The project's activities include constructing a workshop, purchasing equipment and material, and providing training in small business management and sewing to the Cooperative's members.

ADF support includes funds to purchase construction materials, sewing machines, gas stoves, and office supplies, as well as to provide technical assistance and training.

Hanika Automotive/Mechanical Training Project
US$230,454 **Five Years**

The Hanika Parents' Association was created in 1978 by parents who wanted to pool their resources to provide education and marketable skills to their children. The Association's 42 members have established a masonry and carpentry training center which has graduated more than 300 students.

The primary goal of the Hanika Automotive/Mechanical Training Project is to improve the living conditions of young people by providing them with specialized training in automotive skills. The objective of the project is to create a center offering a four-year program in automotive mechanics and repair skills. The courses to be taught include: welding; electrical wiring; business management; math; and reading capability in English, French, and Kinyarwanda.

ADF funds are being used for constructing four classrooms, a workshop area, an all-purpose room, and washrooms for men and women; appropriately equipping the workshops and offices; and recruiting instructors.

EAST AFRICA

Somalia

Armoy Farm Project
US$84,981 **Three Years**

The Hodan Agricultural Cooperative was established in 1984 by 45 heads of households—15 of whom are women—who reside in the Shabelle River Basin of the Qorioley District, potentially one of the most productive agricultural regions in Somalia. The Cooperative holds 100 hectares of land, 30 of which are currently under cultivation. Its members work either on the Cooperative's land or as laborers on other farms and plantations in the area. The Cooperative was formed to improve its members' quality of life by increasing the amount of permanently-irrigated agricultural land, securing farm inputs from appropriate agencies, obtaining short-term loans, and developing a production scheme that is as secure as possible to ensure an annual income.

The principal goal of the Armoy Farm Project is to significantly increase the Cooperative's income by increasing the amount of irrigated acreage available for planting. It will provide irrigation water during the low rainfall season when most of the non-cereal crops—vegetables and sesame seed—are produced through the installation of irrigation pumps and canals.

ADF funds are being used to hire the necessary land-clearing services, to construct canals, and to purchase two diesel irrigation pumps. ADF also pays for the services of three technical assistance providers—an agronomist, a soil scientist, and an environmentalist—as well as for training in bookkeeping and accounting.

Tanzania

Kiruweni Sewing Project
US$24,940

Two Years

The Kiruweni Lutheran Parish works with young girls who, after leaving primary school, lack employment opportunities and income-generating skills. Most of these young women come from very poor families; and having failed to perform well in school, they drop out of school without marketable skills.

The Kiruweni Sewing Project seeks to teach at least fifty of these young women the sewing skills that will enable them to produce clothing for the local market through a twenty-four-month training program. The women will also receive training in home economics and health care as well as in forming business cooperatives.

ADF funds are paying for instructors' salaries and for purchasing sewing machines, fabric, and other necessary materials.

Rubya Carpentry Training Program
US$25,000

Two Years

Rubya Parish is a parish of the Catholic Diocese of Bukoba in Tanzania. The Rubya Parish Family Resource Center is located 90 kilometers southwest of Bukoba on the west side of Lake Victoria. The Center serves a host of small, isolated grassroots communities and provides for the physical, educational, counseling, and spiritual needs of the people.

The goal of the Rubya Carpentry Training Program Project is to contribute to improving the conditions of the disadvantaged families in the community by raising their standard of living through the training of youth. The core of the project is training in carpentry skills. Youth undergo a two-year training course, paying a small fee of about US$15.00, if able. Approximately one-quarter of the students, who show aptitude in carpentry but who cannot pay the fee either in cash or in-kind, are provided a scholarship by the Center. Youth are housed at the Center and work part of their day in the agricultural plot which produces food for the students and other Center beneficiaries.

First, youth are trained in preparing and readying basic designs for simple window frames, doors, and furniture. As their training progresses, they advance to more sophisticated and larger items. Students are also trained in the use and care of basic hand tools as well as basic electrical tools used for carpentry.

ADF funds are being used for a period of two years to allow time for two instructors to be trained; for the purchase and installation of equipment; and for an assessment of the impact of the project on the local community.

SOUTHERN AFRICA

Botswana

Boiteko Vegetable Marketing Project
US$3,268 **One Year**

The Boiteko Agricultural Management Association (Boiteko AMA) is a cooperative located in the village of Serowe in Botswana. Boiteko AMA received a grant of US$35,072 from ADF in FY 1984.

The goal of the Boiteko Vegetable Marketing Project is to improve the marketing of the group's produce so that spoilage is reduced and income from vegetable sales can begin to cover inputs. The cart and donkeys will be used to transport the produce from the group's cooperative garden to markets in Serowe and the surrounding area.

ADF funds are being used to purchase a donkey cart, six donkeys, six harnesses, and supplemental feed, as well as to construct a kraal (an enclosure) and feeding troughs.

Small-Scale Rural Blacksmith Workshops Project
US$187,008 **Five Years**

Rural Industries Promotion is a non-profit association that has been operating in Botswana since 1975. It functions as an intermediary organization, specializing in work with rural communities, groups, and individuals, and in the implementation of rural development policies.

The goals of the Small-scale Rural Blacksmith Workshops Project are to increase rural productivity and incomes and to promote self-sufficiency in the provision of services. The objectives of the project are:

- To upgrade the skills of already trained blacksmiths and to assist them in the establishment of their own small-scale workshops;
- To create full-time employment for thirty rural people;
- To locally produce a wide variety of farm implements that are currently imported from South Africa;
- To stimulate rural entrepreneurship and to raise the standard of living of the blacksmiths, their employees, and families;
- To increase agricultural productivity by making low-cost agricultural implements available and by creating the back-up facility for timely service and repair;
- To reduce reliance on imports and urban large-scale workshops; and

- To establish a model which can be replicated in other communities.

ADF funds have been used to purchase equipment and tools; to build seven workshops; to pay salaries; and to provide training, transportation, and administrative support.

Zambia

Chipapa Food Processing Project
US$68,259 **Three Years**

The Chipapa Area Women's Association is a grassroots organization with 323 members, representing 15 women's clubs in the Kalongo Ward of the Mambwe Sub-District in eastern Zambia. Nearly eight years ago, the Zambia Department of Social Development assisted the women of Kalongo in forming small production clubs to provide training in sewing, knitting, food production, nutrition, and food preservation.

The primary goal of the Chipapa Food Processing Project is to generate income through maximizing the profits on the sale of food products—maize, sorghum, sunflowers, and groundnuts—grown in the area. The objectives of the project are to:

- Supply cheaper "mealie-meal" and cooking oil to consumers in the area;
- Stimulate the increased production of food products and the formation of small-scale, village-based agro-industries in the area;
- Create employment opportunities for women who will be directly involved in managing and working for the project; and
- Relieve women of the burden of pounding maize and sorghum, so as to free up their time for other activities such as sewing and knitting, attending literacy classes, and growing vegetables.

ADF funds are being used to purchase two grinding mills for maize and sorghum, two oil presses for extracting sunflower and groundnut oil, eight maize shellers, four groundnut shellers, and two bicycles for project supervisors. In addition, ADF is providing support for the construction of small shelters to house the grinding mills and oil presses and for training and technical assistance.

Isenge Agriculture Youth Training and Resettlement Program
US$23,933 **Eighteen Months**

The Christian Youth Fellowship of Zambia (CYF) is a small, inter-denominational organization in operation since 1980. CYF was formed to promote action-oriented programs designed to meet the needs of Zambia's poor. The primary target group is unemployed school leavers.

The principal goal of the Isenge Agriculture Youth Training and Resettlement Program is to significantly reduce youth unemployment in Isenge. Its objectives are to:

- Impart basic agricultural skills to unemployed youth;
- Acquire land for resettling the youth;
- Provide leadership training;
- Boost food production; and
- Instill in youth a sense of self-reliance and social responsibility.

ADF funds are being used to support training and "oxenisation," a Zambian term for the breeding and use of oxen as primary draft power; to provide technical assistance; and to cover administrative costs.

Kasapa Brickmaking Project
US$73,625

Three Years

The Kasapa Brickmaking and Civil Engineering (BCE) Cooperative Society, established in 1969, is comprised of 77 full and associate members. Kasapa Brickfield was once a highly profitable enterprise, employing 300 people. Over the years, its operations substantially declined until they came to a standstill in 1976. Now, new management is actively involved in trying to revive its operations.

The objectives of the Kasapa Brickmaking Project are to:

- Revitalize the brickfield operation to attain production of at least 50,000 bricks per month;
- Create permanent employment for the cooperative's members;
- Reduce unemployment by creating additional jobs; and
- Supply bricks at affordable prices to the community

ADF is funding six components of the Kasapa project: installing 800 meters of pipe to supply water to the brickfield; reconditioning and maintaining the electric brickmaking equipment; renovating the plant building; constructing an office and storeroom; purchasing four oxen and ox carts; and providing working capital.

Zimbabwe

Gukwe Integrated Agriculture Project
US$183,357 **Four Years**

The Gukwe Production Group (GPG) is a self-help farming community with 15 members, located in Muchemwa village in Zimbabwe. The organization was formed by villagers to improve the standard of living and quality of life in their community through better farming methods. GPG currently is engaged in maize crop farming for animal stockfeeds and bean farming for sale, consumption, and animal feed. The group owns a five-acre market garden, which uses furrow irrigation.

The goal of the Gukwe Integrated Agriculture Project is to create a marketable surplus of meat and vegetables as a means of providing a balanced food base for their community. The objectives of the project are to:

- Create employment for GPG members and non-members;
- Contribute to national meat and vegetable production;
- Provide food at affordable prices to the local peasant communities; and
- Include renewable energy technology in their farming practices.

ADF funds are being used to pay for administrative costs, technical assistance, supplies, and equipment.

Dondolo Mudonzvo Marketing Assistance Project
US$16,389 **One Year**

The Dondolo Mudonzvo Credit Scheme Trust was formed by twelve non-governmental women's organizations in 1984. Since then, the group has been joined by six other organizations and by provincial representatives of the Zimbabwe Ministry of Cooperatives; the Ministry of Youth, Sport, and Culture; and the Ministry of Community Development and Women's Affairs. Dondolo Mudonzvo's principal activity is to offer loans to women's income-generating groups affiliated with its member organizations, in an attempt to improve the social and economic status of women in the rural areas.

The goal of the Dondolo Mudonzvo Marketing Assistance Project is to provide marketing assistance to grassroots women's producer groups. The project's objectives are to:

- Improve the economic and social status of women in Zimbabwe;
- Sell women's products in a more efficient and organized way so as to keep morale high and ensure a stronger link between production and marketing;

- Advertise Zimbabwe women's products to the international community and develop new market outlets; and

- Expose women's groups to the competitive world as a means of motivating them to work hard and improve their products.

ADF funds are being used to rent and equip exhibit and sales stands at local or international trade fairs; to pay the travel expenses of DM staff and volunteers who will be collecting women's products to be sold at these events; to cover the salaries of ten sales persons who will be on duty during events; as well as to provide technical assistance or training to DM staff and members.

Rushumbe/Nhamande Water and Sanitation Project
US$202,614 **Four Years**

The Rushumbe/Nhamande Ward Twenty-Four Community Development Committee is composed of representatives of seven villages located in the Masvingo Province in Zimbabwe, an area with one of the country's hottest and driest climates. Although drought conditions prevail in this region, the location is good for cattle ranching and for growing drought-resistant crops.

The primary goals of the Rushumbe/Nhamande Water and Sanitation Project are to provide the community with access to clean drinking water for both human and domestic animal consumption; to reduce the incidence of waterborne diseases such as bilharzia and dysentery; and to control the breeding of flies, which transmit cholera. Once the community has clean water, the villagers will begin gardening projects to produce for home consumption. To achieve these goals, the community will:

- Drill and equip 14 boreholes;

- Construct 616 ventilated pit latrines; and

- Train 20 members of the community as masons.

ADF funds are being used to install the boreholes and latrines, to train the masons, and to provide health education training to the community.

RESEARCH PROJECTS

ACTION RESEARCH GRANTS

Congo

Henriette Koubakuenda
Valorisation du Rouissage de Manioc en Étang de Pisciculture
US$33,558.00 **24 Months**

Mme. Henriette Koubakuenda is National Director of the Project to Develop Rural Fishery and is an Advisor to the Ministry of Rural Development in the Congo.

The Congo, like many other African countries, suffers from a shortage of food and the attendant consequences. In an effort to meet the need for food availability and self-sufficiency, Mme. Koubakuenda proposed the development of a simple technology, based on practices already in use by rural women, that would enhance the production of fish.

Mme. Koubakuenda and others have observed that fish production increases in those areas in which women ferment cassava (a staple ingredient in the Congolese diet) in water while making local dishes. During the process of fermentation, the cassava releases starch, cyanide, and dissolved salts, which in turn produce the rapid growth of plankton on which the fish in question, "tilapia nilotica," feeds. In short, the cassava releases nutrients in the water on which the plankton feed, which, in turn, provide food on which the tilapia feed. Through her research, Mme. Koubakuenda intends to determine the optimal relationship between the cassava, plankton, and tilapia so as to maximize the production of fish.

The objective of this research project is to develop a simple and effective fish culture technology that relies on traditional practices. Specifically, this research project will determine:

- The optimal amount of cassava to ferment in a given quantity of water to obtain the maximum amount of fish;
- The point at which the quantity of cassava is toxic; and
- The different types of physical improvements of the sites needed for the simultaneous fermentation of cassava and the production of tilapia.

The research product will be a technology that is adequate for and well adapted to the needs and potential of poor, rural women.

Ghana

Sulemana Abudulai, Ph.D.
Women and Access to Land, Extension, and Credit in the Upper East Region of Ghana
US$25,350 **18 Months**

Dr. Sulemana Abudulai is a researcher with the University of Science and Technology in Kumasi, Ghana.

Despite the crucial involvement of women in agrarian production in Ghana and other developing countries, only a small portion of resources for augmenting productivity has been channeled to them. Inattention to women and their contribution to national development has manifested itself in low levels of agricultural productivity and declining standards of living for rural families. The problems for women farmers are compounded by their inability to obtain adequate access to productive resources.

Dr. Abudulai, therefore, proposed to conduct an in-depth analysis of the role and needs of women farmers residing in the Bawku District of the Upper East Region of Ghana. Her research will focus on the issues of land tenure and land availability and their effects on productivity, extension, and credit and on the existence of institutional structures which provide services to women.

Dr. Abudulai's research will be undertaken in collaboration with the women farmers themselves. This participatory methodology will enable the researcher to define pragmatic solutions that the women, their families, and their communities can utilize to augment sustainable agricultural production by women.

The research will have three components:

- Identification of practical solutions to the difficulties women face in obtaining productive resources;
- Identification of ways that women can acquire, use, and retain land; and
- Formulation of policy recommendations for the national government and local authorities on ways to use policies, laws, regulations, and institutional arrangements to facilitate women's access to resources.

Nigeria

A. G. Onokohoraye, Ph.D.
A Survey of the Structure and Development Needs of Rural, Small-Scale Industries in Nigeria
US$33,023 **18 Months**

Dr. A. G. Onokohoraye, a professor of geography and regional planning, is Dean of the Faculty of Social Sciences at the University of Benin in Benin City, Nigeria.

In Nigeria, as in many other developing nations, the government has re-oriented its development policies to include a strong emphasis on rural development. This new focus has been precipitated by increased rural-to-urban migration, imbalanced distribution of income between rural and urban areas, and reduced opportunities for generating significant employment in agriculture. While changes in agricultural technology will contribute to increasing cultivable land and labor use through intensive cultivation, the supply of land—the key determinant of employment in agriculture—is inelastic in most parts of Nigeria. Limited or saturated land use leads to the conclusion that much of the additional required employment in rural areas should emerge from the non-farm sectors of the rural economy. Stimulating small-scale industry, along with other employment/income producing activities, can and does contribute to improvements in the balance of payments and helps to slow down rural-to-urban migration.

The small-scale industries to be surveyed include: food processing, dress making, brick making, wood carving, printing, pottery making, shoe making, weaving, welding, and furniture making, among others.

Dr. Onokohoraye will:

- Investigate technologies currently in use and identify alternatives with the potential for increased employment opportunities and/or cheaper raw materials;
- Identify alternative patterns of agricultural development to provide goods that will encourage further development of existing rural small-scale industries;
- Gather information on the role of women, specifically in the Moslem north of Nigeria, where a variety of small-scale industries, such as food processing and handicrafts, are operated within the homes of women in seclusion; and
- Identify appropriate institutional and local-level policy frameworks and their costs needed to support small-scale industry.

The researcher will implement a participatory methodology that enables all the actors in rural development—operators of small-scale enterprises, community leaders, social organizations, and government officials—to identify and discuss, not only the problems and needs of rural enterprises, but also strategies for their solution.

KNOWLEDGE TRANSFER GRANT

Lesotho

George Khapwale
Migrant Labor in Southern Africa: An Annotated Bibliography
US$9,500
18 Months

Mr. George Khapwale is a senior documentalist with the Institute of Southern African Studies at the National University of Lesotho, Roam, Lesotho.

ADF is providing funding to George Khapwale to compile an annotated bibliography on migrant labor in southern Africa. The economies of all of the countries in that region are affected by migration of male laborers to the South African mines. Moreover, not all migration is to South Africa. For example, some men have migrated from Mozambique to Zimbabwe and Botswana. In planning any realistic development strategy, the issue of migrant labor must be understood and addressed within the context of national or sub-regional development.

Despite the need for information on the subject, the documents on migrant labor are widely dispersed in libraries and universities. Given the paucity of library and information services and the growing importance of the topic in the southern Africa region, there is a need to have a comprehensive bibliography on the topic. This will enable government policy makers throughout the region to have, at their disposal, information on the literature on southern African migrant labor.

Nigeria

John Ohiorhenuan, Ph.D.
Workshop on the Attainment of Sustainable Development in Africa
US$20,000
4 Days

Dr. John Ohiorhenuan is a professor of economics with the University of Ibaden in Nigeria.

ADF provided funding to Dr. Ohiorhenuan to organize a four-day "Workshop on the Attainment of Sustainable Development in Africa" to be held immediately following the African Studies Association Annual Meeting in Baltimore, Maryland in November 1990.

The goals of the workshop were to enable scholars from Africa and the United States to:

- Design the details of pilot collaborative research projects;
- Discuss the methodology of conducting the research;

- Plan for ongoing research networks with colleagues in Africa; and
- Propose ways of disseminating research findings.

Tanzania

A. S. Kauzeni, Ph.D.
Translation into Swahili of the Document Entitled, "Developing Sustainable Community Water Systems"
US$3,150.00 **6 Months**

Dr. A. S. Kauzeni is Director of the Institute of Resource Assessment at the University of Dar Es Salaam.

In January 1989, ADF published a document entitled, "Developing Sustainable Community Water Supply Systems." ADF believed at the time that the primary users would be ADF applicants and staff, but that other grassroots organizations or indigenous and foreign development agencies might find it useful in their work.

The Institute of Resource Assessment at the University of Dar Es Salaam has subsequently requested permission to translate the document into Swahili because of its involvement in the planning and implementation of regional water "master plans."

A Swahili version of the document would reach a much larger audience than the English version and could be used in Tanzania, Kenya, Rwanda, and Zaire. The topics and questions raised in the document will enhance a community's awareness and understanding of the issues, and therefore, enable the community to make better decisions regarding their water supply system.

Zambia

Ackson Kanduza, Ph.D.
Socio-Economic Change in the Eastern Province of Zambia: The Pre-Colonial Era to the 1980s
US$9,249.00 **18 Months**

Dr. Ackson Kanduza is a professor of history with the University of Swaziland.

The objective of this Knowledge Transfer Grant is to publish in a single volume a variety of the scholarly and policy-oriented articles that have recently been written on the Eastern Province of Zambia. Almost all of the work has been done by Africans; therefore, this publication will encourage scholarly work among local and upcoming scholars in Zambia.

The publication of this volume will contribute to the discussion on rural development, in general, and on strategies for the development of Zambia, in particular. The analysis of socio-economic change in peasant agriculture and peasant reaction to state-initiated development projects contained in this volume will be of special interest. By highlighting

constraints to development in the province, these studies will enable development practitioners and policy makers to adopt more effective programs and policies or, at the very least, avoid some of the pitfalls.

This book will be disseminated to government and private donor agencies, libraries, and research institutions in Zambia and in other countries in southern Africa. Those employed by international development organizations working in Zambia, as well as those studying African history and international development in U.S. universities will also be interested in this publication.

Zimbabwe

Bio-Mass Users Network
Guidelines on Sustainable Agriculture
US$8,184
3 Months

The Bio-Mass Users Network is an international organization which promotes the use of bio-mass technologies in developing countries. The Network has opened an office in Zimbabwe to focus attention on the applicability of the technology to development in Africa.

ADF is providing funding to the Network for the production of a handbook, entitled "Guidelines on Sustainable Agricultural Development" that will be specific to Africa, focusing on such issues as soil regeneration and enhancement techniques, multiple cropping and agro-forestry techniques, botanical pesticides and organic fertilizers, and the promotion of the under-exploited indigenous plant species. Project management and health will also be discussed.

The handbook will be disseminated to ADF grantees and to other groups engaged in agricultural development efforts.

Spring Cabinet Cooperative Society, Ltd.
Spring Cabinet Knowledge Transfer Grant
US$3,500
2 Months

The Spring Cabinet Cooperative Society is an industrial cooperative, formed in 1986 by former employees of Springmaster Corporation Limited. The Cooperative manufactures low-cost furniture products, such as doors, beds, chairs, tables, and office equipment, from locally-available timber, using the expertise of local wood craftsmen. The Cooperative received a development grant from ADF in 1987 which it used to purchase tools, machinery, and a truck.

The goal of the Spring Cabinet Knowledge Transfer Grant is to disseminate information about the Cooperative and its growth from a small pre-cooperative to a thriving business now employing thirty-four people. The Cooperative will be given funds to print and distribute two thousand copies of an eight to twelve-page brochure on the "Story of Spring Cabinet."

SENIOR FELLOWS

Sierra Leone

S. T. O. Alghali, Ph.D.
Schistosomiasis in Sierra Leone
US$55,688 **24 Months**

Dr. S. T. O. Alghali, an immunologist, is currently Senior Lecturer in the Department of Community Health, Faculty of Economic and Social Studies at Fourah Bay College in Sierra Leone.

Dr. Alghali is carrying out a longitudinal study of the epidemiology of urinary schistosomiasis. The study, to be carried out in a rural province of northern Sierra Leone, will provide baseline data on which to base the evaluation of the public health importance and future control of the disease. The researcher will measure the extent of exposure to contaminated water and will assess the correlation between the extent of exposure and the prevalence and/or intensity of infection.

Based on the epidemiological data that he gathers, Dr. Alghali first will design appropriate control strategies and, then, will test these strategies in controlled settings.

Swaziland

Juliana Rwelamira and Ruth Dlamini
Technical and Financial Constraints that Affect Women's Roles in Household Food Security and Agricultural Development in Swaziland and Lesotho
US$14,666.00 **24 Months**

Juliana Rwelamira is a lecturer in agricultural economics with the Faculty of Agriculture at the University of Swaziland. Ruth Dlamini is a lecturer in rural sociology and adult education at the University of Swaziland.

Ms. Rwelamira and Ms. Dlamini are conducting research on household food security in Swaziland and Lesotho. Specifically, their research will empirically examine women's role in contributing to household food security and factors that enhance or constrain women's contribution. The researchers will examine the relationship between food production; income-generating activities; and the availability and allocation of land, credit, and extension services, and male migration to urban centers or the South African mines.

Although it is widely known that women are the main contributors to agricultural production in Lesotho and Swaziland, as in other parts of Africa, most of the data for these countries is anecdotal. There are no studies which provide empirical data linking the presence or absence of specific inputs to women's productivity. This study will, therefore, determine which variables are important determinants of increased agricultural production by women in the context of Swaziland and Lesotho.

The researchers will utilize questionnaires and case studies to gather data on women's contributions to household food self-sufficiency as well as to indicate which variables are indicative of increased productivity. Case studies will provide information on how some women in the study acquired assets which enabled them to enhance their production.

Uganda

Eldad Tukahirwa, Ph.D.
Environmental Management for Sustainable Development in High Density Areas of Uganda
US$47,202 **24 Months**

Dr. Eldad Tukahirwa is an associate professor at Makerere University in Uganda and the Director of the University's Institute of Environment and Natural Resources.

Dr. Tukahirwa is conducting research to assess the environmental changes in the Southwest region of Uganda, using transect profiles for plants and censusing for animals. Land-use history and socio-economic policies and their impact on the region will also be examined. Empirical data obtained by the above methods will be corroborated by information from the literature and from the community, especially from elders who have witnessed the changes in the recent past.

The second purpose of the proposed research is to work with communities in the region to develop action programs geared to better management of their natural resources so as to enhance their socio-economic development. In cases where environmental degradation is recorded, the action programs will include measures to reverse the trend.

The action programs will be developed using a "Participatory Rural Appraisal Methodology," which involves the participation of the local communities. This method has been demonstrated to be an effective way of quickly obtaining information on a community's perception of their environmental problems and development constraints.

DOCTORAL FELLOWS

Zimbabwe

Tholsie Naidoo, Arizona State University
Third World Women's Participation in Women's Income-Generating Projects and Empowerment: The Case for Zimbabwe
US$18,742 **18 Months**

Tholsie Naidoo is a doctoral student in the sociology department at Arizona State University. Ms. Naidoo is South African, but she has chosen to conduct her research in Zimbabwe.

This research project will examine the extent to which women's participation in income-generating activities empowers them and enhances their status within their household and

community. The researcher and others involved in international development generally view women's income-generating projects as grassroots, self-help initiatives, collectively undertaken by poor women. The objectives of these initiatives are to: enhance poor women's opportunities for and control over work; obtain greater access to training, technology, information, education, and credit; increase savings; and provide social support to each other. Empowerment of and control by women are also benefits that allegedly accrue to women through women's income-generating projects.

The problem, as posed by the researcher, is that there has been no clear definition of terms such as "empowerment." In addition, most of the evidence for a positive relationship between women's income-generating projects and benefits such as the increased status of women is anecdotal. Ms. Naidoo's research project will, therefore, define such variables as empowerment and control and will test the relationship between participation in income-generating projects and these variables.

The intent of this research is to focus on the linkages among work, the household, and the community. That is to say, the researcher hopes to determine whether access to and control over resources, participating in decision-making, and providing services to the community through cooperative income-generating undertakings translate into the empowerment of and increased income for women at the household and community level.

PEACE CORPS
OF THE UNITED STATES

CONGRESSIONAL PRESENTATION

FISCAL YEAR 1992

THE UNITED STATES PEACE CORPS

March 21, 1991

Honorable David Obey
Chairman, Subcommittee on
Foreign Operations
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In the last two years, the political and economic structures of our world have changed dramatically. From Moscow to Managua, communism is out; democracy and free enterprise are in. From Africa to Asia and from Europe to Latin America, dictatorship is in disfavor. From Budapest to Buenos Aires, freedom and opportunity are the watchwords of a new era.

The changes we have witnessed in these two years have been truly staggering - free elections in a united Germany; a playwright as President of Czechoslovakia; Walesa in Warsaw; Chamorro in Managua; Mandela returned to freedom in South Africa. The walls have crumbled. The people have voted. The doors of small businesses are swinging open. And now, the real work begins.

There are new philosophies, new leaders, new hopes and new dreams. But hopes and dreams can provide only the promise of better days ahead. It will be up to people to improve their own lives, step by step, one day at a time -- and Peace Corps is ready to help.

As we enter the last decade of the twentieth century, we face both enormous opportunities and enormous challenges produced by the changes of the last two years. The Peace Corps of the United States is ready to help people in countries throughout the world meet these new challenges and take advantage of new opportunities. The Administration requests that the $200 million for fiscal year 1992 be made available until September 30, 1993, to allow the Peace Corps to make the best use of its resources in responding to these changing circumstances and the obvious need for long term, capacity-building assistance.

In 1991, Peace Corps celebrates 30 years of service. As we begin our fourth decade, we will continue to promote mutual respect and understanding in our shrinking global community. Volunteers will continue to work in agriculture, health and education -- and they will place emphasis on environmental programs, small-business management and urban development.

At home, we will continue our efforts to recruit a Volunteer force which more accurately reflects the diversity and cultural richness of America and we will work hard to expand our World Wise Schools program and our Peace Corps Fellows/USA program -- both of which bring the knowledge our Volunteers gain in their assignments overseas back to work in the United States. This budget presentation details how we intend to achieve these objectives.

Never has the demand -- or need -- for Peace Corps been greater than now. In the 18 months prior to the end of fiscal year 1991, Peace Corps will have entered more new

countries than in the previous 18 years. And, in fiscal year 1992, Peace Corps will continue to answer the call for English trainers in Central Europe, for soil conservationists in Central America and for agricultural assistance in Africa. As in the last two years, our goal is to respond to every legitimate request for assistance and every gesture of friendship.

Thank you for your interest and support. I look forward to the opportunity to discuss these initiatives further.

Sincerely,

Paul D. Coverdell

APPROPRIATION LANGUAGE

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), [$186,000,000] $200,000,000, to remain available until September 30, 1993 including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside the United States: Provided, that none of the funds appropriated under this heading shall be used to pay abortions.

41-409 - 91 - 27

THE PEACE CORPS OF THE UNITED STATES

1992 CONGRESSIONAL PRESENTATION
GENERAL STATEMENT

PHILOSOPHY AND GOALS: For 30 years, Volunteers of the Peace Corps of the United States of America have proven every day that citizen service to others does make a difference. Their work in more than 100 nations has significantly improved the lives of millions of people, including those of the Volunteers themselves. By the end of FY 1990, the Peace Corps saw nearly 6,000 Volunteers and trainees working in a record 75 countries throughout the world, including, for the first time, Central Europe.

The Peace Corps continues to provide person-to-person assistance to some of the poorest people in the world. Peace Corps Volunteers serve in both rural and urban areas where they can best enhance the abilities of host-country citizens to improve their quality of life. Peace Corps' goals, as stated in the Peace Corps Act of 1961, are:

-- to promote world peace and friendship by making available to interested countries U.S. Volunteers who are willing to help the people of these countries meet their needs for trained manpower;

-- to promote a better understanding of the American people among people served; and

-- to promote a better understanding of other peoples among the American people.

Since 1961, more than 138,000 Peace Corps Volunteers and staff have served in more than 100 countries. Fifty-five percent of these Volunteers have worked in education programs; another twenty-five percent were engaged in what have generally been labeled community development activities.

Today, the Peace Corps of the United States stresses a historic, broadly-based grassroots approach to development. Fiscal Years 1990 and 1991 brought increased congressional support for the Peace Corps and its Volunteers. The Peace Corps has been given strong support by the Congress and the President to persevere in its role as a "leader for peace." As an expression of that commitment, Congress has approved funding for the Peace Corps to expand into fourteen new countries in FY 1991, following eleven new countries in FY 1990. Peace Corps plans to enter an additional six countries in FY92 bringing the total number of country programs to ninety-four.

Special Challenges for FY 1991 and FY 1992: The war in the Persian Gulf has affected Peace Corps operations in the Middle East, North Africa and Asia, and it is possible that the conflict's repercussions will produce additional challenges for Peace Corps.

1) Since the beginning of Operation Desert Shield in August, 1990, more than 350 Peace Corps Volunteers were withdrawn from Yemen, Morocco, Tunisia, Mauritania, Pakistan and Tanzania. It is difficult to predict if programs in other countries will also have to be suspended, or if some new country entries will have to be postponed.

2) The suspension of programs and the withdrawal of Volunteers from six countries affects our ability to maintain our current level of Volunteers serving worldwide. One approach we are pursuing is to place evacuated Volunteers in other countries that do not

have the optimum number of Volunteers. The Integrated Planning and Budget System, and the Programming and Training System allow this sort of flexibility.

Today, the Peace Corps faces new international challenges and opportunities. To respond to these, we have developed a set of initiatives designed to put Volunteers at the center of the great concerns of this decade.

Initiatives Abroad

* **Historic Expansion** - The Peace Corps of the United States is on the leading edge of dramatic changes taking place in the world today. Peace Corps can be a catalyst for improving relationships with all countries where there has been a history of tension, suspicion or a lack of communication. Central Europe is receiving Peace Corps Volunteers for the first time, and FY 1991 will see Peace Corps enter Laos in war-torn Southeast Asia. FY92 will see further expansion into six more countries. Our long-term goal is to have Volunteers serving in virtually every nation with legitimate needs, providing the skills requested by those countries. We estimate the costs for these six new country programs in FY 1992 at $5.3 million, and the budget impact in FY 1993 is projected at $7.4 million.

New Program Initiatives

* **Environment** - Deterioration of the environment is a serious threat to all life on our planet. Preventing environmental destruction has become a major objective of our Volunteer efforts worldwide. In 1990, the Peace Corps began a collaborative agreement with the Environmental Protection Agency under which the EPA will help train Peace Corps Volunteers in pesticide management, waste disposal techniques, water pollution prevention, reforestation and environmental education. The Peace Corps currently has more persons working as natural resource professionals in other countries than any other environmental or conservation organization in the world.

* **Small Business Development** - With the increasing interdependence among national economies and the rise of market-oriented systems in developing nations, the need to build strong economic foundations in both rural and urban areas is vital. Additionally, increasing life expectancy (up from 53.7 years in 1970 to 61.5 years in 1990) and increasing urbanization have created a critical need for job formulation. Peace Corps will expand its work in small business development. Volunteers will provide marketing and production advice as well as help improve business techniques for enterprises from farming to banking.

* **Urban Programs** - Fully 44 percent of the people in developing nations now live in urban areas. By the year 2025 the number of urban residents throughout the world should increase five-fold with two-thirds of this growth occurring in the developing world. Rapid urbanization has brought increased health problems, joblessness and a host of other difficulties already familiar to us in this country. As part of Peace Corps' new urban development initiative, Volunteers are being recruited and trained to respond to these new challenges.

* **Minority Outreach** - In an age of increasing interdependence among nations, being a Volunteer in the Peace Corps provides tremendous benefits to those who serve as well as those who are served. Assuring that Americans of all ethnic and racial groups have an opportunity to serve as Volunteers serves the twin goals of truly representing

the face of our nation overseas and of extending the benefits of service to all. In FY 1990, Peace Corps achieved its goal of having more than 10% of its trainees come from various minority groups. This is the largest percentage of minority participation in PC history.

* **Strengthening Traditional Programs** - From the earliest days of the Peace Corps, the vast majority of its Volunteers have worked in the areas of **agriculture, education** and **health.**

Historically, **education** has been the single largest program area. Peace Corps instructors have taught more than 5 million people in developing countries to speak English, the international language of commerce. Nations are looking to Peace Corps to help teach their people better ways to communicate with the rest of the world.

Thirty-five thousand people die each day worldwide as the result of starvation. Because there is such a desperate need for increased food production, and because agricultural enterprises comprise the largest source of employment and income (an average 37% of GNP) within Peace Corps countries, **agriculture** will remain a significant program area for our Volunteers.

Health programs -- from immunization to guinea worm eradication -- will also remain important. More than 14 million children under 5 years of age die each year, 10 million from diseases preventable by low-cost actions. Peace Corps Volunteers will continue to help save lives.

Initiatives at Home

Teaching Americans about people of other nations is one of the three goals of the Peace Corps. As we enter the decade of the 90's, the needs of a global economy and the concern for a deteriorating environment make it more crucial than ever that we develop an understanding of our world neighbors. To help accomplish this objective, Peace Corps has developed three unique programs:

* **Fellows/USA**

Peace Corps Fellows/USA works in concert with the private sector, American universities, the Peace Corps and returning Volunteers. This program puts the unique skills of returned Volunteers to work on some of America's toughest challenges, while at the same time advancing their careers.

Each year more than 3,000 dedicated, energetic Peace Corps Volunteers return to the United States. In an effort to utilize this enormous human resource, and to meet the growing need nationwide for teachers in math, science, and other subjects, the Peace Corps Fellows/USA Program was piloted by Teachers College at Columbia University, the New York Board of Education and the Peace Corps to attract qualified and motivated teachers for some of the more challenging schools of New York City. Former Peace Corps Volunteers were offered the opportunity to teach in paid positions while concurrently pursuing a master's degree in education at Teachers College. Private organizations and corporations provided sponsorship. In 1989 Director Coverdell decided to greatly expand the program, making it national in nature.

This program has been a success because Fellows/USA teachers use teaching experience and insights gained overseas as Volunteers, where they were often called on to perform under less than ideal conditions. They also have displayed exceptional dedication and much needed cultural sensitivity towards students from a variety of backgrounds.

Other universities participating in Fellows/USA programs include: the University of California, Florida International University, George Washington University, Georgia State University, Georgia College, Auburn University, Texas A&M University, Tulane University, University of Southern Mississippi, San Francisco State University, University of Hawaii, University of Maryland (Towson), Northern Arizona University, University of New Mexico, Johns Hopkins University, the University of Michigan and San Diego State University. These institutions recognize the value of tapping the experience of returned Peace Corps Volunteers.

The Peace Corps Fellows/USA program will soon expand to other fields, with Volunteers working in areas such as the health professions, human services and the environment. Fellows in the teaching field are expected to serve in school districts in inner cities or rural communities throughout the country.

• World Wise Schools

Peace Corps has always served as a bridge of understanding between the United States and developing nations around the globe. Now, through its World Wise Schools program, Peace Corps is bringing the benefits of that experience directly into classrooms throughout the United States.

By matching Volunteers with teachers who seek creative ways to introduce their students to the world beyond our borders, Peace Corps is playing an instrumental role in eliminating ignorance about foreign cultures. World Wise Schools seeks to promote the study of geography, international understanding and the value of volunteer service as part of the Peace Corps' overall mandate to share its experiences with the American public. The program was created in 1989 by Peace Corps Director Paul D. Coverdell at a time when the National Governors' Association identified that American students had serious deficiencies in geography and international knowledge.

World Wise Schools sends the participating U.S. schools videotapes which show a country through the eyes of a Peace Corps Volunteer. Printed materials are provided on the country's culture and geography, as are program suggestions for teachers.

This innovative program operates in all 50 states and is recognized by an increasing number of leaders in government and education. Individual cities and the states of Ohio, Oklahoma, Michigan, Mississippi and South Carolina have formally endorsed WWS, joining with Peace Corps to make these valuable lessons available to their schools. Through all these efforts, young Americans are becoming acquainted with the world around them, building a body of knowledge for the future.

• Partners for Peace

The Peace Corps' Partners for Peace initiative provides the American private sector—corporations, foundations, service organizations, school groups, Returned Peace Corps Volunteer groups and individuals—with the opportunity to participate in the shaping of a more peaceful, more responsive world through support for a variety of Peace Corps programs at home and abroad. Through outreach to the American private sector, the Partners for Peace program endeavors to enlist the participation of corporations, foundations and individuals in the national and international efforts of the Peace Corps.

The Peace Corps Gifts-in-Kind Program: Through its global network in over 70 countries, the Gifts-in-Kind Program links the specific needs of Peace Corps Volunteers in the field with donations of materials and services from the American private sector. These linkages promote both economic development and human potential, while supporting the individual efforts of the Volunteers. Contributions have included microscopes, portable typewriters, wheelchairs, textbooks, vehicles and emergency air travel.

The Peace Corps Partnership Program: Since 1964, U.S. Partners have lent their financial assistance to more than 4,000 self-help projects initiated and implemented by overseas communities. Together the Partners have built wells in Niger, installed solar energy systems in the Dominican Republic and published the first sign language dictionary in Nepal. Partners often engage in a dynamic cross-cultural exchange for greater understanding of other peoples, cultures and ways of life.

The Volunteer Partner Program: To meet the demand for highly skilled experts requested by countries in which Peace Corps serves, the Volunteer Partner Program offers professionals the opportunity to pursue short term (six to eighteen months) assignments overseas in specific fields.

Internal Management Initiatives

• Peace Corps Collaborative Efforts: The Peace Corps continues to be committed to a policy of collaboration with other development assistance organizations and with other departments and agencies of government. The guiding rationale for this collaboration is the mutual benefit derived by each party as well as by project beneficiaries. Accordingly, the Peace Corps reviews and revises its activities with other federal, international and host country organizations and Private Voluntary Organizations (PVOs) on a regular basis.

USAID: During the past 10 years, the Peace Corps and the U.S. Agency for International Development (A.I.D.) have carried out a unique program of inter-agency cooperation. Cooperation between the Peace Corps and A.I.D. has resulted in the more effective use of U.S. foreign assistance resources in the developing world. It has also meant that Peace Corps Volunteers and host country counterparts have received valuable technical and financial support from A.I.D.

This support has taken many forms--small grants for community projects, sorely needed equipment and supplies, improved training programs for Volunteers, training opportunities for host country counterparts, and advice and guidance provided by A.I.D. technicians and experts. For A.I.D., this collaboration has meant greater access to the

communities and people most in need of assistance, important feedback from Volunteers on how A.I.D.'s development projects are functioning in the field, and the availability of skilled Volunteer assistance for critical A.I.D. programs in 62 countries around the world (see PASAs, p.11).

PVOs: Peace Corps Volunteers work worldwide with a variety of PVOs on projects ranging from health to agriculture to education. Peace Corps is also seeking to expand collaboration with additional PVOs. Collaboration that exists at the field level is strengthened by headquarters contacts, just as contacts made at the headquarters level assist Peace Corps posts in establishing new working relationships with PVOs in support of Volunteer projects.

EPA: In FY90, the cooperative agreement between the Environmental Protection Agency (EPA) and Peace Corps shifted into high gear. Signed in September of 1989, the memorandum of understanding establishes a mechanism for collaboration on a wide range of global environmental issues. EPA and Peace Corps fielded programming and training teams to address pesticide safety and handling issues in Latin America and environmental contamination issues in Central Europe.

Forest Service and National Park Service: Successful cooperative activities with the U.S. Forest Service and the National Park Service also continued throughout FY90. Under an Inter-agency Agreement, Peace Corps is able to use National Park Service personnel and training sites. In cooperation with the Forest Service, Peace Corps has been able to strengthen its programming and training in agroforestry, forestry extension and forest management.

HHS: A cooperative agreement between Peace Corps and the Department of Health and Human Services was signed in October 1990 which will enable more than 1,000 Peace Corps Volunteers to have access to highly skilled technical guidance from HHS as they develop and implement health, nutrition, special education and early childhood development projects all over the world.

*** Integrated Planning and Budget System (IPBS)**

In January, 1990, based on agency-wide task forces working for four months, the agency established the Integrated Planning and Budget System (IPBS). This system provides a comprehensive three-year planning system for both programming and budgeting. It begins with the director's guidance and from that, builds through all the offices agency-wide a comprehensive program plan for each of the subsequent years. The entire program is reviewed in steps with final decisions by the director's office. Budgets are authorized based on the short-term and long-term goals and programming priorities.

This system has placed, for the first time at Peace Corps, programming ahead of budgeting and gives the agency the tools to know actual costs as it makes program decisions and responds to changes in world situations. The system also enables the agency to plan three years in advance and to make adjustments as necessary in that three-year planning cycle.

*** Program and Training System (PATS)**

In January, 1990, the agency approved the Program and Training System (PATS) which provides clearer objectives for, and encourages better evaluation and measurement of, Volunteer projects.

For the first time all country programs are defined in Volunteer project terms that are measurable over time. A full guidebook spells out the planning process for project development, monitoring, training and evaluation. The primary users are the Country Directors and Associate Peace Corps Directors in the field, who are responsible for developing and monitoring projects. A clear role for Volunteers is outlined with guidelines for their activities and monitoring functions. This comprehensive project system forms the base for information for the IPBS.

Current plans to expand the number of Peace Corps Volunteers focus on strengthening training so that more generalists can be used in skill areas where the supply of Volunteers is low. This also can be accomplished by expanding recruiting efforts in skill areas in high demand but short supply, such as agriculture, education, forestry and fisheries.

* **IPBS and PATS Training**

To help put the systems into place, the agency has been conducting a series of training events for both headquarters and field staff. Six regional conferenceshave been held, each including four days devoted exclusively to IPBS and PATS training. All Country Directors and many Associate Peace Corps Directors have participated.

In addition, components of the training are now incorporated into all Overseas Staff Training programs, the Administrative Officer Training program, and all other Associate Peace Corps Director program conferences.

* **Chief Financial Officer (CFO)**

The agency established a CFO with consolidated planning, budget, accounting and financial services. The CFO reports to the Director and is now developing a new accounting system as the next step to PATS and IPBS.

* **Administrative Officer Training**

This year, the agency instituted a three-week training program for all new overseas administrative officers. Included in these training programs are also current foreign service national (FSN) Administrative Officers worldwide. This program provides very critical administrative function training and is making a difference in Administrative Officer performance worldwide.

* **Internal Control Committee**

The Internal Control Committee (ICC) was reactivated as an on-going management tool to anticipate, prevent and address administrative problems within the agency. The Committee is comprised of all senior officials in the agency and focuses on resolution to all Inspector General recommendations, OMB, Financial Managers Financial Integrity Act (FMFIA), Hill administrative reports and internal administrative reviews. Through this Committee, timely responses to needed administrative, management and financial changes are assured.

Activities in 1990: During FY 1990, the Peace Corps continued its tradition of worldwide service. The Peace Corps budget totaled $165 million. In addition, host countries continued to show their appreciation for the work of the Volunteers by making contributions to in-country operations. The single largest Peace Corps budget expenditure continued to be the direct support and training of Volunteers. The costs incurred in recruiting Volunteers and providing them with overseas staff support constituted the two other major categories of expenditures. More than half of all Peace Corps staff are stationed overseas.

During FY90, 3,058 trainees were placed by the Peace Corps. The average age of a Volunteer in FY90 was 31, although the median age was just over 25. In FY90, 7.2 percent of Volunteers were Senior Volunteers (411 Volunteers). The distribution between men and women was almost even.

The following 75 countries hosted Peace Corps programs in FY90:

Africa Region: Benin, Botswana, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Equatorial Guinea, Gabon, The Gambia, Ghana, Guinea-Bissau, Guinea (Conakry), Cote d'Ivoire, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Niger, Namibia, Rwanda, Sao Tome e Principe, Senegal, Sierra Leone, Swaziland, Tanzania, Togo and Zaire.

Inter-America Region: Anguilla, Antigua and Barbuda, Barbados, Belize, Bolivia, Costa Rica, Dominican Republic, Ecuador, Grenada, Carriacou, Guatemala, Haiti, Honduras, Jamaica, Montserrat, Panama, Paraguay, St. Kitts & Nevis, St. Lucia and St. Vincent.

Pacific, Asia, Central Europe and Mediterraneun Region; Cook Islands, Comoros Islands, Czechoslovakia, Fiji, Hungary, Kiribati, Malta, Marshall Islands, Federated States of Micronesia, Morocco, Nepal, Pakistan, Papua New Guinea, Philippines, Poland, Seychelles, Solomon Islands, Sri Lanka, Thailand, Tonga, Tunisia, Tuvalu, Vanuatu, Western Samoa and Yemen.

Peace Corps Volunteer activities during FY90 are described below.

Agriculture: Agricultural systems in many regions of the world face tremendous pressures to produce more food, generate economic opportunity and sustain rural infrastructure. Furthermore, these challenges must be met in a way that does not degrade the environment or diminish the natural resource base. During FY90, more than 1,200 Volunteers worked with host country officials, farmers and community leaders to address agricultural and fisheries development objectives. Program areas included crop extension, soil and water conservation, farm management economics, co-op development, animal husbandry, apiculture, pesticide safety and fish pond construction and management. During this same period, several hundred additional Volunteers were involved in rural development activities that addressed secondary agricultural and aquacultural objectives.

Programming for FY91 will see a continuation of the emphasis on food security, small farm viability and the building of strong rural infrastructure. For FY91, there will be increased emphasis on agricultural sustainability as it relates to

agricultural practices, economic viability, environmental quality and resource conservation. Also, heightened program activity in integrated pest management and pesticide safety is anticipated with a particular focus on the Inter-America Region.

Education: Since 1961, more than five million students in developing nations have been taught by Peace Corps Volunteers. In FY90, nearly 2,055 Volunteers in 55 countries worldwide carried out 141 projects. They taught English, mathematics, science and vocational skills; worked with the blind, deaf, and mentally and physically impaired; trained primary and secondary classroom teachers, and; assisted communities with the development of non-formal education and youth-related activities. In addition to those Volunteers formally assigned to the Education Sector, nearly all of Peace Corps' 6,000 Volunteers and trainees are involved in some sort of educational activity. As Peace Corps expands the number of countries in which it serves in FY91, the majority of new PCVs will be working in education.

Environment: More than 600 Volunteers participated in environmental and natural resource projects in more than 50 countries during FY90. Two-thirds of these Volunteers worked in forestry-related areas such as agroforestry, forestry extension, forest management and watershed management. The rest pursued activities including national parks and wildlife management, conservation of biological diversity and soil conservation. The fastest growing activity area in FY90 was environmental education.

In light of the widespread nature of many environmental problems, Peace Corps is preparing a basic environmental module so that all Peace Corps Volunteers in the field will receive training in environmental awareness and environmental issues.

Health: Peace Corps health Volunteers continue to focus on primary health services for those most in need, namely women and young children. They promote the development of local programs to meet basic health needs. During FY90, the majority of the 946 Volunteers in 45 countries worked within national primary health care systems on maternal and child health activities, nutrition, community health education and water and sanitation projects.

Small Business Development: The Small Business Development (SBD) sector of Peace Corps was formally established in 1983. Although Peace Corps Volunteers had been working on income generating activities since Peace Corps began in 1961, 1983 saw the formal recognition of small business development as a sector responsible for providing training and program support to the field.

Since that time, SBD programming has expanded in all three of the Peace Corps' administrative regions. Expansion has occurred in the number of Peace Corps Volunteers, the number of projects, the variety of projects and the integration of SBD projects with other program sectors such as agriculture, forestry and fisheries.

The Peace Corps currently has over 3,000 Volunteers working directly and indirectly in SBD-related projects. Twenty-two countries have SBD sectors and 27 have SBD-related projects. Of the Volunteers who work in the SBD sector, 41 percent are assigned to countries in the Inter-America Region, 34 percent are working in the Africa Region and 25 percent are serving in the Pacific, Asia, Central Europe and Mediterranean Region.

Current SBD projects fall into six broad categories: 1) Agribusiness; 2) Rural Non-farm Enterprises; 3) Urban Small Business Projects; 4) Cooperatives and Pre-Cooperatives; 5) Credit Programs; and 6) Business Education.

Urban Development: As recently reported by the University of Akron's Future Studies Program, the pace of world urbanization is accelerating as the 21st century approaches. The "rural poor majority" is quickly becoming an "urban poor majority". Peace Corps has been working on ways to support host country efforts to harness and guide self-help, private urban development initiatives. In FY90, Peace Corps Volunteers were involved in 12 urban development projects in the area of local planning, engineering and architectural support for local initiatives and urban youth programs. Approximately 54 new Volunteers began working in urban development activities during FY90.

In several instances, notably in Tunisia, Togo and Cote d'Ivoire, Peace Corps and A.I.D.'s Regional Housing and Urban Development sector have been working together to promote joint urban development projects.

Women in Development: Peace Corps' Women in Development Office works to ensure that an integrated approach in program planning and training is utilized so that the roles of women in their communities are responsibly and effectively addressed and integrated into all Peace Corps projects. The office publishes *The Exchange*, a quarterly Women in Development newsletter that serves as an information and resource tool for Volunteers around the world.

Volunteers are presently working on projects with women at the grass roots level in agriculture, fisheries, rural development, micro-business, health, education and community development. Peace Corps has expanded its commitment to working in this area by establishing in-country Women in Development committees whose activities include establishing scholarship programs for girls, creating tools and resources to teach numeracy and literacy skills to girls and women, designing displays that highlight the achievements of local women and celebrating International Women's Day and Women's History Month.

Peace Corps/A.I.D. Collaboration – PASAs: The Peace Corps and A.I.D. agree to collaborate through a number of Participating Agency Service Agreements (PASAs). These agreements combine A.I.D. and Peace Corps resources to enhance the Peace Corps' ability to target specific programs by fielding greater numbers of Volunteers and by providing Volunteers with increased levels of technical support. The following Participating Agency Service Agreements (PASAs) were in effect during FY90:

Africa Small Business Assistance Program (ASAP): Since 1987, A.I.D. and Peace Corps have cooperated in a unique program to encourage growth in the small business sector in Africa, funding needs assessments, project designs and project evaluations of small business assistance activities.

Child Survival: The purpose of this agreement is to strengthen Peace Corps Volunteers' participation in host country child survival projects that focus on growth monitoring, oral rehydration, infectious disease control, immunizations coverage and breast feeding. Twenty-five countries receive comprehensive programming and training support. Regional programming conferences for Peace Corps health staff in the field and their counterparts are planned for FY91.

Combatting Childhood Communicable Diseases (CCCD): This program is a cooperative effort among African countries, the World Health Organization, the Centers for Disease Control, A.I.D., Peace Corps and other groups. Peace Corps Volunteers are assisting the health education component of the program to address the high rates of morbidity and mortality caused by infant diarrhea, malaria and preventable diseases such as tetanus, measles and polio. Cote d'Ivoire has just been added as a Peace Corps CCCD country. An outside evaluator found that the recently completed Peace Corps/Togo CCCD project was very successful in increasing local capacity to solve health problems.

Farmer-To-Farmer Program: On August 31, 1990, the Peace Corps, A.I.D. and Volunteers in Overseas Cooperative Assistance (VOCA) signed a two-year collaborative agreement to support Peace Corps' participation in the Farmer-to-Farmer Program. Through this collaborative program, VOCA sends volunteer U.S. agricultural professionals to assist developing country farmers and the Peace Corps Volunteers working with them. Peace Corps involvement in the program has been extended through March 1991, and negotiations are underway to continue the program for another year, through March 1992.

Forestry: The joint A.I.D./Peace Corps Forest Resources Management Project continued to support Peace Corps' environmental and natural resources activities throughout FY90, its 11th year of successful efforts. This initiative has increased the Peace Corps' ability to work with host country governments, PVOs and communities on projects to support locally based forestry, soil and water conservation, parks and wildlife, biological diversity, environmental education and related programs.

Guinea Worm Eradication: Guinea worm is a debilitating waterborne disease that immobilizes up to 10 million people annually in 19 African countries, India and Pakistan. A UNICEF study in 1987 estimated annual losses of $20 million in rice production alone in one area of Nigeria where 195,000 families were affected. In 1989, the United States Peace Corps and A.I.D. agreed to use Peace Corps Volunteers and their counterparts to contribute to ongoing international efforts to eliminate Guinea worm disease in 10 African countries. The work of PCVs involved in this program includes surveillance, community program planning, community health education such as how to use water filters and improve existing water sources, and monitoring and evaluating existing projects.

The Micro-Enterprise Development Program: To strengthen grass roots small business and micro-enterprise development, the Peace Corps and A.I.D. initiated a joint Micro Enterprise Development Program (MEDP) in August 1988. FY90 marks the third year of the program and a renewal of the MEDP PASA for four additional years.

MEDP concentrates on small business development support in 15 selected countries. Chosen by Peace Corps and A.I.D. for the strength, size, commitment and potential impact of small business development, these countries include Honduras, Costa Rica, Guatemala, The Dominican Republic and Jamaica in the Inter-America Region; Mali, Botswana, Ghana, Kenya, Lesotho and Senegal in Africa; Pakistan, Fiji and Western Samoa in Asia and the Pacific; and Poland in Central Europe.

MEDP provides training for Volunteers, Volunteer counterparts, host country personnel and micro-entrepreneurs to improve their capabilities to assist small business and micro-enterprise development including:

Pre-service training for both SBD and non-SBD Trainees, emphasizing the integration of SBD with other program sectors.

In-service training focusing on basic business skills development for non-SBD Volunteers and their counterparts working in small business and micro-enterprise-related projects.

Intensive in-service business and extension training for SBD Volunteers and their counterparts.

Consultant support to improve services to small businesses and to enhance SBD programming in targeted countries.

Development of training materials and other resources to assist small business development in institutions and communities where Volunteers are working.

Specific accomplishments under the program have been the development of enhanced SBD implementation plans and programming in each of the participating countries; development of pre-service and in-service micro-enterprise training models and materials; the identification of a skilled micro-enterprise training cadre; the training of over 700 Volunteers, counterparts and beneficiaries; and experience in collaborative micro-enterprise programming and training between the SBD and other technical sectors of Peace Corps, and between Peace Corps and A.I.D.

In the coming year, the scope of MEDP will expand, with limited assistance made available to non-target countries, the strengthening of the exchange of training and technical assistance expertise between countries, and the formation of regional networks of countries promoting small business development. As was the case in past collaboration with A.I.D.'s ARIES (Assistance to Research Institutions for Enterprise Support) project, this new PASA draws upon the resources of--and works closely with--A.I.D.'s new GEMINI (Growth and Equity through Micro-enterprise Investments and Institutions) project, especially in the area of non-financial assistance to micro-enterprises.

Nutrition: This agreement supports activities that strengthen household food security and family nutrition. More than 255 Volunteers and 425 host country nationals have been trained to assess household nutritional problems and develop appropriate village-level solutions including family gardens, small animal husbandry, post-harvest technology and nutrition education. The program's independent evaluator has found that the training has been quite successful, encouraging increased income and improved gardening skills for host country nationals.

Small Project Assistance: The Small Project Assistance Program, jointly established by the Peace Corps and A.I.D., has been in operation since 1983. It supports training assistance and provides funds for small-scale development projects identified by Volunteers working with local community organizations in more than 40 countries. A typical project might enable a community to build a

grain storage facility, start a poultry-raising operation, or install a potable water system. Almost 3,000 projects have been funded since 1983.

The Peace Corps continues to be a strong influence in the international development arena. As Volunteers complete their service and return to the United States, their knowledge of and experience in the part of the world where they have served becomes a powerful force for increasing American understanding of the development issues facing other countries. Thousands of Volunteers continue to serve in government--some in elective offices. Many remain involved in development assistance through A.I.D., employment in private firms and other volunteer organizations. Perhaps most importantly, Peace Corps Volunteers continue to present a positive image of Americans to much of the developing world and they provide Americans at home with a personal view of the contributions their country is making to assist other nations of the world.

PEACE CORPS
AUTHORIZATIONS AND APPROPRIATIONS
FY 1962 - FY 1991
(in thousands of dollars)

Fiscal Year	Authorized	Budget Request	Appropriated a/	Trainee Input	Volunteer Years b/
1962	$40,000	$40,000	$30,000	3,699	3,599
1963	63,750	63,750	59,000	4,969	8,634
1964	102,000	108,000	95,964	7,720	10,494
1965	115,000	115,000	104,100	7,876	12,692
1966	115,000	125,200	114,000	9,216	Not Available
1967	110,000	110,500	110,000	7,565	Not Available
1968	115,700	124,400	107,500	7,391	Not Available
1969	112,600	112,800	102,000	6,243	Not Available
1970	99,450	109,600	99,450	4,637	Not Available
1971	94,500	98,800	90,000	4,586	Not Available
1972	77,200	71,200	72,500	3,997	6,632
1973	88,027	88,027	81,000	4,821	6,194
1974	77,000	77,000	77,000	4,886	6,489
1975	82,256	82,256	77,687	3,296	6,652
1976	68,468	20,826	61,266	3,291	5,625
Transition Qtr	27,687	25,729	24,190	---	---
1977	61,000	67,155	60,000	4,180	6,590
1978	87,544	74,600	86,234	3,715	6,017
1979	112,424	95,135	99,179	3,327	5,723
1980	105,000	105,404	99,924	3,108	5,097
1981	113,531	116,800	105,531	2,729	4,863
1982	105,000	121,900	105,000	2,862	4,559
1983	105,000	97,500	109,000	2,988	4,658
1984	115,000	106,500	115,000	2,781	4,779
1984/5 Supp	2,000	2,000	2,000	---	---
1985	126,600	115,000	128,600	3,430	4,828
1986	130,000	124,400	130,000 c/	2,597	5,162
1987	137,200	126,200	130,760	2,774	4,771
1987/8 Supp	7,200	---	7,200	---	---
1988	146,200	130,682	146,200	3,360	4,611
1989	153,500	150,000	153,500	3,218	5,214
1990	165,649	163,614	168,614 d/	3,092	5,241
1991	186,000	181,061	186,000	3,396 est.	5,105 est.
1992	---	200,000 e/	---	3,626 est.	5,060 est.

a/ Includes reappropriated funds in 1963 ($3,864 thousand), 1964 ($17,000 thousand) and 1965 ($12,100 thousand).

b/ 1962-1965 volunteer-years unavailable. Figures represent number of volunteers.

c/ Includes $5,590 thousand sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

d/ Includes $2,240 thousand sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) and a $725 thousand reduction related to the Drug Initiative (P.L. 101-167).

e/ Funds to remain available until September 30, 1993.

UNITED STATES PEACE CORPS
TRAINEE INPUT, VOLUNTEER YEARS AND BUDGET ESTIMATES
BY REGION AND ACTIVITY, 1990-1992

	FY 1990 ACTUAL	FY 1991 ESTIMATE	FY 1992 ESTIMATE
TRAINEE INPUT			
Africa Region	1,299	1,472	1,513
Inter-American Region	925	978	1,001
The Pacific, Asia, Central Europe and the Mediterranean	849	750	1,027
United Nations Volunteers	19	25	25
New Country Entries -1992	—	—	60
TOTAL TRAINEES	3,092	3,225	3,626
VOLUNTEER YEARS			
Africa Region	2,255	2,147	2,264
Inter-American Region	1,663	1,548	1,479
The Pacific, Asia, Central Europe and the Mediterranean	1,287	1,090	1,254
United Nations Volunteers	37	44	38
New Country Entries -1991	—	—	5
TOTAL VOLUNTEER YEARS	5,242	4,829	5,060
OBLIGATIONS BY REGION ($000)			
Africa Region	49,931	53,274	57,213
Inter-American Region	24,393	25,651	27,954
The Pacific, Asia, Central Europe and the Mediterranean	25,658	26,240	30,036
United Nations Volunteers	315	311	427
Volunteer Medical Support (headquarters)	13,601	16,761	18,217
Volunteer Recruitment and Placement	10,225	10,964	11,368
Technical Program Support	3,068	3,713	3,479
Domestic Programs	745	1,362	1,439
World-Wide Support	37,257	44,190	44,561
New Country Entries -1992	—	—	5,267
Sequestered amount - 1991	—	3,534	—
TOTAL OBLIGATIONS	165,193	166,000	200,000
OBLIGATIONS BY ACTIVITY ($000)			
Volunteer Operations	97,079	105,925	116,738
Recruitment, Communications and Development Education	12,284	13,602	14,346
Program Development and and Support	55,830	66,473	68,918
TOTAL OBLIGATIONS	165,193	166,000	200,000

PEACE CORPS OF THE UNITED STATES OF AMERICA
VOLUNTEER OPERATIONS
(In thousands of dollars)

	FY 1990 ACTUAL	FY 1991 ESTIMATE	FY 1992 ESTIMATE
PROGRAM ACTIVITY			
SELECTION	2,005	2,235	2,428
Placement	2,005	2,235	2,428
TRAINING	21,247	26,022	28,441
Pre-service Training	17,363	20,913	22,879
In-service Training	1,887	2,684	3,361
Information & Technical Resources	1,230	1,677	1,360
Staging	767	748	841
DIRECT VOLUNTEER SUPPORT	52,478	52,656	56,590
Assignment and Return Travel	8,528	8,689	9,167
Living/Leave Allowances	16,499	17,603	20,232
Special Services	1,004	1,229	1,344
Readjustment Allowances	15,145	13,841	14,978
Other	11,302	11,297	12,669
MEDICAL SUPPORT	18,292	22,406	24,516
Medical Evacuation	3,441	4,611	4,598
Medical Supplies	1,622	2,321	2,203
Volunteer FECA	6,205	7,284	8,541
Medical Services	7,024	8,190	9,174
ADMINISTRATIVE SUPPORT	3,057	2,606	2,761
Overseas Vehicles	2,577	2,061	2,225
Other	480	545	536
TOTAL VOLUNTEER OPERATIONS	97,079	105,925	116,736
REIMBURSEMENTS	3,943	4,489	5,062
PASAs	3,527	3,885	4,459
Overseas Vehicles	272	350	300
Other	144	254	303
PROGRAM FACTORS			
Trainee Input Goal 1/	3,092	3,395	3,626
Volunteer-Years 1/	5,241	5,105	5,060
Number of Staging Events	85	87	89
Number of MEDEVACS	419	396	405
Number of Vehicles Replaced	95	78	82

1/ Includes UN Volunteers.

VOLUNTEER OPERATIONS

This budget activity provides the direct assistance required to train, maintain, and support the Volunteers overseas. In 1992, the Peace Corps plans to train 3,601 new Volunteers and support approximately 5,060 Volunteer-years of service in 94 developing countries worldwide.

Selection

Placement: The technical and personal skills of applicants are carefully assessed to match the most qualified persons to the specific assignments in each host country. Applicants go through a multi-stage assessment process that includes nomination, evaluation, comparison with other qualified applicants, and finally, a match to specific assignments.

Training

Pre-Service Training: Intensive language instruction, cultural information, and technical skills enhancement to prepare Volunteers for specific assignments are provided in pre-service training. In some instances, additional technical training is provided in the United States. Stateside skill training is designed to increase the intermediate skill levels of Volunteers in the technical areas in which Peace Corps has difficulty recruiting. Examples of statoside training are programs in vegetable gardening, apiculture, and small animal husbandry.

In-Service Training: Additional skill enhancement training is conducted during the volunteer's service, to increase the job effectiveness and job satisfaction in the field. In-service training programs are flexible and are designed to respond to the needs of Volunteers as they carry out their assignments. These programs include language, cultural, and technical skill development.

Information and Technical Resources: Information Collection and Exchange (ICE) is a depository of technical materials available to assist Volunteers in their individual projects. ICE responds to an average of 3,500 Volunteer requests each year for specific technical information on subjects such as water sealed toilets, apiculture, fuel-efficient stoves, growing vegetables in the tropics, and oral rehydration.

Staging: Trainees participate in a short orientation prior to departure overseas and the beginning of pre-service training. Participants learn more about Peace Corps and its expectations, the country in which they will serve, and the position to which they are assigned. Participants are encouraged to reconsider the demands of Peace Corps service to determine whether they can make a two-year commitment.

Direct Volunteer Support

Assignment and Return Travel: This category provides for travel and transportation of Volunteers from their homes to their host countries and return at the completion of their service.

Living/Leave Allowances: Volunteers receive a living allowance that is sufficient to support them at the local standard of living. This allowance is provided in the local currency and is subject to monetary and cost-of-living fluctuations within the country. The leave allowance, currently set at $24 per month of service, permits Volunteers to travel in their host and neighboring countries to broaden their perspectives and to enhance their cultural awareness. A settling-in allowance is also provided at the beginning of service to assist with the purchase of household items.

Special Services: Funds for special services are utilized to provide Volunteers and their families with administrative, counseling, and emergency services. The Office of Special Services is the communication link between Volunteers and their families in the event of family emergencies.

Readjustment Allowances: This allowance is transferred to Volunteers at the completion of service to assist Volunteers upon their return to the United States. This allowance is expected to remain at $200 per month.

Other: Volunteers are provided with materials and supplies to be better equipped to share their technical expertise. Volunteers are provided funds to travel between staff offices and work and living sites for consultation and technical assistance, and funds are provided to enable the staff to visit Volunteers at their sites.

Medical Support

Medical Evacuation: Adequate medical facilities and care are not always available within the countries in which Volunteers serve. Four to five hundred Volunteers are transported each year to appropriate medical facilities in the United States and/or other countries for diagnosis and medical treatment.

Medical Supplies: Volunteers are furnished with medical supplies and related informational material to maintain their health and effectiveness.

Volunteer FECA: Volunteers often work in conditions that are physically demanding and difficult. Peace Corps provides as much support as possible to ensure the complete safety and care of each Volunteer. This sometimes is not enough and worker's compensation benefits, provided through the Federal Employees Compensation Act (FECA), are required following service.

Medical Services: A comprehensive preventative and curative health care program is provided in each country by a trained health practitioner -- either a physician or a nurse. The preventative program is designed to assist the Volunteers in protecting their health. This includes continuing education, site visits to detect environmental and occupational hazards, immunizations,

prophylactic treatment against endemic disease, and periodic physical examinations for early detection of disease.

Administrative Support

Overseas Vehicles: In most of the host countries, transportation is difficult and unreliable. In order to provide the physical, emotional, and technical support necessary to assist Volunteers in completing their assignments with success and in good health, staff must have reliable transportation. Since Volunteers are sometimes located in isolated areas, reliable transportation becomes crucial in emergencies.

Other: Peace Corps plans to continue to enhance overseas computer systems. These computer systems will reduce administrative workload and allow staff more time for direct support of Volunteers. Also included in this category are WATS long distance telecommunications services.

PEACE CORPS OF THE UNITED STATES OF AMERICA
RECRUITMENT, COMMUNICATIONS AND DEVELOPMENT EDUCATION
(In thousands of dollars)

	FY 1990 ACTUAL	FY 1991 ESTIMATE	FY 1992 ESTIMATE
PROGRAM ACTIVITY			
RECRUITMENT	6,220	8,729	8,960
PRIVATE SECTOR INITIATIVES 1/	745	1,362	1,439
UNITED NATIONS VOLUNTEERS	315	311	427
GSA RENTAL PAYMENTS/FIELD	980	933	1,004
PUBLIC RESPONSE	2,024	2,267	2,516
TOTAL RECRUITMENT, COMMUNICATIONS AND DEVELOPMENT EDUCATION	12,284	13,602	
PROGRAM FACTORS			
UNITED NATIONS VOLUN			
Trainee Input	19	25	25
Volunteer-Years	37	44	38
PEACE CORPS VOLUNTEE			
Applications	12,677	13,920	14,867
Nominations	6,292	6,909	7,226

1/ Now includes the World Wise Schools program. As part of a reorganization in late FY 1990, the Office of Domestic Affairs was created to consolidate all private sector initiative programs.

RECRUITMENT, COMMUNICATIONS AND DEVELOPMENT EDUCATION

Peace Corps reaches out to all Americans to share what we have learned around the world and to provide opportunities for all to volunteer. Two functions within the Recruitment, Communications and Development Education (RCDE) activity are the recruitment process for all prospective trainees and Returned Peace Corps Volunteer (RPCV) services. Public and private liaison activities, which are funded under RCDE, generate interest and funds for programs and promote the third goal objective of educating Americans about the developing world.

Recruitment

Recruitment activities create a direct link between Peace Corps and the public. Recruiters generate interest and promote Peace Corps ideals through films, seminars, campus visits, and publications. Recruiters must reach a wide audience in order to match individuals to host country needs. Potential Volunteers are found not only among recent college graduates, but among older and more experienced workers as well.

Included under recruitment activities are all development and production costs associated with advertising and promotional materials that target individuals with in-demand skills and qualifications. Print and electronic media campaigns, as well as activities that put staff and returned Volunteers in direct contact with potential applicants, are a part of Peace Corps' marketing efforts.

Private Sector Initiatives

Peace Corps collaborates with public and private organizations, institutions, and individuals to enhance development efforts through its Partners for Peace programs. Through partnerships, gifts-in-kind, development education, and university programs, outside resources are utilized and allowed to participate in our work. Through the Volunteers in Development Education (VIDE) program, newly returned Volunteers serve as community resources and share Peace Corps experiences ands ideals with local audiences throughout the country.

Peace Corps provides career, educational, and readjustment counseling to returned Volunteers. Contacts with institutions and organizations interested in returned Volunteers have been established and maintained. A bi-weekly publication highlighting career and educational opportunities and other items of interest is distributed to all recently returned Volunteers. Peace Corps works closely with the National Council of Returned Peace Corps Volunteers (NCRPCV) and with the U.S. Agency for International Development in a jointly-sponsored three-year global awareness campaign.

The World Wise Schools program was launched in 1989. Through the exchange of letters, artwork, artifacts, and other educational materials, the program plans to link every Volunteer overseas with with classrooms across the United States.

United Nations Volunteers

UN Volunteers (UNVs) are recruited from all UN member nations and serve in development projects administered by UN and host government agencies. Peace Corps supports Volunteers and contributes to the UN Development Program Special Voluntary Fund, which helps defray costs for Third World Volunteers who are not sponsored by any agencies or organizations within their own countries. In all but a few instances, Peace Corps funds only the external costs incurred in support of the volunteers we sponsor. These costs include readjustment allowances, FICA, travel to and from post, and excess baggage charges.

GSA Rental Payments/Field

RCDE funds include the rent of recruitment field offices across the country.

Public Response

The category of Public Response includes the costs incurred to respond to public inquiries to the Peace Corps as well as mailing costs associated with recruitment and public awareness efforts.

PEACE CORPS OF THE UNITED STATES OF AMERICA
PROGRAM DEVELOPMENT
AND SUPPORT
(in thousands of dollars)

PROGRAM ACTIVITY	FY 1990 ACTUAL	FY 1991 ESTIMATE	FY 1992 ESTIMATE
OVERSEAS ADMINISTRATIVE SUPPORT	31,626	38,172	41,190
Salaries and Benefits	14,910	18,636	20,854
Foreign Affairs Administrative Support	4,517	5,429	5,787
Staff Assignment Travel and Transportation	1,602	2,023	2,105
Other	10,797	12,084	12,444
DOMESTIC ADMINISTRATIVE SUPPORT	24,004	28,301	27,728
GSA Rental Payments/Headquarters	3,643	3,768	4,279
Communications	1,772	1,665	1,682
Staff FECA	207	228	353
Other	18,382	22,640	21,414
TOTAL PROGRAM DEVELOPMENT AND SUPPORT	55,630	66,473	68,918
REIMBURSEMENTS	83	100	90

PROGRAM DEVELOPMENT AND SUPPORT

Funds in this budget activity provide the overseas and Washington-based support vital to the success of Peace Corps programs worldwide.

Overseas Administrative Support

Salaries and Benefits: Peace Corps overseas staff are responsible for developing and implementing Volunteer programs. They must work closely with host country authorities and Peace Corps Headquarters in order to provide programs that meet the needs of the host country. The staff designs and administers in-country training programs for Volunteers, makes periodic site visits to monitor progress and offer technical guidance, and ensures that Volunteers receive allowances, housing, supplies, and equipment. Staff members are also responsible for ensuring that counseling and health care services are provided when needed.

Foreign Affairs Administrative Support (FAAS): This category reflects Peace Corps' reimbursements to the Department of State for administrative services provided under the FAAS system. Services utilized by Peace Corps posts include Foreign Service National (FSN) personnel, budget and fiscal services, use of diplomatic pouch, customs clearance assistance, local wage administration, and other general administrative services. The use of the FAAS system allows Peace Corps to make the most effective use of its limited overseas staff.

Staff Assignment and Travel and Transportation: Funding requested in this category will provide funds for overseas staff assignment travel, and shipment and storage of staff household effects.

Other: Other overseas support costs include residential and non-residential rents and utilities; telephone, telex, and other communication costs; maintenance and repair of equipment, vehicles, and property; other contractual services, including U.S. and foreign national personal services contractors; dependent education travel; home leave travel; in-country and international travel and transportation of things; and other items such as purchase of supplies, equipment, and printing and reproduction services.

Domestic Administrative Support

GSA Rental Payments/Headquarters: Peace Corps completed its Headquarters move in 1989. Estimates for 1991 and 1992 are based on GSA's Public Buildings Services budget estimates.

Communications: Covers funding for FTS and other telecommunications services.

Staff FECA: Includes Worker's Compensation payments to the Department of Labor for Peace Corps staff.

Other: Other domestic administrative support includes policy guidance and coordination of direct day-to-day support by regional headquarters staff to overseas programs. All Headquarters staff functions, such as legal counsel, administrative services, congressional and public affairs activities, financial management, audit and investigations, ADP support, and personnel are included.

In addition to the general administrative support functions listed above, providing for technical assistance and training is essential to the success of Volunteers in the field. The Office of Training and Program Support provides this assistance through a staff of program specialists who advise on agriculture, health, education, and other areas of programming and training. This office has also created a system of information collection and exchange that prepares technical materials and manuals for distribution to Volunteers.

SUB-SAHARAN AFRICAN COUNTRIES

OVERVIEW

Regional Development Needs

In spite of the detrimental impact political and economic crises have had on the development priorities in Sub-Saharan Africa during the year 1991, the Africa Region will continue its Volunteer efforts in 1992 to address the basic development needs of local citizens in thirty-three (33) countries. Population growth, agricultural shortfalls, rural to urban flight, "brain drain" and environmental degradation, respectively, do not call a truce during even the most pernicious of political conflicts. In actuality, such development problems take on a crisis proportion during civil unrest and increase the demand for Peace Corps' grassroots assistance.

Program Strategy

The programmatic goals of Peace Corps' Africa Region are diverse but inter-related.

First, the Region will continue its 1991 project focus on the crisis areas of food self-sufficiency, environmental protection, and income generation/employment. Since Sub-Saharan Africa's population is expanding by 3% a year, it is evident that the 1987 population of 482.5 million will be 729 million by the year 2000 - almost a doubling of mouths to feed, minds to educate, and people to employ (1). Concomitant with this phanomenon is the fact that only 10 Sub-Saharan countries showed an increase in food production from 1973 -1984. In addition, of all low-income developing countries, this part of the world showed the least increase in gross national product (GNP). There was an increase of only 1% between 1982 and 1988 compared to 5% from 1965-1973 (2). Peace Corps' mission in Sub-Saharan Africa is even more imperative given the additional fact that 22 of our 30 countries in 1990 had a GNP per capita of only $480 or less per year (3). That Sub-Saharan Africa is slipping down the road of development rather than climbing up poses numerous challenges to development agencies, as a whole, and to Peace Corps, specifically.

In response to these development needs, the Africa Region plans to continue its integrated, project-based approach of the 80s into the 90s. Our second goal, therefore, is to enhance the integrated project development skills of Peace Corps staff, Volunteers, and host country nationals. This programming strategy can better assist host-country beneficiaries and counterparts in combatting numerous problems in a focused, inter-related manner by linking what is done in agriculture (seed research) to what is done in education (school gardens) and to what is done in the home (nutrition education). In

1) Africa, South of the Sahara: 1989. Europa Publications Limited - 18 Edition. London, 1989, pg.26
2) World Development Report 1989: Financial Systems Development. World Bank. London, 1989. p.7.
3)Ibid,p.7.

better addressing the interrelated needs of countries, more focused projects can have greater impact on the numerous Sub-Saharan Africa development problems.

In summary, we are acutely aware of the dilemmas facing Sub-Saharan Africa in meeting multiple development needs with meager resources. Consequently, we consider the three programming sectors of food self-sufficiency, environmental protection and income generation as directly linked to our additional sectors of education, health/water and sanitation, and urban development so that we can address needs in an integrated and focused manner. Our commitment to Sub-Saharan Africa in 1992 is stronger than ever in this time of economic and political duress.

Following are summaries of how we will implement our goals in each of the programming sectors: agriculture, environment, small-business, education, health and urban development. In addition is a detailed description of our Africa Small-business Assistance Program (ASAP).

Agriculture/Food Self-Sufficiency

The Africa Food Systems Initiative (AFSI) is still functioning in six (6) countries: The Gambia, Lesotho, Mali, Niger, Senegal and Zaire.

Promoting inter-sectorial projects by Volunteers and host-country nationals, the AFSI strategy exemplifies the Region's approach to integrated programming. Through teams of Volunteers representing various sectors which address food systems' development, the AFSI strategy utilizes local groups in assessing community needs. In Mali, for example, there are over 40 teams of forestry, agriculture, water and sanitation Volunteers, and they have been joined by small-business and school ruralization Volunteers in a concerted effort to assist local development committees in solving their own community problems.

Such a strategy is also taking place in non-AFSI posts such as in Cameroon where fish farmers are assisted by Volunteers in developing marketing and income-generation skills. In Burundi, 20 Volunteers in 1991 will be helping fish farmers and agents integrate projects.

Environmental Protection

While the incidence of Sub-Saharan drought has lessened in the last 5 years, the ramifications of that devastating period have been aggravated by continuous misuse of land and the depopulation of numerous species of flora and fauna. Integrating our agriculture projects with our environmental ones has strengthened both sectors' activities in response to these dilemmas. For example, in Mauritania, Volunteers continue to combine desertification prevention efforts with agroforestry. In Cote d'Ivoire, Volunteers will begin working in 1992 on an Environmental Management Project in which community development generalists will be coordinating activities with water and sanitation specialists.

Small Business Development

Volunteers in small-business projects work very well through the integrated approach proposed by the Africa region. Mali Volunteers attached to the Chamber of Commerce work with many different kinds of businesswomen and men: textile retailers, farmers,

and restaurant owners. In Guinea, a revolving loan project assists many of the same kind of people. Throughout the Africa Region by 1992, there will be double the amount of Volunteers whose secondary activities in small-business will support their primary activities, particularly in agriculture, environment and education. Almost every post has implemented this new approach to support local, small-business projects.

Specifically, the Africa Region has a ten-year special assistance program entitled the African Small-business Assistance Program (ASAP) which is described in detail as follows:

African Small Business Assistance Program

ASAP began in 1986 in response to requests from the Field and ever-growing recognition by African countries and the international development community that in low-income countries the independent and informal small-business sector holds great potential for employment, economic growth and development. The program ties directly into the priority initiatives of Peace Corps and attempts to address the overriding issues concerning income- and employment-generating opportunities for Africa's rapidly expanding population, especially its youth and women.

ASAP emphasizes the special needs of small businesses and micro-enterprises at the grass roots level. Peace Corps Volunteers with small-business skills provide technical assistance that includes the preparation of business plans; facilitation of access to credit; skill development in numeracy, bookkeeping, accounting, marketing, business and entrepreneurship training; and the production of goods and services at acceptable costs and competitive prices. Where and when possible, special attention is directed to the pivotal role of women in the informal sector, in both rural and urban areas.

Following are country-by-country activities in this important initiative:

Ghana

A project design was completed in December, 1989. The Small Business Development (SBD) program has just recently been initiated and there are now 5 PCVs working with 5 different Private Voluntary Organizations (PVOs) in related SBD assignments. A Micro-Enterprise Development Program/Participating Agency Service Agreement Pre-Service Training design and a preliminary program plan for technical assistance was completed prior to the arrival of these Volunteers in country. The Peace Corps/Ghana SBD project is expected to expand Volunteer participation to 10 during FY92, and will receive funding support from the AID mission there.

Guinea

A project design for the implementation of a revolving loan fund project was completed in 1988. The project itself became operational in the same year and since June 1989 has provided credit in the form of small loans to grass roots level small business entrepreneurs. Funding for the credit was provided through a $60,000 grant (later increased by $30,000) from a U.S. business executive. The entire project as well as the funds are managed by five independent local citizens committees established in five geographically distinct locations. The 5 PCVs assigned

to these sites provide technical assistance and advice to the local management committee and borrowers.

A recent evaluation of the project indicates high Volunteer and project beneficiary satisfaction. Overall response to the project at all levels has been very favorable. The Volunteers and the management committees have done a remarkable job of making their revolving funds operative, of sensitizing their local communities to their seriousness of purpose, and of extending and following up the loans.

The revolving funds in the four sites evaluated (the fifth site was of recent creation) had extended a total of 158 loans by the end of September 1990. The loans have a repayment rate of between 85 to 90 per cent, and there have been few defaults. In general, the loans have provided working capital that makes it possible for artisans to produce in advance of specific orders, thereby permitting production on a full-time basis, raising incomes and keeping the artisans and their apprentices more fully employed.

Senegal

An SBD project is just beginning in Senegal. A needs assessment was completed in December, 1989, and was followed in June, 1990 by a fully developed project design. Presently there are 23 Volunteers assigned to a community development project actively working in small business related activities with cooperatives in rural areas. Six Volunteers just completed training and were sworn in as SBD Trainers near the close of calendar year 1990, in accordance with the program established in the SBD project design.

Lesotho

The SBD project in Lesotho is relatively new. The combined ASAP- and PASA-funded needs assessment and project design consultancies were completed in February and June of 1990, respectively. Peace Corps Lesotho is presently working on finalizing and implementing the institutional arrangements and operational aspects of the project plan. One PCV is presently assisting local organizations identify appropriate institutional support activities. An assessment visit was conducted in late September to identify specific training and further programming needs.

Malawi

The small business development needs assessment and project design consultancies are scheduled for late second quarter and early third quarter of FY91, respectively. All SBD programming decisions will be contingent upon the final results and recommendations of these two consultancies. While this is a new initiative for PC/Malawi, PCVs assigned to other sectors have been working in small business related activities for several years. The Malawi Union of Savings and Credit cooperatives has had the support of two generations of PCVs in its efforts to establish and develop savings and credit cooperatives. In that period over 120 credit and savings cooperatives have been created and are currently operating. The Development of Malawi Traders Trust projects

will use Volunteers as business advisors for both staff and client entrepreneurs.

Togo

A needs assessment was completed in May 1990. The follow-up project design is scheduled for completion by end of February 1991. The number, timing and placement of SBD Volunteers will be determined by the project design. SBD will be a new Peace Corps Togo programming initiative.

Sierra Leone

A needs assessment consultancy was completed on December 14, 1990. This will be followed by a project design consultancy scheduled for early February 1991.

Swaziland

The ASAP PASA needs assessment consultancy for PC/Swaziland will begin by early February 1991. It is expected that the project design will be completed by the end of April 1991. It is Peace Corps Swaziland's intention to assess the possibility of combining both programming initiatives under an umbrella urban development program. The Mbabane USAID mission is expected to provide close collaboration in funding and technical support for this very ambitious PC/Swaziland program initiative.

Education

Education will continue to be our largest (approximately 30% of all requests), and our most diversified sector in 1992. Projects span all the academic topics possible but cluster around the sciences, math and vocational education. Most Peace Corps teachers combine direct-teaching services with in-service training of counterpart teachers as well as with local or national curriculum development. Togo, Namibia, Rwanda, Gabon, Central Africa Republic, Lesotho, Sierra Leone and Benin focus on education assistance. In Central Africa Republic, Volunteers are working on a school gardens project in which school children learn about nutrition and small-plot gardening skills in order to share those skills with their parents and communities at large.

Health

The Africa Region is very proud of its ongoing collaboration with USAID's Combatting Childhood Diseases/Child Survival Program (CCCD/CS). In 1992 Volunteers in Cameroon, Central African Republic, and Togo will participate in this program. In the Central African Republic, school health Volunteers will be teaming up with agriculture Volunteers in servicing the needs of both school children and their parents in improving nutritional intake. In addition, many Volunteers will be working on USAID's and UNICEF's Guinea Worm activities, connecting sanitation with health education in working to eradicate this debilitating disease. For example, Togo's very successful Child Survival program has now developed an adjunct project which will assist the government of Togo in its national Guinea worm eradication efforts.

Urban Development

In recognition of the tremendous influx of rural migrants to the urban areas, Sub-Saharan urban activities will increase in 1992. Many urban-placed Volunteers will conduct secondary activities aimed at relieving the unemployment, sanitation and educational needs of overpopulated areas within the urban sprawls surrounding capitals or large towns. Here, every effort will be made to integrate various projects. For example, urban placed education Volunteers in Lesotho will work with agriculture Volunteers on community garden projects. Swaziland urban planners will directly assist in the planning of market towns where small-business Volunteers will be consulting with new entrepreneurs.

TRAINEE INPUT, VOLUNTEER YEARS, PROGRAM FUNDING AND FTE LEVELS FOR THE AFRICA REGION

AFRICA	Trainees FY 1990	Trainees FY 1991	Trainees FY 1992	V-Years FY 1990	V-Years FY 1991	V-Years FY 1992	Program Funds FY 1990	Program Funds FY 1991	Program Funds FY 1992	FTE FY 1990	FTE FY 1991	FTE FY 1992
Benin	37	38	38	59.5	76.6	59.7	1451.7	1573.2	1655.8	5.6	5.9	6.0
Botswana	140	88	91	218.6	232.2	182.8	3224.3	3461.5	3198.4	10.2	9.2	9.0
Burundi	17	16	17	29.2	32.2	28.5	830.0	882.5	850.6	3.6	3.0	4.0
Cameroon	87	99	102	143.9	140.1	146.7	3337.8	3691.8	3854.3	10.5	11.0	11.0
CAR	47	55	55	92.5	90.9	94.7	2353.2	2305.5	2340.6	6.9	6.9	7.0
Chad	27	26	26	20.3	36.2	44.2	1084.1	1366.6	1517.9	4.4	4.6	5.0
Congo	0	15	15	0.0	4.9	11.4	49.4	579.5	638.6	0.0	2.1	2.0
Cote D'Iv.	15	30	30	0.0	12.7	31.1	493.0	882.4	1223.6	0.0	2.8	3.0
Eq.Guinea	12	18	18	6.6	13.9	23.7	426.2	601.2	640.4	1.0	1.6	2.0
Gabon	61	58	58	68.8	86.3	88.7	2340.3	2459.9	2464.1	7.2	7.2	7.0
Gambia	32	34	34	52.9	49.4	48.2	1012.2	1011.0	1030.3	6.0	6.1	6.0
Ghana	45	58	58	86.1	72.7	79.6	1647.2	1594.3	1941.6	9.1	9.6	9.0
Guinea	21	33	33	35.6	25.3	43.1	973.1	1072.6	1252.1	5.6	4.9	5.0
G-Bissau/C.Verde	34	34	34	17.3	25.5	45.9	1136.5	1335.2	1661.7	4.2	5.5	6.0
Kenya	76	86	86	167.3	142.4	145.5	2634.1	2508.4	2416.3	14.6	11.8	11.0
Liberia	39		0	61.5			1897.2			7.3		
Lesotho	62	61	61	100.6	104.1	103.7	1634.3	1779.6	1749.1	6.3	6.9	7.0
Malawi	58	63	69	122.9	120.1	115.1	1597.1	1601.9	1026.7	6.1	5.9	6.0
Mali	79	66	66	151.6	144.8	147.2	3537.0	3731.9	3664.3	9.2	9.1	9.0
Mauritania	29	47	47	52.3	27.6	63.2	1553.1	1539.9	2034.7	7.1	6.5	5.7
Namibia	15	45	45	1.3	28.6	56.5	259.9	944.6	1590.0	0.0	2.2	3.0
Niger	69	60	60	135.5	133.6	135	3033.9	3376.3	3478.6	9.5	9.9	9.8
Nigeria	0	15	15	0.0	2.3	11.4	0.0	436.2	803.6	0.0	0.8	1.0
Rwanda	15	19	19	16.5	23.1	25.2	639.7	667.7	611.5	2.9	2.1	2.0
Sao Tome & P.	6	11	11	0.4	5.4	11.7	209.5	341.9	416.0	0.0	0.9	1.0
Senegal	47	62	62	95.5	91.4	101.2	2326.0	2388.4	2541.6	11.0	11.0	10.7
Sierra Leone	46	64	64	109.3	97.0	101.7	2068.0	2056.1	2165.2	13.0	12.0	11.6
Swaziland	37	36	36	82.6	75.4	60.1	1363.6	1341.4	1345.2	6.6	6.1	6.0
Tanzania	25	0	26	55.9	15.0	1.2	1289.9	834.5	1093.7	5.0	3.9	3.0
Togo	49	75	75	64.2	72.5	99.7	2459.2	2536.6	2442.2	8.7	7.9	7.9
Uganda	0	15	15	0.0	2.3	12.4	24.6	559.8	643.6	0.0	2.0	2.0
Zaire	69	79	79	162.5	160.4	152.4	3045.6	3083.6	3245.2	13.5	13.7	13.0
Zimbabwe	0	20	20	0.0	2.3	12.4	0.0	525.4	630.9	0.0	0.6	2.0
Total	*1,299*	*1,472*	*1,513*	*2,255.0*	*2,147.4*	*2,283.9*	*49,931.7*	*53,273.7*	*57,212.5*	*195.3*	*195.9*	*195.9*

BENIN

Population: 4,593,000
Annual Per Capita Income: $370
Number of years Peace Corps in Country: 24

Peace Corps Country History:

Peace Corps signed a country agreement with the Government of Benin in 1967. Twenty-nine Volunteers arrived in 1968 to assist the Ministry of Agriculture in the areas of grain storage, animal husbandry and market gardening. To date, nearly 700 Volunteers have served in Benin.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	37	38	38
Volunteer Years	59	77	60
Funding ($000)			
Appropriated	1452	1573	1656
Host Country Contributions	37	37	38

Host Country/Peace Corps FY 1992 Initiatives:

The Government of Benin's new democratic initiatives have enhanced the opportunity for increased cooperation between the people of Benin and Peace Corps. In response to the Government's development goals, Peace Corps' programming efforts will focus on income generation for the rural poor; eradication of dracunculiasis (guinea worm); environmental protection; and food security in areas most vulnerable to the economic effects of the International Monetary Fund's (IMF) structural readjustment program. At the Government's request, Peace Corps is also exploring the possibility of initiating a small business development project in 1992.

Peace Corps Program by Sector:

Sector	Trainee Input FY91	Trainee Input FY92	Description
Community Development	18	7	Under the auspices of the Ministry of Social Affairs, Volunteers organize a variety of small enterprise and agricultural projects, provide health care services to women and children, and assist the handicapped and others with income generation activities.
Education	11	17	Volunteers teach technical English at the National University of Benin, agriculture at technical schools, and math and physics at the secondary level.

Environment	1	10	Volunteers work in the Sahel areas of Benin's two northern provinces to prevent deforestation, control soil erosion, and promote reforestation. Two additional Volunteers provide technical expertise on natural resource preservation and conduct forestry research in southern Benin.
Health	8	4	In collaboration with UNICEF, the U.S. Agency for International Development and the Government of Benin, Volunteers train local villagers in techniques to eradicate guinea worm from their village water sources. The goal of the project is to eliminate this debilitating disease from the entire country within ten years.

Program Highlights & Accomplishments:

Peace Corps Benin launched a unique food security project this year in collaboration with the World Bank and volunteer organizations from France, Germany and Canada. This two-year pilot project promotes income generation, small animal husbandry, gardening and cooperative development activities in the most poverty-stricken areas of the country.

In the environmental sector, ten new Volunteers were recently placed in villages throughout northern Benin which has been hard hit by desertification and over-cropping. In cooperation with the Ministry of Water, Forests and Hunting and the United Nations Sahelian Organization, Volunteers are working with rural villages to help reverse the course of environmental degradation.

A "Friends of Benin" organization was also established this year with enthusiastic support from former and current Peace Corps Volunteers and Beninese government representatives living in the United States. The aim of this group is to generate new ideas for cultural exchange, cooperation and project support.

Outlook:

The recent establishment of a democratic form of government in Benin has dramatically increased requests for development assistance from the United States. Peace Corps Benin routinely receives more requests for Volunteers than it is capable of furnishing; however, in looking to the future, Peace Corps would like to expand its participation in the food security and small enterprise development sectors.

BOTSWANA

Population: 1,217,000
Annual Per Capita Income: $940
Number of years Peace Corps in Country: 24

Peace Corps Country History:

Peace Corps Botswana came into being the same year that Botswana gained independence (1966). The original invitation from the Government of Botswana (GOB) set the early parameters for the strong relationship of mutual respect enjoyed today by the GOB and Peace Corps. In the 24 years since Botswana's political independence Peace Corps has provided technical assistance in a wide variety of fields. The fields include health, secondary education, teacher training, vocational training, non-formal education, small business promotions, agriculture, fisheries, entomology research, drought relief, natural resources, wildlife management, journalism, art and handicrafts, horticulture, banking and finance, computer programming and rural industries.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	140	88	91
Volunteer Years	219	232	183
Funding ($000)			
Appropriated	3324	3462	3198
Host Country Contributions	278	300	312

Host Country/Peace Corps FY 1992 Initiatives:

The largest Peace Corps project in Botswana is in education. The next year will see a rapid expansion of programs in Community Junior Secondary Schools. Programs in Small Enterprise Development and Vocational Training will also be developed to meet a Government of Botswana identified need to create new jobs in the private sector.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	3	10	Volunteers work with counterparts in developing, implementing and evaluating the Ministry of Agriculture food production goals, and with rural farmers to teach improved methods of planting, sowing, harvesting and storage of agricultural produce.

Education	55	53	Botswana has pledged to provide universal access to secondary education by 1991. The Education Program has provided classroom teachers, teacher trainers, course development officers, In-Service Education Officers and computer programmers as needed by the Ministry of Education.
Environment	4	9	Volunteers work with counterparts to train new Wildlife Department personnel in wildlife management, botany, ecology and range management. Volunteers skilled in forestry conduct forestry workshops for staff and villagers on how to establish nurseries.
Health	12	7	Health Volunteers work with counterparts in five National Health Institutes teaching nursing skills to nurse trainees. The trainees will go on to work in the health delivery system in all areas of Botswana.
Small Business	14	12	Volunteers work with business people in an individualized manner to enable them to solve problems and to make higher profits. The participation of women in business development is an area of special interest with this program.

Program Highlights & Accomplishments:

In addition to their primary assignment, Volunteers assigned to the remote Okavango Delta as teachers used all possible resources to assist in building and stocking a poultry unit at the school and for the small village of Seronga. The poultry unit provided the first dependable supply of eggs in the area.

Outlook:

Support from the Government of Botswana is expected to continue to be strong and the Peace Corps programming will continue to reflect priorities established in the national Development Plan. There will be small reductions in the number of Volunteer teachers and an increasing emphasis on the other program sectors of Small Business Development, Vocational Training, Natural Resource/Conservation and Health.

BURUNDI

Population: 5,299,000
Annual Per Capita Income: $240
Number of years Peace Corps in Country: 8

Peace Corps Country History:

The first Volunteer began work in a Burundi cattle tick control program in July 1983. Eleven Volunteers joined him in September 1983. Since its beginning, Peace Corps has worked closely with the Government of Burundi (GOB) to establish programs responsive to the needs and priorities of the government. Thirty-five Volunteers are currently working in education, forestry, wildlife conservation, marketing and inland fisheries.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	17	16	17
Volunteer Years	29	32	29
Funding ($000)			
Appropriated	830	883	851
Host Country Contributions	16	17	18

Host Country/Peace Corps FY 1992 Initiatives:
A joint Peace Corps/FAO project, launched in 1991 to train fisheries extension agents, will augment the effectiveness of the inland fisheries project by providing trained counterparts to Volunteers. This joint initiative will enable Peace Corps Burundi to expand project activities over a greater geographical area in Burundi and complements the current joint Peace Corps/Catholic Relief Service project which sponsors seminars for project fish farmers.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	6	7	Volunteers work as extension agents, teaching local fish farmers improved techniques for pond construction, management, and harvesting.
Environment	4	4	Volunteers are working in conjunction with the National Institute for the Environment and Nature Conservation to establish a management plan for Burundi's parks. They are also creating a structure for tourism by training park rangers, developing park conservation education, and conducting inventories of the flora and fauna.

Small Business	6	6	In this field, Volunteers work as small business advisers to rural women's groups that are involved in profit making ventures. Also, Volunteers provide training to small-scale entrepreneurs in order to increase the number of small businesses.

Program Highlights & Accomplishments:

Prior to 1991, Peace Corps Burundi trained its Volunteers in French, the official language. Recognizing that Volunteers needed to be proficient in both the official and national language, Kirundi, Peace Corps Burundi held a two week local language workshop for all the Volunteers. They then incorporated local language training into the ten week pre-service training so that the new Volunteers would have a strong base in Kirundi prior to beginning their service.

Peace Corps Burundi initiated a new project which targeted women's small business enterprises. The project focuses on small business ventures in the areas of farming, animal husbandry, construction and food service.

Outlook:

Peace Corps Burundi will maintain the number of Volunteers at about thirty. Peace Corps will continue to explore new project possibilities in the area of women in development and expand already existing women's projects. Peace Corps Burundi will conclude its work in the national Parks in the end of 1992 having trained Burundian managers and staff for five parks. Finally, Peace Corps Burundi will expand the geographical area in which the fisheries Volunteers work, increasing the numbers of trained host country fish farmers, while collaborating with other organizations working in the same field.

CAMEROON

Population: 11,554,000
Annual Per Capita Income: $1,000
Number of years Peace Corps in Country: 29

Peace Corps Country History:

The program began in 1962 with twenty Volunteers posted in the English-speaking region of Cameroon. Peace Corps' original emphasis was in the education and rural development sectors. Twenty-eight years later, Peace Corps has diversified into a wide range of activities, working in both the English and French-speaking regions of the country.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	67	99	102
Volunteer Years	144	140	147
Funding ($000)			
Appropriated	3338	3692	3854
Host Country Contributions	441	485	504

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Cameroon is responding to the priorities stated in the Government of Cameroon's structural readjustment plan (SAP) with two new initiatives in the agricultural and rural development sectors. The Ministry of Agriculture has requested support for a long-term agroforestry program. Peace Corps will continue in 1992 to work with the U.S. Agency for International Development(USAID) on a ten-year agroforestry project designed to increase the availability of food, firewood and construction materials through the utilization of agroforestry technology. This project will simultaneously increase soil regeneration and income at the local level.

Another SAP priority is the liberalization and privatization of agricultural marketing. Peace Corps will collaborate with USAID in the Program of Reform in Agricultural Marketing. Volunteers will work in villages with marketing cooperatives providing training and guidance to cooperative members.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	10	13	Volunteers in fisheries promote public interest in fish culture, expand areas for fish cultivation, and teach farmers better pond management techniques.

Education	40	45	Volunteers teach math, physics, biology, chemistry and English in secondary schools and vocational education at technical training schools. Volunteers also provide primary school teacher training at local institutions.
Environment	12	15	Agroforestry, reforestation, conservation and environmental education activities are undertaken by Volunteers in conjunction with counterparts.
Health	10	11	Volunteers work in conjunction with USAID and the Ministry of Health to strengthen the health care delivery system. Volunteers focus on maternal and child health, emphasizing malaria control, immunizations, oral rehydration therapy, growth monitoring, and nutrition.
Small Business	11	5	Volunteers provide on-the-job training in budgeting, accounting, and cooperative principles to cooperative managers to implement the country's new cooperative structure.
Urban Dev.	14	13	Volunteers assist in mobilizing communities to improve bridges and roads, and train female community development extension workers and village leaders in the principles of community development.

Program Highlights & Accomplishments:

Primary school teacher trainers performed teacher training workshops and in-service training activities in over 40 schools in 1991. The purpose of the training was to upgrade the skills of new and current primary school teachers.

Fifty-five Volunteer secondary school mathematics and science teachers taught these subjects to approximately 15,000 Cameroonian students in the academic year 1990/91 in an attempt to improve the quality of math and science education in Cameroon.

In 1990, fisheries Volunteers gave approximately 80 village presentations in intensive fish culture. For these presentations, they assessed over 300 farmer contacts, selecting 2 or 3 farmers to carry out pond construction. Ten farmers completed ponds in 1990. In an effort to promote public interest in fish culture, Volunteers also held three 3-day farmer seminars to reinforce project standards and techniques in intensive fish culture.

Outlook:

Peace Corps Cameroon looks forward to continuing development of the agroforestry and cooperatives programs. Programs will continue to be developed in conjunction with the Government of Cameroon and other development assistance agencies.

CAPE VERDE

Population: 369,000
Annual Per Capita Income: $680
Number of years Peace Corps in Country: 3

Peace Corps Country History:

In 1987 the Government of Cape Verde (GOCV) made its first request for Peace Corps Volunteers to support selected sectors of the national development plan.

Since October 1988, Volunteers have been working to improve the life of both rural and urban populations through activities in urban planning, agriculture, health, and education.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	15	15	17
Volunteer Years	6	10	20
Funding ($000)			
Appropriated	398	531	738
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps will continue to assist the GOCV in the areas of agriculture training and extension, health education, urban planning, English teaching and teacher training. The GOCV has shown an interest in projects in forestry and youth development and Peace Corps and the GOCV have begun preliminary planning in these areas.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	4	5	Volunteers work with Cape Verdean counterparts to teach the importance of crop diversification as a means to improve crop yield and soil conservation. They also train local extension agents in modern gardening, crop protection, and farm management techniques and assist families in establishing vegetable gardens.
Education	4	5	Volunteers teach English in secondary schools and assist Cape Verdean English teachers through in-service and summer training programs that focus on teaching methodology, improved English teaching techniques, and teaching materials development.

Health	2	3	Volunteers serve as Health Extension workers to improve local diet, pre- and post-natal care, monitoring of infant development, and general environmental sanitation. They offer technical support to local agricultural extension Volunteers in nutrition, women and infant care, and primary health care.
Urban Development	5	4	Volunteers in water and sanitation services and small business development work closely with the Ministry of Local Administration to improve the quality of life in the unplanned neighborhoods of the two largest cities in Cape Verde, Praia and Mindelo.

Program Highlights & Accomplishments:

Urban Development Volunteers helped to produce plans for the development of commons and roads in one urban neighborhood and produced plans for street lights in another. Volunteers worked in a self-help housing construction project that was able to provide 100 homes with roofs. Volunteers have trained carpenters in business management and have helped the carpenters' cooperative to gain official government recognition

Education Volunteers organized and conducted a twelve day national English teachers' conference for approximately 50 teachers and ministerial officials and organized 10 in-service workshops for 30 others.

Agriculture Volunteers conducted demonstrations for over 100 farmers in planting a variety of crops including kidney beans, potatoes, onions, cabbage, peppers, and carrots.

Health Volunteers identified cases of malnutrition or underdevelopment among approximately 150 infants per week at one regional hospital and 200 infants per week in one hospital's outlying district, showing the importance of nutrition, infant care counselling and follow-up.

Outlook:

The future of Peace Corps in Cape Verde is very promising. The government's evaluation and appreciation of Volunteers after a short period is quite positive as relationships with ministries continue to solidify. As the Peace Corps program in Cape Verde moves beyond its start-up phase, future Volunteers can expect to encounter not only a well-planned, organized and applicable training program, but also realistic, defined jobs which have been coordinated with host country ministries and needs.

CENTRAL AFRICAN REPUBLIC

Population: 2,951,000
Annual Per Capita Income: $370
Number of years Peace Corps in Country: 19

Peace Corps Country History:

Peace Corps began working in the Central African Republic (CAR) in 1972. Volunteers worked primarily in education in the early years, but since that time programming has expanded into additional sectors. Currently, Volunteers serve in agriculture, health, education, and environment projects.

Peace Corps' programming efforts have paralleled the priorities of the CAR government. Education and rural development projects have continued, and Volunteers have been working since 1986 in the U.S. Agency for International Development's Combatting Childhood Communicable Diseases (CCCD) project funded by the Centers for Disease Control. Peace Corps increased programming in the agriculture sector in 1989 when CAR was selected as one of the target countries for Peace Corps' Africa Food Systems Initiative (AFSI). AFSI promoted integrated programming in all phases of food production.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	47	55	55
Volunteer Years	93	91	95
Funding ($000)			
Appropriated	2353	2306	2341
Host Country Contributions	59	61	63

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps' focus will be to help the government in its decentralization efforts through the Integrated Rural Development initiative, which is an outgrowth of the Africa Food Systems Initiative. In addition to their primary tasks in health, education, and agriculture, Volunteers will be trained to assist in the formation of village development committees which exercise local autonomy in selection and execution of small projects.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	9	11	Volunteers serve as extension agents, teaching primary school teachers how to improve gardening techniques and helping coordinate nutrition education lessons.

Education	17	19	Volunteers fill the need for well-trained, qualified teachers in the education system. They teach biology and math at the secondary level. Two Volunteers train English teachers at the national teachers' college.
Environment	5	8	Working as food crops/agroforestry extension agents, Volunteers provide technical assistance to farmers, emphasizing sustainable farming techniques, food crops, and tree planting. In the Dzanga-Sangha forest reserve project, two third-year Volunteers help identify river fish and forest product resources, while two others work in conservation education.
Health	24	17	Volunteers assist with the implementation and supervision of child survival programs, and train primary school teachers in the areas of basic health, health education methodology, and management of small preventive health projects.

Program Highlights & Accomplishments:

CAR was the first country to invite Peace Corps Volunteers to assist in its national AIDS program. As Peace Corps - CAR collaboration on AIDS continues to expand, an increasing number of Volunteers are involved in training community health workers and organizing World AIDS Day activities. Volunteers are working on a project with the National Women's Office that assists high-risk women by offering AIDS-prevention education as well as small business training.

Another important collaboration brings together the development skills of Peace Corps with the environmental protection strategies of the World Wide Fund for Nature (WWF) in a project aimed at protecting the Dzanga-Sangha dense forest reserve, where a national park has just been created. WWF staff work with Volunteers to protect the wildlife and the forest while assuring the livelihood of the people who depend economically on the forest. The goal of the project is to create a vested self-interest on the part of the local population while preserving the unique biological diversity of the reserve.

Outlook:

Peace Corps will maintain the current level of Volunteers in the Central African Republic, and continue to combine primary project responsibilities with efforts to assist the development of effective village-level community structures through the Integrated Rural Development Initiative.

CHAD

Population: 5,537,000
Annual Per Capita Income: $180
Number of years Peace Corps in Country: 17

Peace Corps Country History:

Chad received its first Volunteers in 1966 and benefitted from 13 years of assistance in the areas of education, wells construction, and forestry. In 1979 Peace Corps was forced to withdraw from Chad because of the tenuous political situation resulting from civil strife. Over the next eight years the assistance that Peace Corps had given the country was not forgotten by the Chadians. As a result, Volunteers were invited back into Chad in 1987.

Since returning to Chad, Peace Corps has concentrated primarily in the education sector, although recent additions have been made to the program in the area of forestry and water management. Peace Corps plans to maintain and expand the TEFL and water resource projects, while also bringing in Volunteers for a new secondary math project.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	27	28	28
Volunteer Years	20	36	44
Funding ($000)			
Appropriated	1084	1367	1518
Host Country Contributions	25	25	26

Host Country/Peace Corps FY 1992 Initiatives:

Due to the years of drought and serious political strife, Chad is faced with tremendous stumbling blocks to its development. Peace Corps will begin to address the pressing needs of Chad by broadening the scope of its community development projects to include health activities. Collaboration in the Agency for International Development's Child Survival project is due to begin in FY92.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	18	14	Volunteers teach English in secondary schools and at the university. As the program progresses, a greater emphasis will be placed on teacher training. In 1991 Peace Corps will also assign eight math education Volunteers to teach at the junior high school level.

Health	10	11	The water management project assists a team of technicians in organizing, installing, and repairing small bore water wells in regions throughout the country. While promoting hand-dug wells, machine bored wells, and improving traditional "shadoofs" (water-lifting device), the Volunteers work as community development workers and help organize village committees to address local needs.
Small Business	0	3	There are plans to promote small businesses and cooperatives at both the urban and rural levels.

Program Highlights & Accomplishments:

Five Volunteers have established and/or improved the effectiveness of 30-40 village hand-pump committees. Volunteers have improved over 25 traditional wells at eight project sites.

English teachers are continuing their activities in the area of teacher training as well as classroom teaching. In this past year three teachers successfully conducted in-service trainings at their schools. Fifteen Volunteers have been working with their Chadian counterparts to produce an English teachers' curriculum. At the university level, Volunteers organized an English club, English Department Library, and started a weekly United States Information Service (USIS) film series in English.

In 1991 Peace Corps completed its first pre-service training conducted entirely in country since returning to Chad in 1987.

Outlook:

Since Peace Corps re-established its program in 1987, efforts continue to be made to develop viable projects that can have the greatest long-term positive impact on the lives of the Chadian population. To this end, Peace Corps will begin to shift some of its focus from formal education to rural development projects with an increasing emphasis in health. Plans are also in place to pilot a small enterprise development project in FY92.

CONGO

Population: 2,208,000
Annual Per Capita Income: 900
Number of years Peace Corps in Country: 1

Peace Corps Country History:

Peace Corps originally planned to enter the Congo in 1979, but a coup in February of that year brought about a change in government and subsequently a cancellation of Peace Corps' plans. In 1987 the Peace Corps and the Government of the Congo reopened discussions for an entry of Peace Corps into the Congo. In Spring 1990, the Government of the Congo made a formal request to the Ambassador of the United States for Peace Corps Volunteers. A Country Agreement was signed in April 1990, and fifteen Volunteers arrived in the Congo in July 1991.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input		15	15
Volunteer Years		5	11
Funding ($000)			
Appropriated	49	580	636
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Congo plans to continue its intervention in the area of fish culture extension as well as branch out into the areas of environment, health and urban development.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	15	5	Fifteen fish culture extension agents assist rural Congolese to develop self-sustaining family fish farming units.
Environment		5	Environmental education project is planned in collaboration wi USAID-supported bio-diversity activities.
Health		5	Primary health care activities will focus on child survival.

Program Highlights & Accomplishments:

The Peace Corps Director and the Associate Peace Corps Director for Administration arrived in Brazzaville in the fall of 1990 and successfully set up operations. The first

fifteen Volunteers entered training in April 1991, and were sworn-in as Volunteers in July.

Outlook:

Immediately upon Peace Corps' entry into the Congo in 1991, a successful fisheries project was launched. Peace Corps Congo is exploring other program possibilities in the areas of environment, health and urban development with the hopes of building a strong and diverse program of thirty Volunteers.

COTE D'IVOIRE

Population: 11,713,000
Annual Per Capita Income: $880
Number of years Peace Corps in Country: 21

Peace Corps Country History:

Peace Corps Volunteers served in Côte d'Ivoire from 1962 to 1982 primarily in the areas of education and health. Discussions to reenter Côte d'Ivoire began in 1986. A new group of 16 Volunteers was sworn in on December 21, 1990.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	16	30	30
Volunteer Years	0	13	31
Funding ($000)			
Appropriated	493	882	1224
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

Many Ivoirian cities lack the primary infrastructure and facilities needed to adequately satisfy the basic needs of their populations. The situation is particularly serious in some low-income neighborhoods, which are markedly deficient in basic waste management and potable water services. The Urban Development project will initially focus on environmental/sanitation services to address this problem.

FY 1992 will be the second year of the Child Survival/Health Education project. Volunteers will continue to provide training to rural health care workers in oral rehydration for diarrheal diseases, presumptive preventive treatment of malaria, immunization, and social mobilization to promote increased use of health services.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Health	15	15	In collaboration with the USAID-funded Combatting Childhood Communicable Diseases project and with technical assistance from the Centers for Disease Control, Volunteers are helping the Ministry of Public Health and Population to develop demonstration centers for health education and child survival activities at local health and maternity centers.

Urban Development	15	15	Volunteers will be responsible for working with the Local Technical Services Division of the mayor's office in various municipalities to coordinate local activities with existing or new sanitation collection systems. They will act as a link between this government service and community organizations to address existing environmental problems by defining causes and encouraging the implementation of appropriate solutions.

Outlook:

The Government of Côte d'Ivoire (GOCI) is very appreciative of the return of Peace Corps after an eight year absence. Peace Corps Côte d'Ivoire anticipates continued strong and enthusiastic support on the part of the GOCI as the Peace Corps program continues in its implementation phase.

EQUATORIAL GUINEA

Population: 344,000
Annual Per Capita Income: $430
Number of years Peace Corps in Country: 3

Peace Corps Country History:

After exploratory visits by Peace Corps staff members in 1980 and 1984, the U.S. Ambassador was authorized by the State Department in 1986 to begin country agreement negotiations with the Equatoguinean government. Peace Corps and the Cooperative League of the U.S.A.(CLUSA) signed a contract for the management of the program in June 1988. The first group of trainees arrived in September 1988. Upon completion of the CLUSA contract in July 1989, a Peace Corps Representative was fielded to oversee the Peace Corps program.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	12	18	18
Volunteer Years	9	14	24
Funding ($000)			
Appropriated	426	601	640
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

Continuing its service to the rural communities of Equatorial Guinea, Peace Corps will enhance and strengthen the community development and health and education programs which began in 1990. The agricultural and marketing cooperatives projects will continue on a smaller scale as these activities have become better established and self-sustaining.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	4	5	Volunteers train host country teachers in the Teaching of English as a Foreign Language at the secondary and post-secondary levels.
Health	6	6	Community development and health Volunteers work with rural communities in the construction of latrines, water systems, and in hygiene and nutrition education.

Small Business	8	7	Cooperative members are trained in bookkeeping systems, marketing activities, and new services employing cooperative concepts.

Program Highlights & Accomplishments.

In 1990, Volunteers undertook a variety of community development projects both on the mainland and on Bioko Island in Equatorial Guinea. Volunteers and the people of San Jose de Evinayong planted and maintained a very large experimental garden as part of the "finca permanente" agricultural project sponsored by the Ministry of Agriculture. The purpose of this project is to provide the Guineans with an alternative way of growing crops while learning practical soil preservation and conservation techniques.

Other projects which have been undertaken include the establishment of a children's library, local road repairs, market renovation and clean up, poultry raising, village water system renovations, and construction of a health dispensary.

Outlook:

With the introduction of its second group of trainees in 1990, Peace Corps' program in Equatorial Guinea has grown to its present size of fifteen Volunteers. The staff will continue to work with the government to meet the country's development needs and assist one of Africa's neediest countries.

GABON

Population: 1,105,000
Annual Per Capita Income: $2,770
Number of years Peace Corps in Country: 21

Peace Corps Country History:

Peace Corps entered Gabon in 1963 to work in rural primary school construction; the initial Volunteers were soon followed by Volunteers teaching English in secondary schools. In 1967 the Peace Corps was asked by the government to leave Gabon. An invitation to return was issued by the Government of Gabon in 1973, and a year later Volunteers returned to re-establish the construction and English teaching programs.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	61	58	58
Volunteer Years	89	86	89
Funding ($000)			
Appropriated	2340	2460	2484
Host Country Contributions	501	445	445

Host Country/Peace Corps FY 1992 Initiatives:

The pilot program in Teaching English for Special Purposes and the primary health care project to further develop the maternal and infant health care system will continue to be strengthened by Peace Corps Gabon in FY92. Over the next three years, Peace Corps Gabon will continue to address the needs of Gabon in the areas of agriculture, education, and health.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	10	10	Volunteers are involved in the promotion of fresh water fish culture for the dual purpose of improving villagers' income-generating capacity and contributing protein to their diet.
Education	29	26	The education program includes secondary math, science and English teaching and also focuses on the training of teachers and university professors.
Health	5	5	Maternal/child health care nurses and coordinators work to improve the overall health and well-being of mothers and children.

Urban Dev.	15	17	Volunteers construct various rural primary school buildings and furniture while training counterparts in carpentry/masonry skills.

Program Highlights & Accomplishments:

Volunteers working in freshwater fisheries worked with 118 farmers in 104 villages to create a greater understanding and awareness of modern fish culture concepts. Farmers were assisted with 41 pond harvests producing a total of 900 kilograms of fish and advised on the construction of 75 ponds.

Rural primary school construction Volunteers constructed 32 classrooms, two office/storage areas, two school directors' houses, and thirty-two teachers' houses. They also renovated 6 classrooms and built over thirty latrines. Over seventy Gabonese villagers worked at school construction sites and were trained in basic building skills.

Volunteers teaching science at the secondary level secured basic laboratory kits for 10 schools through the U.S. Embassy's Self-Help Fund.

In addition to their classroom teaching duties, secondary math, science and English teachers also became involved in the following projects: planted fruit trees, worked on a vaccination campaign, assisted in building a primary school, built a village dispensary, conducted health education classes, and facilitated the construction of school volleyball and basketball courts.

Outlook:

Peace Corps Gabon expects to maintain existing projects through 1995. In the past several years Volunteer numbers have increased from 75 to about 95. Maintaining existing projects will allow Peace Corps to better meet the needs of the people as specified by the government of Gabon and allow projects to be developed to their fullest potential.

Certain projects may reach completion by 1994, and exploration of new projects will be undertaken, particularly in the sectors of environment and urban development.

THE GAMBIA

Population: 848,000
Annual Per Capita Income: $230
Number of years Peace Corps in Country: 24

Peace Corps Country History:

The first Peace Corps Volunteers arrived in The Gambia in September 1967. They numbered seventeen and included mechanics, cooperative organizers, carpenters, construction specialists and marketing advisors. In 1969 the second group of Peace Corps Volunteers arrived in The Gambia and included the first education Volunteers. In subsequent years, the Government of The Gambia requested Volunteers in skilled trades, health care, agriculture, apiculture, fisheries, the environment, as well as education.

The past decade has seen a phasing out of fisheries, apiculture, and skilled trades programs, with a renewed emphasis on major programs in math and science education, and the environment. Presently, Peace Corps The Gambia maintains a core program of thirty Volunteers. They include math and science teachers, foresters and agricultural extensionists. Peace Corps has maintained a continuous presence in The Gambia since 1967.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	32	34	34
Volunteer Years	53	49	48
Funding ($000)			
Appropriated	1012	1011	1030
Host Country Contributions	5	4	5

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps The Gambia will continue to assist the Department of Forestry in the development of instructional materials and visual aids for environmental education training opportunities geared towards teachers, students and village residents.

Education Volunteers will continue to work with the Curriculum Development Center in the design, development, and field testing of modified curriculum and instructional materials.

Agriculture Volunteers will establish demonstration farms in target sites, and will conduct appropriate research, teaching, and extension activities.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	FY'92	Description
Agriculture	11	10	Farm managers and agricultural extension Volunteers establish demonstration farms, facilitate the development and refinement of marketing strategies, and provide technical assistance to rural women farmers.
Education	12	13	In addition to teaching math and science, Volunteers are involved in functional literacy and educational materials development.
Environment	11	11	Forestry Volunteers work in nursery management and extension. They help to promote participatory conservation activities through village organization and non-formal education.

Program Highlights & Accomplishments:

Education Volunteers are instrumental in painting the world map on the walls of their school buildings. They have increased their students awareness of other countries and events occurring in our contemporary world. Education Volunteers have also established libraries in rural secondary technical schools which serve students previously unmet needs for reference and reading materials.

Forestry Volunteers have developed environmental education materials for use with schools and villages, with the hope of modifying residents' attitudes toward the environment.

Under the sponsorship of The Gambian Departments of Forestry and Wildlife Conservation, forestry Volunteers also assist in work with Champanizee area rehabilitation. They have also developed and constructed an interactive exhibit on conservation of The Gambia's natural resources for exhibit at the National Museum.

Outlook:

Peace Corps The Gambia will continue collaboration with other donor agencies which work with the various ministries of the Government of The Gambia. They include the U.S. Agency for International Development, the U.S. Embassy Self-Help fund, the United Nations Development Program and the Save the Children Foundation.

The government of The Gambia and Peace Corps The Gambia look forward to celebrating the 25th Anniversary of Peace Corps in The Gambia.

GHANA

Population: 14,385,000
Annual Per Capita Income: $380
Number of years Peace Corps in Country: 30

Peace Corps Country History:

In 1961, Ghana became the first country in the world to welcome Peace Corps Volunteers. On August 30, 1961, the first group, numbering 52, arrived at Kotoka International Airport in Accra and sang the Ghanaian national anthem. Since then, more than 3,000 Volunteers have successfully and proudly served in Ghana. During the 1960s, most Volunteers served as science and math teachers at the secondary school level. The current Peace Corps program in Ghana provides the Government of Ghana with Volunteers in a wide range of projects. The principle areas of concentration are secondary education, forestry, water sanitation, small enterprise development, and rural development.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	45	58	58
Volunteer Years	86	73	80
Funding ($000)			
Appropriated	1647	1594	1942
Host Country Contributions	43	33	33

Host Country/Peace Corps FY 1992 Initiatives:

The Government of Ghana is committed to increasing the role of the private sector in revitalizing the national economy.

Peace Corps Ghana collaborates with U. S. Agency for International Development in the education and small enterprise development sectors.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	25	20	Peace Corps Volunteers teach physics, chemistry, and math, which contribute to the educational development of Ghanaian students.
Environment	11	15	Forestry Volunteers work to complete the establishment of tree nurseries in rural communities in northern Ghana. They also train nursery managers and conduct community forestry education classes.

Health	14	10	Health Volunteers work to promote awareness of water and sanitation related health issues. They facilitate the establishment and maintenance of village water supply and sanitation systems.
Small Business	8	13	Small business development Volunteers assist with services preparing pre-feasibility studies, business plans and assessing costing, profitability, accounting, and marketing. They also facilitate the preparation of credit applications and access to credit options.

Program Highlights & Accomplishments:

Forty education Volunteers have significantly contributed to the math and science education of over 10,000 Ghanaian senior secondary school students.

Under the Collaborative Community Forestry Initiative, eight Volunteer tree nursery managers have facilitated the propagation of a half million seedlings and trained local villagers in nursery management techniques.

Small enterprise development Volunteers assist a wide range of Ghanaian entrepreneurs in both rural and urban areas.

Peace Corps Ghana celebrates its 30th Anniversary of service in Ghana.

Outlook:

After three decades of service, math and science secondary education continues to contribute to Ghana's national development. The Government of Ghana and Peace Corps Ghana regard this as a viable project and look forward to its continued success.
The Government of Ghana and Peace Corps Ghana also look forward to increased collaboration in small enterprise development.

GUINEA

Population: 5,547,000
Annual Per Capita Income: $430
Number of years Peace Corps in Country: 11

Peace Corps Country History:

Peace Corps is in its third program in Guinea. From 1962 to 1966, and from 1969 to 1971, Volunteers served as English teachers and foresters. These two previous programming efforts were curtailed due to strife.

In 1986 Peace Corps reentered Guinea. Volunteers are currently working in the areas of small business development, community development, and education.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	21	33	33
Volunteer Years	36	25	43
Funding ($000)			
Appropriated	973	1073	1252
Host Country Contributions	8	14	15

Host Country/Peace Corps FY 1992 Initiatives:

The focus of the Government of Guinea on decentralization will continue. Volunteers working in community development will be assigned to twelve communities designated by the Ministry of the Interior as areas where special decentralization efforts in public health, water, and sanitation will be concentrated.

The importance of job creation through private enterprise development will continue as one of Guinea's primary development goals. Peace Corps will establish two more Revolving Loan Fund sites increasing the total number to eight.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	28	0	Volunteers are currently serving in various rural secondary schools as English, math, and science teachers.
Community Development	0	18	Volunteers are working in rural health centers providing training to health workers in health education and sanitation techniques. They are also helping to implement construction micro-projects such as hand-dug wells, capped water sources and latrines.

Natural Resources	5	5	Volunteers will assist villagers living in two watersheds in the Fouta Djallon highlands in Central Guinea to obtain needed natural resource development interventions from a USAID-funded natural resources management project.
Small Business	0	10	Volunteers are working to the create employment in target cities outside the capital through development of revolving loan funds. They are also training business people in credit management and simple accounting and business management practices.

Program Highlights & Accomplishments:

Through the Revolving Loan Fund project, 100 business people have received loans and an estimated 300 jobs have been created. The repayment rate among borrowers is over eighty percent.

Sixteen English teachers in eight communities have taught approximately 3200 Guinean students to read English. Teachers have also been active in the National Teaching Institute conducting teaching seminars.

Outlook:

Guinea will continue to pursue the goals of job creation through small enterprise development, establishment of decentralized government structures, development of primary health care systems, preservation of natural resources, and development of the national secondary education system. Government support of Peace Corps participation continues to grow, assuring that Peace Corps will play an important role in reaching these goals.

GUINEA-BISSAU

Population: 960,000
Annual Per Capita Income: $180
Number of years Peace Corps in Country: 3

Peace Corps Country History:

Peace Corps arrived in Guinea-Bissau for the first time in July 1988. The first group of Volunteers consisted of English teachers, agricultural extension workers, and community health workers.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	19	19	17
Volunteer Years	11	16	26
Funding ($000)			
Appropriated	739	804	953
Host Country Contributions	24	24	26

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Guinea-Bissau will initiate an agriculture marketing project which will have as its principal beneficiaries small and medium-sized producers. The majority of the producers will be groups of women involved in vegetable production. The project will help to develop improved business and management skills and to introduce alternate processing and marketing techniques. These increased skills will result in raising the income level of producers by improving the returns to both labor and time and in increasing the availability of vegetable products. In addition to government collaboration, Peace Corps will work with other non-governmental organizations such as UNICEF in the implementation of this project.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	8	4	Volunteers provide technical and managerial assistance to producer marketing associations and their individual members, and assist in the collection of baseline data for market surveys and feasibility studies for various products.

Education		9	Volunteers are working to improve the instructional practices of Guinean English instructors within the Ministry of Education and helping to develop a national curriculum for English education.
Health	4	3	Volunteers are developing health education materials and workshops to address causes of common health problems and devising plans to protect water sources and improve sanitation practices at the village level.
Urban Dev.	1	1	This Volunteer works with the Municipal Project for Neighborhood Improvement in designing and implementing activities to help alleviate the growing traffic problems in Bissau.

Program Highlights & Accomplishments:

Over the past year members of the health community have held a series of meetings to determine the best strategies to meet the severe health problems facing Guinea-Bissau. These discussions, which included the participation of Peace Corps, were relevant and critical to the future direction of public health care. While these discussions were progressing, Volunteers, in collaboration with local health care workers, continued to take the initiative in alleviating health problems at the local level.

Recognizing that most school age children suffer from preventable illness, Volunteers work with Guinean colleagues to organize seminars for elementary school teachers to help them increase the awareness of nutrition and personal hygiene practices among their students and encourage them to mobilize their communities to create and support local health clinics.

Outlook:

The future for Peace Corps in Guinea-Bissau is positive. There remains a pressing need for trained personnel and a strong interest on the part of the government for Volunteers to help address this shortage. Relationships with government ministries continue to improve as the Peace Corps program and the contributions and effectiveness of Volunteers become more widely known.

KENYA

Population: 23,277,000
Annual Per Capita Income: $380
Number of years Peace Corps in Country: 26

Peace Corps Country History:

Peace Corps began in Kenya in 1965 with Volunteer activity centered on land settlement, cooperatives, health, agriculture and education. Twenty-six years and 4,200 Volunteers later, projects have changed to accommodate the Government of Kenya's (GOK) evolving needs. Today, Volunteers are still involved in education and health as well as small business development, urban planning and environmental activities.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	78	88	88
Volunteer Years	167	142	146
Funding ($000)			
Appropriated	2634	2508	2416
Host Country Contributions	171	171	178

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Kenya will continue to address the needs of the Kenyan people through its small business programs. Due to the growing problem of deforestation, Peace Corps will expand the Agroforestry project in 1992 and, in collaboration with USAID, add a Conservation Education component to this initiative.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	40	35	Secondary teachers instruct students in math, English, science and accounting. Volunteers also assist in curriculum development, teacher training and general school operations.
Small Business Development	17	17	Volunteers provide assistance and advice to women's groups, self-help groups, entrepreneurs and entrepreneurial work groups.

Urban Development	6	11	Volunteers assist in the planning and designing of small towns by conducting feasibility studies and advising on financial, economic and technical issues.
Health	12	15	Volunteers work as water technicians and engineers providing organizational, educational and technical assistance to rural communities and institutions in need of creating or improving water supply systems.
Environment	14	10	In addition to increasing the number of tree nurseries and tree planting activities, Volunteers will also be involved in environmental/conservation education with schools and community groups.

Program Highlights & Accomplishments:

Approximately 52,000 Kenyans have benefitted from Peace Corps Water Development projects.

Volunteer Educators working in 104 schools taught English, math, science, technical skills and business techniques to approximately 15,700 students. Secondary projects included construction of classrooms, libraries, water tanks, tree nurseries, wildlife clubs, athletics, scouts, girl guides, agriculture activities, school newspaper and field trips.

Forty-seven Peace Corps Business Advisors carry out numerous Business Education projects and advise entrepreneurs who are primarily members of women's groups in enterprise development. Seminars and workshops focused on business skills, marketing and entrepreneurship.

Outlook:

Peace Corps Kenya will expand its Agroforestry program and, in collaboration with USAID, develop additional environmental and conservation programs, notably in areas and communities around Kenya's game parks and reserves.

Business development will continue to be a priority program, along with water development and urban planning.

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LESOTHO

Population: 1,722,000
Annual Per Capita Income: $470
Number of years Peace Corps in Country: 24

Peace Corps Country History:

Peace Corps first sent Volunteers to work in Lesotho in 1967, one year after the country gained independence from Great Britain. Throughout the 24-year history of Peace Corps in Lesotho, Volunteer support in education has been the primary focus. In the recent past, an increasing number of Volunteers have been placed with the African Food Systems Initiative program. This program promotes an integrated approach to placing Volunteers in the agriculture sector. Peace Corps has placed a limited number of Volunteers with the Health Education department of the Ministry of Health.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	62	61	61
Volunteer Years	101	104	104
Funding ($000)			
Appropriated	1634	1760	1749
Host Country Contributions	139	139	144

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Lesotho will launch new projects in the Small Business Development sector. The input of 40 Volunteers for Small Business Development through FY93 will diversify the Peace Corps Lesotho program from a two sector (education and agriculture) to a three sector program. This new venture will respond to the Government of Lesotho's initiatives to develop areas of employment, income generation and the domestic economy to lessen the country's dependence on South Africa.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	23	21	The agriculture sector is currently concentrated into two major projects: The home gardens nutrition project and the schools self-reliance project. Both projects are designed to assist the Government of Lesotho in promoting its national development objectives of increasing food self-sufficiency.

Education	30	30	Volunteers working in the education sector will participate in the implementation of the national education strategy of "Education with Production". In addition to their academic classroom workload, the Volunteers will help develop and implement practical hands-on training in their respective subjects and will teach relevant business skills associated with agriculture or vocational careers.
Small Business	6	10	Volunteers will assist small scale entrepreneurs in developing management skills in order to increase income.

Program Highlights & Accomplishments:

Lesotho's Ministry of Education and several Volunteers conducted an in-depth evaluation of work performed by primary education Volunteers. This evaluation included 31 primary schools in the remote mountain areas in Southern and Central Lesotho. The results of the study demonstrated a great need for primary school resource teacher training that is not met by the current project. The Ministry of Education and Peace Corps Lesotho will begin in early 1991 to develop a project to meet this need.

Volunteers continue to be involved in secondary projects that can also have great importance to local communities. A Volunteer high school teacher became involved in a school vegetable irrigation project producing vegetables to feed the students. This project has received praise and hands-on support from parents, local community members and the school management committee.

Outlook:

A major focus of the Government of Lesotho and Peace Corps Lesotho is the development and implementation of new small business development projects. Peace Corps Lesotho is also working with the Lesotho government to begin planning a new environment conservation program.

MALAWI

Population: 8,230,000
Annual Per Capita Income: $180
Number of years Peace Corps in Country: 21

Peace Corps Country History: Peace Corps entered Malawi in 1963, just one year prior to the granting of independence in July 1964. Volunteer numbers have fluctuated over the years and currently stand at about 120. Peace Corps left Malawi for a short time from 1969-71 and experienced a period of suspended operations from 1976-78 In recent years a close working relationship between the Government of Malawi, Peace Corps, and other development organizations within the country has evolved which may result in a more stable program.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	58	63	69
Volunteer Years	123	120	115
Funding ($000)			
Appropriated	1597	1602	1629
Host Country Contributions	286	286	297

Host Country/Peace Corps FY 1992 Initiatives:

Malawi has a chronic and acute shortage of trained personnel which extends virtually across all technical fields in both the public and private sectors. Peace Corps Malawi has been providing technicians to the GOM alleviate personnel shortages and to train Malawians.

During the three year period from FY91-FY93 it is Peace Corps Malawi's intention to address Malawi's development needs in the areas of Education, Health, Small Enterprise Development, Urban Development and Natural Resource Conservation, in that order of priority.

Peace Corps Programs by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	24	26	Education Volunteers teach in regular secondary schools, Malawi College of Distance Education (MCDE) centers (a different type of secondary school), post-secondary schools (Teacher Training Colleges and the Malawi College of Accountancy) and in the constituent colleges of the University of Malawi. Post-secondary and university placements are primarily in urban or suburban areas.

Health	22	25	Health Volunteers train and supervise health personnel and village health workers. Some Volunteers work as academic tutors for nursing schools and some work with the handicapped.
Small Business	8	7	Small Business Development Volunteers serve in all regions and most Volunteers do extension work. Volunteers work as trainers and advisors of small businesses, trainers and auditors of savings cooperatives, and supervisors of Small Business facilitators.
Environment	1	1	Environmental Volunteers assist the Malawi Department of National Parks and Wildlife (DNPW) to improve its level of staff skills and knowledge of general administration in the areas of resource management, environmental education and interpretive programming.
Urban Dev.	8	10	This is a new sector which will involve cross sectorial programming (Small Enterprise Development, Management Training, Urban Horticulture, and Public Health). Current efforts involve the support of low cost sanitation and provision of selected technical inputs in urban areas.

Program Highlights & Accomplishments:

Volunteer Child Survival workers played key roles in a very successful Community-based vitamin A and nutrition project based in the lower Shire valley. The lower Shire valley hosts almost one million Moçambican refugees and is plagued with high rates of malnutrition and related diseases. Their project is administered by the International Eye Fund (IEF) of Bethesda, Maryland, and is being implemented with the Ministry of Health. A recent mid-term evaluation indicated that the project has surpassed most of its targets. The evaluation cited a three fold drop in the incidence of Vitamin A deficiency related diseases of the eye.

A joint Peace Corps/WWF-US/GOM Lake Malawi National Park Conservation and Interpretation project made great strides in development of the park's facilities such as the Visitor Center, Demonstration Aquarium and Youth Education Hostel. Peace Corps Volunteers assigned to the project also trained Malawian Parks and Wildlife Assistants in interpretive programming.

Outlook: While maintaining a strong education sector, Peace Corps Malawi intends to increase Volunteer involvement in Environmental Projects, Urban Development, Small Business Development and Health Personnel Development. Potential USAID links with the Small Business Development project could boost efforts in that area. Peace Corps Malawi will have more collaboration with the UNDP (United Nations Development Project) through placement of Volunteer Sanitation Engineers in large urban development projects. In education, Peace Corps Malawi will spearhead the GOM plans to incorporate Environmental Education components into the secondary school curricula.

MALI

Population: 8,212,000
Annual Per Capita Income: $260
Number of years Peace Corps in Country: 20

Peace Corps Country History:

In 1971, 25 Volunteers arrived in Mali to help combat the devastating effects of a prolonged drought. Volunteers worked on projects involving poultry production, vegetable production, and water resource management.

Since the arrival of these 25 Volunteers, the Peace Corps program in Mali has grown steadily. Food, nutrition, and water/sanitation projects have continued to be a focus of programming, while Peace Corps has also expanded into projects in natural resource management, small business development, and primary, secondary, and university education.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	79	86	86
Volunteer Years	152	145	147
Funding ($000)			
Appropriated	3537	3732	3664
Host Country Contributions	35	65	68

Host Country/Peace Corps FY 1992 Initiatives:

The Government of Mali has identified ecological and economic problems as its primary concerns. In response to these concerns, Peace Corps is continuing its focus on natural resource management, while expanding its small business development projects in both rural and urban areas. In urban areas, Volunteers work closely with local Chambers of Commerce to offer business management and accounting training to Malian entrepreneurs. In rural areas, Volunteers work with local cooperatives and entrepreneurs to help them to maintain or start up profitable, owner-managed businesses.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	21	17	Volunteers are active in community and individual gardening projects, nutritional awareness training, agricultural marketing, small animal raising, field crop production, and food storage and preservation.

Education	8	17	Volunteers work with Malian teachers at the primary and secondary level on practical skills curriculum development and teacher training.
Environment	23	18	Volunteers in the natural resources sector are active in environmental awareness training, soil conservation and erosion control, tree nursery management, agroforestry, and tree plantation
Health	19	19	Volunteers work on projects involving well and bridge construction irrigation schemes, sanitation improvements, pump technologies, and primary health care.
Small Business	15	15	Volunteers work in urban and rural areas on training Malian business people in management skills, feasibility studies, new business start-up, and practical business operations. They also work with pre-cooperative groups to transfer similar skills.

Program Highlights & Accomplishments:

Songs written and performed by Volunteers were professionally recorded with a full orchestra. They are part of the Ministry of Health's education campaign and will be used nationally. These are done in the Bambara language in a popular Malian musical style, and cover a wide range of primary health care subjects.

The Manantali resettlement project involves 31 villages that were displaced after a large hydroelectric dam was built putting their homes underwater. This project includes many community gardens, fruit tree production, soil improvement schemes, irrigation strategies, and primary health care designed to improve the new village sites.

The Koury project involves a large valley with tremendous untapped agricultural potential. This area has a high water table and Volunteers have introduced an inexpensive appropriate technology treadle pump to use in the irrigation of gardens and fields.

Outlook:

The years 1992 and 1993 will see Peace Corps continuing its efforts in Mali to strengthen the integrated Volunteer team approach in the 35 areas where Peace Corps has made a long-term commitment. Teams and their Malian counterparts will be trained in the design and monitoring of rural resource management plans. Peace Corps' permanent training center in Mali will be developed into an exciting experimental site where Malians can observe new approaches and technologies to improve rural life. The five existing sectors will be joined by a new health sector, which will complement the existing water and sanitation project.

MAURITANIA

Population: 1,954,000
Annual Per Capita Income: $490
Number of years Peace Corps in Country: 21

Peace Corps Country History:

Peace Corps first entered Mauritania in 1967 with 12 Volunteers. Due to the Arab-Israeli conflict, however, Peace Corps left that same year. In 1971 Peace Corps returned to Mauritania with one Volunteer assigned to a poultry project. For the next six years, Peace Corps maintained small numbers of specialist Volunteers in agriculture, health, and education projects. With the introduction of village-based agriculture and health projects in 1977, the program grew more quickly to reach its current size of 60 Volunteers.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	29	47	47
Volunteer Years	52	28	63
Funding ($000)			
Appropriated	1553	1540	2035
Host Country Contributions	90	148	154

Host Country/Peace Corps FY 1992 Initiatives:

The Persian Gulf crisis caused the temporary suspension of Peace Corps programs in Mauritania in January 1991. As the world situation changes, Peace Corps hopes to resume activities there. Peace Corps will expand and redefine its water and sanitation project to address technological needs for safe and reliable water supplies. More Volunteers will be trained in appropriate technology water resources management to fill this need. In addition, urban Volunteers will expand their role in community development to implement urban development secondary projects.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	16	19	Volunteers work primarily in training villagers in improved techniques of vegetable and cereal crop production.
Education	10	9	Volunteers teach English at the secondary and post-secondary levels, as well as to business people and industry workers where English is becoming increasingly necessary.

Environment	9	7	Volunteers work on reforestation, dune stabilization, and agroforestry projects, often in collaboration with donor agencies such as AID and Lutheran World Relief.
Health	12	12	Volunteers work to improve health and sanitation in villages through providing information and technical assistance in well and latrine construction.

Program Highlights & Accomplishments:

Prior to the suspension, Volunteers were working at all levels to improve the agriculture infrastructure in Mauritania, from advising the project assistance office in the capital city of Nouakchott to directly teaching villagers improved techniques of vegetable garden production.

Other accomplishments in the agricultural program include the establishment of three regional seed banks, increased vegetable production and consumption in ten villages, installation of three wells, and numerous garden irrigation systems.

Volunteers in the environmental project worked on the AID-funded multi-donor Assaba reforestation project. Volunteers in this project created a new fruit tree center that will introduce and test new fruit tree varieties in the area, thereby improving the nutrition of the local population and providing income-generating possibilities. Other Volunteers have planted over 200,000 trees on more than 300 hectares of sand dunes that were threatening towns and farm land, and introduced fuel efficient stoves, wind breaks, and live fencing.

Outlook:

When Peace Corps resumes its programs in Mauritania, current programming will be maintained while continuing the development of integrated regional programming, along with new efforts in urban development and small business development.

NAMIBIA

Population: 1,300,000
Annual Per Capita Income: N/A
Number of years Peace Corps in Country: 1

Peace Corps Country History:

Peace Corps began its first program in Namibia with 14 English teacher Volunteers in September of 1990. Soon after Namibia was declared independent in March of 1990, the new Government indicated to Peace Corps it had a wide range of development assistance needs. In its efforts to achieve greater national unity, the new Government of Namibia declared English as its official national language. Because English is not widely spoken in Namibia, it was decided that teaching English would be the initial assistance provided by Peace Corps. In November of 1990, a group of 17 trainees arrived in country to assist with secondary education in teaching English, math, science, and teacher training.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	15	45	45
Volunteer Years	1	29	57
Funding ($000)			
Appropriated	260	945	1590
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Namibia will continue to provide assistance in the development of Namibia through the service of education Volunteers in the areas of teaching English, math, science and teacher training.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	45	45	Peace Corps Namibia provides Volunteer teachers to secondary schools to teach English as a second language, math, science and teacher training.

Program Highlights & Accomplishments:

When the first group of Volunteers arrived on September 9, 1990, they re-created the ceremony of the arrival of the initial group of Peace Corps Volunteers in Ghana in August of 1961. They assembled outside of the plane on the tarmac and sang the Namibian National Anthem in the local language. The arrival was widely covered in the news media and all of the senior Ministry of Education officials, plus the United States Ambassador to Namibia, were at the airport to greet them. Namibia President Sam Nujoma hosted a reception for the group at the Statehouse and expressed his pleasure, on behalf of the people of Namibia, at their arrival.

All of the first group of 14 Volunteers were assigned to schools in the Northern area of Namibia, mostly along the Kavango River. One Volunteer is posted in the rural, isolated area called Bushmanland. The Volunteers have been working not only in their primary assignments, but have begun working on secondary activities including sports, such as basketball and soccer, and tutorial instruction on English.

The Volunteers, plus three Namibia Ministry of Education officials, participated in a special math/science in-service training program conducted by New York's Columbia University.

Outlook:

The Government of Namibia has openly welcomed the Peace Corps and we expect the strong relationship to grow. It has been particularly meaningful that the Peace Corps Volunteers arrived so soon after independence on March 21, 1990.

The next group of Volunteers for Namibia will arrive in November, 1991.

NIGER

Population: 7,479,000
Annual Per Capita Income: $290
Number of years Peace Corps in Country: 29

Peace Corps Country History:

Peace Corps began in Niger in 1962 with seven Volunteers teaching English. In later years, programs expanded to include education, health, agriculture, and environmental conservation in response to expressed needs of the Nigerien government.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	69	60	80
Volunteer Years	137	134	135
Funding ($000)			
Appropriated	3034	3376	3479
Host Country Contributions	43	45	47

Host Country/Peace Corps FY 1992 Initiatives:

The top priorities of the government of Niger are food self-sufficiency and education. Reflecting these initiatives, Peace Corps' programming has a two-pronged approach: one aimed directly at the country's food, health, and nutrition needs, and the other at the education sector. Peace Corps continues to seek project integration with host country and private voluntary organizations.

A major initiative of the Peace Corps remains the Africa Food Systems Initiative (AFSI) program, which provides villages with the human and material resources to design and implement community development projects at the local level.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	19	19	In collaboration with the Agency for International Development (USAID), projects in the Africa Food Systems Initiative program include gardens, wells, nurseries, water-lifting devices, food processing and small animal husbandry.
Education	21	22	Volunteers teach math, science, physical education at the secondary level. English teaching and teacher-training activities are conducted at the university level.

Environment	20	20	Volunteers work in natural forest management, agroforestry extension, the construction of wood-preserving stoves and wildlife management.
Health	20	19	Volunteers monitor the health and nutritional status of mothers and infants, provide nutrition and sanitation education to mothers and work in health centers which provide care for severely malnourished children.

Program Highlights & Accomplishments:

Over the past year AFSI Volunteers constructed 11 wells, planted 12 tree nurseries, established 8 seed banks, planted over 10,000 trees, implanted over 3,000 meters of fencing, and established over 500 loans for small animal husbandry projects.

The piloting of the English textbook, English for the Sahel has been completed. Volunteers were instrumental in writing and publishing this textbook in collaboration with the Nigerien government, and it is now being used in classrooms in Niger. Peace Corps university teacher trainers have trained over 120 future junior high school teachers in TEFL methodology and pedagogy.

In the area of the environment, forestry Volunteers inventoried survival rates for over 135,000 hectares and established a regional seed collection center. A new joint Peace Corps/USAID project focuses on maintaining the bio-diversity in the National Parks and other at-risk areas.

Health education Volunteers gave oral rehydration therapy (ORT) demonstrations to over 7,000 participants and instructed 80 village health teams.

Outlook:

Peace Corps will continue to explore the development of integrated programming and training activities focusing on the environment. Efforts will be made to integrate and streamline programming activities wherever possible. The Government of Niger's priority for Peace Corps assistance in the education sector will be in the provision of math and science education at the secondary level. In the area of non-formal education, Peace Corps will work with host country agencies in developing a program emphasizing small business development, nutrition education, and community development.

NIGERIA

Population: 113,665,000
Annual Per Capita Income: $250
Number of years Peace Corps in Country: 10

Peace Corps Country History:

Peace Corps began in Nigeria in 1961 with Volunteers serving in the health and education sectors. Peace Corps maintained operations there until 1971 at which time the program was forced to close and leave the country due to civil unrest.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	15	15
Volunteer Years		2	11
Funding ($000)			
Appropriated		438	804
Host Country Contributions		0	0

Host Country/Peace Corps FY 1992 Initiatives:

Based on the recommendations made by the Peace Corps programming/assessment team which visited Nigeria in January 1991, Volunteers will be placed in the health sector.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Health	15	15	Primary health activities will focus on Combating Communicable Childhood Diseases (CCCD) and Guinea Worm Eradication.

Program Highlights & Accomplishments:

In 1989, the Government of Nigeria requested that the Peace Corps re-enter the country. In response to this request, an assessment team visited Nigeria in January 1991. A health survey is tentatively scheduled for June 1991.

Outlook:

The first group of Peace Corps Volunteers to enter Nigeria after a 20 year absence will arrive in September 1991.

RWANDA

Population: 6,893,000
Annual Per Capita Income: $310
Number of years Peace Corps in Country: 16

Peace Corps Country History:

Peace Corps entered Rwanda in 1975 with three Volunteers working in university education and one assigned as a home economics teacher trainer. Programming has expanded into fisheries, agriculture, forestry, cooperative extension, education and health.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	16	19	19
Volunteer Years	17	23	25
Funding ($000)			
Appropriated	640	668	812
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps will continue to focus its efforts on education and health in 1991 and 1992. Volunteers teaching math and science at the secondary level and English at the secondary and university level will help alleviate the shortage of qualified instructors in Rwanda's rapidly expanding education system. Volunteers working at the rural health centers will continue to educate people about childhood malnutrition. If the border areas remain calm, Peace Corps will place a Volunteer at the Karisoke research center operated by the Digit Foundation founded by Diane Fossey. The Volunteer will help to organize conservation education programs for officials of the Government of Rwanda.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	2	2	Volunteers work as aquaculture training coordinators, helping local farmers improve their management skills in integrated farming systems, while training Rwandan counterparts as fisheries extension agents.
Education	11	11	Volunteers teach math, science and English at the secondary school level. There will be two Volunteers teaching English at the university level starting in FY92.

Environment	2	2	Volunteers work in conjunction with the National Parks and Tourism Office to design and present education programs on natural resources conservation for schools and the public.
Health	4	4	Volunteers work in conjunction with the Ministry of Health in staffing and operating nutritional programs at rural health centers in Rwanda. Emphasis is on preventative strategies to combat childhood malnutrition. There is also one physical therapist working at the Gatagara Rehabilitation Center.
Small Business	0	0	One Volunteer works as a marketing coordinator for the Ministry of Youth and Cooperative Development. She helps develop marketing strategies to deliver Youth Training Center products to regional and urban markets.

Program Highlights & Accomplishments:

Due to the conflict between the Government of Rwanda and rebel troops in the fall of 1990, the Volunteers were forced to wait out the hostilities at the Peace Corps Regional Training Center in Bukavu, Zaire. When the hostilities were resolved, sixteen Peace Corps Volunteers resumed their jobs. In the Spring of 1991, ten teachers, four health workers, and two aquaculture extension agents entered training bringing the Peace Corps program in Rwanda up to full strength once again.

Outlook:

Peace Corps will recruit 16 new trainees for Rwanda in FY92 and FY93. The focus of the program will be in the areas of education, health, and environment while phasing out of small business development. As the problem of overpopulation remains acute, Peace Corps will discuss with the Government of Rwanda the possibility of assigning Peace Corps Volunteers to projects which attempt to alleviate population pressures.

SAO TOME E PRINCIPE

Population: 122,000
Annual Per Capita Income: $360
Number of years Peace Corps in Country:

Peace Corps Country History:

In June 1988, the Government of Sao Tome and Principe formally requested talks regarding the opening of a Peace Corps program. The Country Agreement was signed on July 31, 1990, and after twelve weeks of pre-service training in Guinea-Bissau, the first group of six Volunteers was sworn-in on October 4, 1990.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	6	11	11
Volunteer Years	1	5	12
Funding ($000)			
Appropriated	210	342	418
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

Based on the recommendations made by the initial assessment team visit to Sao Tome e Principe, Volunteers have been placed as health and water/sanitation extension workers. Peace Corps will continue to explore viable programming opportunities in Sao Tome in conservation and the environment, cooperatives, agriculture, and youth development.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Health	11	11	Volunteers assist in the education of rural communities and primary school children in the areas of nutrition, hygiene, and primary health care.

Program Highlights & Accomplishments:

A major highlight of Peace Corps' program in Sao Tome was the swearing-in ceremony. His Excellency the President, M. Manuel Pinto da Costa, the Ministers of Foreign Affairs, Health, and Cooperation and other Sao Tomean officials attended the ceremony. President

Pinto da Costa spoke briefly and joked with the Volunteers, who were honored and elated by his attention.

In 1990, the Volunteers in Sao Tome were placed in small rural communities and began promoting small community development projects at the grassroots level. They also initiated contact with their Sao Tomean colleagues to begin to improve the general health care infrastructure at the local level.

Outlook:

It is anticipated that once the program in Sao Tome is firmly established with a seasoned core of Volunteers that Peace Corps will widen the scope of programming efforts to address the development needs of the country. Peace Corps looks forward to steady program growth and expansion within Peace Corps' initiatives and the needs identified by the host government.

SENEGAL

Population: 7,211,000
Annual Per Capita Income: $650
Number of years Peace Corps in Country: 28

Peace Corps Country History:

The Peace Corps program in Senegal began in 1963 with 15 secondary school English teachers. The program has grown considerably and has projects in small business development, agriculture, natural resources, and health.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	47	62	62
Volunteer Years	98	91	101
Funding ($000)			
Appropriated	2326	2388	2542
Host Country Contributions	214	201	201

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Senegal has structured its Volunteer projects in accordance with the Government of Senegal's priority development strategies of fostering small business development, expanding its primary health care program, and working to improve agricultural practices while conserving vital natural resources.

PC/Senegal's new small enterprise development project has placed 6 Volunteers in the field to work with local government and private agencies to provide essential business skills training and encourage entrepreneurial development. The program will expand over the next several years with a long-range goal of enhancing private enterprise in Senegal. In the agricultural and natural resources sectors PC/Senegal has made long-term commitments to expanding extension activities, promoting environmental education, improving seed production and promoting agroforestry. PC/Senegal shall continue over the next 2 years to strengthen Senegal's primary health care program by assisting health workers to plan, organize and manage preventative health care strategies such as childhood immunization and growth monitoring, treatment of diarrheal diseases, improvement of birthing practices, and training of community health workers.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	14	14	Volunteers are assisting small-scale, low-resource farmers and herders to increase the availability and accessibility of sufficient quantities and quality of food.
Environment	23	24	Volunteers, in collaboration with three Senegalese government agencies, are working to establish village and private woodlots for fuel and fodder and to train small farmers in agroforestry techniques and cashew nut production.
Health	10	11	Volunteer efforts are focused on problems of child survival including oral rehydration, nutrition, and vaccinations.
Small Business Development	15	13	Volunteers are working with partner agencies to create micro- and small-enterprise development extension programs to improve the capability of entrepreneurs to plan and manage their resources and business activities.

Program Highlights & Accomplishments:

Peace Corps Volunteers in Senegal are appreciated for their significant contribution to national development goals as evidenced by high level government participation in Peace Corps activities. Nineteen health Volunteers are in the field assisting village-level nurses and supervisors to implement their primary health care programs. Volunteers organized the training of 36 community health workers in 16 villages to conduct growth monitoring and nutritional counseling for mothers with infants and small children. Other Volunteers trained health workers in 26 villages to conduct successful malaria prevention campaigns, thus reducing malaria incidence in the rainy season.

Natural resources Volunteers worked towards training more than 300 farmers in seedling production, fruit tree management, agroforestry techniques and nursery management. Agriculture Volunteers helped farmers in one village double rice production by demonstrating improved practices, and are now expanding these techniques to other villages.

Outlook:

Peace Corps Senegal will continue to pursue projects in the areas of small business development, health, agriculture, and natural resources with strong support from the Government of Senegal. Peace Corps will work to institutionalize a long-term approach to project planning that will promote specific geographical focus and built-in follow-up through systematic replacement of Volunteers whose activities will build upon those of their predecessors, and a team approach that allows Volunteers to pool their efforts.

SIERRA LEONE

Population: 4,040,000
Annual Per Capita Income: $200
Number of years Peace Corps in Country: 29

Peace Corps Country History:

Sierra Leone was one of the first countries entered by Peace Corps in 1962 with 37 education Volunteers teaching in secondary schools. Since then over 6,200 Peace Corps Volunteers have served the Government of Sierra Leone. In the latter part of the 1960s and during the early part of the 1970s, the program expanded to include health, rural development, and agriculture. Today, Peace Corps provides approximately 100 Volunteers who work in predominantly rural settings throughout the country. The principal areas of concentration are education, health, forestry, fisheries, and small enterprise development.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	46	64	64
Volunteer Years	109	97	102
Funding ($000)			
Appropriated	2068	2056	2185
Host Country Contributions	93	93	97

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Sierra Leone will address the need for literacy and curricula improvement, entrepreneurial and managerial skills development, technical skills transfer in the areas of health and agriculture, and increased awareness of environmental concerns.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	17	19	Agriculture Extension Volunteers work to improve the technical aptitude of farmers to achieve increased sustainable yields of their produce. Fisheries Volunteers assist rural villagers in acquiring and maintaining the technical and management skills necessary to maintain fish culture systems.
Education	19	18	Volunteer teachers are assigned to secondary schools to provide science, math, business education, and home economics instruction. Volunteers apply modern teaching methodologies that attempt to inculcate an appreciation of inquiry, analysis, creativity, and independent thinking.

Environment	7	4	Agroforestry Volunteers train farmers in the implementation of agroforestry and alley cropping agriculture practices. They acquaint villagers with the benefits of improved cooking stove technology to reduce the impact of deforestation for fuel wood purposes.
Health	17	17	Health Volunteers assist their counterparts in organizing and promoting immunization programs, maternal and child health care services, and establishing nutrition services and hygiene programs.
Small Business	3	4	Small enterprise development Volunteers assist entrepreneurs in establishing small enterprises. They train clients in management, accounting, and marketing techniques.
Urban Dev.	1	2	Urban Planning Volunteers prepare assessments of the urban environment and structural programs, prepare plans for addressing the issues for the city council, and encourage support from external sources.

Program Highlights & Accomplishments:

Fisheries Volunteers have established numerous fresh water fish ponds in the most remote and isolated regions in the country.

In the health sector, Volunteers with doctorates teach in biochemistry, physiology and health statistics.

Education Volunteers expand their assignments to include the teaching of small business skills to students.

Agroforestry activities provide incentives for fuel wood reserves and foster knowledge about conservation to rural farmers.

Outlook:

Peace Corps Sierra Leone will maintain its current priority programs. Volunteers willcontinue to address causes of the extremely high infant mortality rates and inadequate primary health care. In the education sector, they will work to improve comprehension skills. Small business development and urban development Volunteers will provide new methods of making enterprises profitable.

SWAZILAND

Population: 761,000
Annual Per Capita Income: $900
Number of years Peace Corps in Country: 23

Peace Corps Country History: Peace Corps has been active in Swaziland since independence from Great Britain in 1968. Education and community development were initial areas of program concentration. The program today remains predominantly school-based, as there is a serious shortage of teachers. In keeping with the Government of Swaziland's recently expressed preference for manual skills development, Peace Corps has shifted much of its programming focus towards vocational training centers.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	37	38	38
Volunteer Years	83	75	60
Funding ($000)			
Appropriated	1364	1341	1345
Host Country Contributions	93	98	102

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Swaziland will be conducting a project needs assessment in the areas of Urban and Small Business Development during the coming year. This new programmatic thrust is in response to a request from the Government of Swaziland for support in developing a larger and more efficient small business sector and in expanding the work of urban and town council planners. These planners are currently being overwhelmed with major urban problems ranging from the development of water, power, and housing facilities, to developing residential and commercial zoning regulations. Peace Corps will work closely with the Government of Swaziland, USAID and the World Bank once the newly developed project is implemented.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	35	35	Volunteers serve in several capacities, among them: vocational/technical teachers, math/science teachers, managers of TIDCs (technical resource centers), and training coordinators for rural education centers.
Urban Development	2	2	Volunteers work in urban and environmental planning for the Ministry of Natural Resources. Peace Corps' Volunteer input both supplements

		and complements the few trained Swazi planners on staff, and strengthens Swaziland's planning institutions and capabilities.
Health	1	One Volunteer works as a speech and hearing therapist at the Mbabane Government Hospital. Among his many duties are: building an infrastructure of diagnostic and rehabilitation services for the country's speech and hearing impaired population, and promoting public awareness of the needs and potential for assisting the hearing impaired.

Program Highlights & Accomplishments:

Volunteers working in the Teaching Innovation Distribution Centers (TIDC) provided support services to 300 primary school headmasters and teachers in the form of In-Service Trainings and Materials Development. Special attention was given to remedial education and classroom management teaching techniques. Over 5000 high school students received classroom instruction from Swaziland Peace Corps Volunteers.

Urban Planning Volunteers provided technical assistance and training in urban and regional planing techniques for six regional planning offices. The Volunteers are now computerizing the physical planning department and training eight Swaziland officials in computer use.

Data Management Volunteers have increased the computer knowledge of twenty five staff members and counterparts at the Ministries of Finance, Education and Natural Resources. The Volunteers are training counterparts and officials to design and develop new programs to meet the needs of their respective ministries.

Outlook:

Peace Corps will maintain its programs in the areas of math, science and vocational education while it refocuses programming into the areas of small business, urban development and environmental education.

TANZANIA

Population: 25,627,000
Annual Per Capita Income: $120
Number of years Peace Corps in Country: 17.

Peace Corps Country History:

In 1962 Tanzania became the second country to receive Peace Corps Volunteers. Peace Corps left the country in 1969 and returned ten years later with the signing of a new country agreement. Over the years Volunteers have assisted in the development needs of Tanzania in the areas of education, agriculture, animal husbandry, fisheries and natural resources.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	25	0	28
Volunteer Years	56	15	1
Funding ($000)			
Appropriated	1290	835	1094
Host Country Contributions	62	62	64

Host Country/Peace Corps FY 1992 Initiatives:

The Persian Gulf crisis caused the temporary suspension of Peace Corps programs in Tanzania in January 1991. As the world situation changes, Peace Corps hopes it will be possible to resume activities there. Peace Corps will become involved with the Tanzania Wildlife Department's national campaign to protect the great wealth of natural flora and fauna in the country. This will be done by expanding the number and type of Volunteer placements in this sector. Similarly, Peace Corps will continue to expand its Natural Resources and Conservation Program in response to the country's growing desertification problems. Both these initiatives will include Volunteer activities at the grassroots and institutional levels.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	0	0	Fisheries extension agents work with local farmers to increase their production of fish as a source of revenue and protein for their families. Dairy Extension Volunteers deliver technical and educational services to small farmers in order to improve their dairy herds. Crop specialists work with individual farmers to promote integrated pest management practices.

Education	0	17	Volunteers teach math, science, business and agriculture education to secondary and post secondary students as well as develop curricula and conduct teacher training workshops.
Environment	0	11	Volunteer activities in Community Forestry focus on public education, tree planting campaigns, school projects and seedling development and distribution. Parks and Wildlife Volunteers visit national game parks and reserves to compile data and information for the Wildlife Department. They also assist in developing environment/conservation material to increase public awareness. Information is disseminated by way of small community/women's groups, workshops, primary and secondary schools and radio.

Program Highlights & Accomplishments:

Prior to the suspension, a Volunteer veterinarian on Mafia Island joined the efforts of Heifer Project International and the Tanzania Ministry of Agriculture and Livestock Development to increase milk production to address the problem of malnutrition and to increase income for local farmers. These efforts have helped to increase the existing dairy herds by over 40 cattle. Forty farmers have formed an autonomous farmers organization to market their milk and organize the purchase of feeds and other supplies. They have also hired a person to help with managing their cooperative.

Outlook:

When Peace Corps resumes its programs in Tanzania, it will continue to work with the Ministries of Wildlife and Natural Resources. Continuing the development of a national strategy in these areas will be a priority. Peace Corps Tanzania had decreased their number of programming areas in order to streamline their efforts and more effectively address the development needs of the country.

TOGO

Population: 3,507,000
Annual Per Capita Income: $390
Number of years Peace Corps in Country: 29

Peace Corps Country History:

Peace Corps has provided technical assistance to Togo since 1962, making it one of the Agency's oldest programs in Africa. Over the past 29 years, more than 1700 Volunteers have served in Togo. Earlier programming efforts focused primarily on the education sector but have evolved to include agriculture, health, environmental, and small business development projects.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	49	75	75
Volunteer Years	84	73	100
Funding ($000)			
Appropriated	2459	2537	2442
Host Country Contributions	45	45	47

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Togo will continue to develop and expand its small business development project to include teaching business classes to young Togolese in artisan training schools. This facet of the project will help address the rising unemployment problem among the country's youth, particularly in the urban areas.

In response to Togo's high population growth rate and the Government of Togo's request for assistance in educating Togolese families in child spacing, Peace Corps Togo is working to design a project with the Ministry of Health and the Association for Family Health. Once implemented, this project will assist Togolese family counselors by developing materials for use by village-based community health extension agents.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	29	30	To increase food production in the rural sector, Volunteers provide technical assistance in the areas of agricultural education, animal traction, and fish culture.

Education	11	10	Volunteers train Togolese teachers to develop improved teaching methodologies in science education at the secondary level and in early childhood education at the pre-school level.
Environment	10	15	Agroforestry Volunteers provide technical assistance in land management and reforestation. Appropriate technology Volunteers work with counterparts to promote the use of fuel-efficient stoves made of mud brick, and solar energy technology.
Health	18	15	Volunteers provide technical assistance and training in guinea worm eradication and health education techniques in the Community Health Education for Child Survival (CHECS) project.
Small Business Development	7	5	Working in conjunction with a USAID-supported credit union, Volunteers teach night classes to business men and women in basic accounting, management, marketing, and finance. During the workday, Volunteers serve as technical consultants to these same entrepreneurs at their businesses.

Program Highlights & Accomplishments:

Ten appropriate technology Volunteers and their Togolese counterparts produced a "Guide to Solar Energy Construction," which is widely used by extension agents and other Togolese who are working to promote the use of passive solar energy.

Four forestry Volunteers initiated sixteen village woodlots in conjunction with a local non-governmental organization in northern Togo. These Volunteers work in isolated villages in the driest region of the country, and have successfully carried out an intensive extension program using all-terrain bicycles for transportation.

Given the success and widespread adoption of animal traction techniques in northern Togo, Peace Corps is phasing out its program in this region. Animal traction is a method of using harness animals to pull plows, lift water and otherwise substitute for fuel or human powered devices. Future program efforts will be directed toward the southern region of the country, where animal traction is relatively new.

Outlook:

Peace Corps Togo will continue the process of turning over its agriculture education, pre-school teacher trainer and appropriate technology projects to host country counterparts. With the implementation of the Family Health Project, Peace Corps is maintaining its goal of responding, within its capacity, to the development priorities of the people of Togo. New project areas that will also be explored with the Togolese government in 1992 and 1993 include business/marketing and environmental protection.

UGANDA

Population: 16,772,000
Annual Per Capita Income: $250
Number of years Peace Corps in Country: 1

Peace Corps Country History:

Peace Corps began in Uganda in 1964 with Volunteers serving in the education, health, fisheries, agriculture, computer programming and surveying sectors. Peace Corps maintained operations there until 1973 at which time the program was forced to close and leave the country due to civil unrest. In 1989, a formal invitation was received from the Government of Uganda requesting Peace Corps to resume operations in the country.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	15	15
Volunteer Years	0	2	12
Funding ($000)			
Appropriated	24	560	644
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

Based on the recommendations made by the Peace Corps programming/assessment teams which visited Uganda in 1990, the program will continue to place Volunteers in the Vocational Education and Environmental sectors.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	12	10	Volunteers will be placed in Vocational Education teaching positions at various technical institutes to address the rehabilitation needs of Uganda's infrastructure.
Environment	3	5	Volunteers will promote Uganda's tourism potential by working in projects pertaining to conservation education, wildlife clubs and park management.

Program Highlights & Accomplishments:

The Government of Uganda requested that the Peace Corps re-enter the country. In response to this request, three assessment teams visited in 1990. The projects that were identified (Vocational Education and Environment) directly meet the need of Uganda to rehabilitate its infrastructure to pre-1971 conditions. Potential for collaboration with USAID exists for both sectors.

Outlook:

The first group of Peace Corps Volunteers to enter Uganda after a 17 year absence will arrive in June, 1991.

ZAIRE

Population: 34,442,000
Annual Per Capita Income: $260
Number of years Peace Corps in Country: 21

Peace Corps Country History:

Peace Corps entered Zaire in 1970. The program grew rapidly, and by 1973 there were almost 200 Volunteers working in education, health, rural development and fisheries. By the late 1970s, Volunteer numbers reached 400, but programs were subsequently curtailed for many years due to ethnic conflict in the Shaba Region and other internal factors.

During the past four years, relations with the Government of Zaire have improved, and Peace Corps has been able to once again begin expansion. Peace Corps has reentered the Shaba Region with a USAID-sponsored agricultural extension program. The Africa Food Systems Initiative (AFSI) fielded its first Volunteers in 1988 with the introduction of agricultural extension agents in the Bandundu Region. These Volunteers are working in teams with other health and water management Volunteers in an integrated approach to development. This collaboration of Volunteers with differing technical expertise is designed to address numerous problems which affect food availability. Due to past success in the Bandundu Region, the AFSI program has expanded to the Kasai Oriental region. Volunteers are currently serving in the areas of fisheries, crop extension, integrated agriculture, health, water/sanitation, and large animal husbandry.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	89	79	79
Volunteer Years	163	160	152
Funding ($000)			
Appropriated	3046	3084	3245
Host Country Contributions	824	824	824

Host Country/Peace Corps FY 1992 Initiatives:

Volunteers will continue working in agriculture and health in the coming years. In 1991, a project design team explored the possibilities of launching an agroforestry project in the Kivu Region which will receive Volunteers during fiscal year 1992. Volunteers will be involved with watershed management and will encourage the planting of trees in rural communities, while others will introduce anti-erosion, soil improvement, and nursery production techniques to local farmers. These efforts are aimed at minimizing the rate of deforestation, providing much needed firewood, and improving yields from heavily-utilized soils.

Volunteers will continue to focus on integrating rural Zairian women's issues (food production, labor, and child care) into all projects. Regional committees and Volunteer coordinators will continue to meet on a quarterly basis to further efforts toward disseminating information and assisting other Volunteers who work with Zairian women.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	FY'92	Description
Agriculture	50	50	Volunteers work as extension agents, teaching local farmers improved techniques in fish farming, crop and vegetable production, small animal husbandry, and integrated agriculture.
Health	29	29	Volunteers work toward the expansion of preventive health programs in the rural health zones through nutrition education, training village health workers, and developing training curricula. Other Volunteers work with village development committees in rural health zones, performing community surveys to determine needs, constructing latrines, capping water sources, digging wells, and conducting lessons on water use and sanitation education.

Program Highlights & Accomplishments:

Despite considerable economic and political turmoil, the Peace Corps program in Zaire continues to respond to the development needs of the country. The health project has been of particular importance in rural health zones since the departure of Belgian development technicians in 1990. Especially encouraging in the Water/Sanitation project is the number of villagers who are paying for construction supplies through personal contributions, demonstrating their commitment to the project's success.

The Fisheries project remains an effective program and received an additional 20 Volunteers in February of 1991. The Integrated Agriculture project has continued its innovative approach, working with experienced fish farmers in order to demonstrate the integration of small animal husbandry and agriculture with fish farming.

Outlook:

The strategy of Peace Corps Zaire is to improve the quality of existing projects while exploring pilot program activities in new initiative areas. The agroforestry project in the Kivu Region is a reflection of this on-going exploration.

ZIMBABWE

Population: 9,567,000
Annual Per Capita Income: $640
Number of years Peace Corps in Country: New Country Entry

Peace Corps Country History:

Since 1981, Peace Corps and the Government of Zimbabwe (GOZ) have discussed the establishment of a Peace Corps program. In August of 1990, the GOZ submitted a draft country agreement inviting Peace Corps to enter Zimbabwe. Negotiations are currently underway towards signing a country agreement and placing staff and Volunteers in the field.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	20	20
Volunteer Years		2	12
Funding ($000)			
Appropriated		525	631
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

The Government of Zimbabwe has expressed a need for math, science and vocational teachers. However, final programming areas will be identified when Peace Corps' programming and assessment teams meet with Zimbabwean officials in the second quarter of FY'91.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	20	20	It is anticipated that Volunteers will be teaching math, science and vocational skills.

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Program Highlights & Accomplishments:

The Government of Zimbabwe has requested the establishment of a Peace Corps program in the country.

Outlook: Peace Corps programming and assessment teams will visit Zimbabwe in January and March of 1991. It is expected that 15 Volunteers will arrive in September 1991.

TRAINEE INPUT, VOLUNTEER YEARS, PROGRAM FUNDING AND FTE LEVELS FOR THE IA REGION

InterAmerica	Trainees FY 1990	Trainees FY 1991	Trainees FY 1992	V-Years FY 1990	V-Years FY 1991	V-Years FY 1992	Program Funds FY 1990	Program Funds FY 1991	Program Funds FY 1992	FTE FY 1990	FTE FY 1991	FTE FY 1992
Belize	51	25	25	98.4	95.5	57.6	1819.9	1532.3	1632.2	14.0	11.0	10.0
Bolivia	31	40	40	8.9	40.8	49.3	805.0	1156.1	1261.5	3.1	6.7	6.0
Chile	0	24	24	0.0	4.9	22	0.0	542.8	699.6	0.0	1.6	3.0
Costa Rica	106	100	100	188.0	142.1	137.3	2240.8	1948.6	2166.6	15.0	13.7	13.0
Dom. Rep.	93	95	90	173.9	161.6	134.5	2244.9	2218.0	2212.7	13.0	14.1	14.0
Ea. Caribb.	99	70	73	140.3	126.1	121	3202.4	2550.4	2651.4	19.3	16.0	19.7
Ecuador	87	107	119	178.4	145.5	149.7	2390.1	2324.6	2485.7	16.3	16.4	17.0
Guatemala	121	103	103	240.4	212.6	191.2	2632.0	2614.9	2560.4	16.7	16.0	14.0
Guyana	0	15	15	0.0	0.6	13.2	0.0	252.1	638.2	0.0	0.0	1.0
Haiti	33	36	36	4.2	25.2	46.5	736.5	1050.7	1428.5	4.3	5.6	6.0
Honduras	140	125	125	314.1	252.0	189.1	4005.2	3458.2	3644.6	20.9	21.3	21.0
Jamaica	82	60	87	148.8	146.4	130.4	2344.0	2360.5	2346.2	13.3	13.0	11.0
Nicaragua	0	15	15	0.0	5.0	20.7	0.0	393.8	659.2	0.0	1.3	2.0
Panama	0	30	30	0.0	14.4	33.9	24.7	586.0	837.9	0.0	2.5	4.0
Paraguay	82	89	95	167.2	170.1	157.6	1947.8	2202.0	2061.3	12.5	12.7	11.0
Uruguay	0	24	24	0.0	4.9	24.8	0.0	460.1	647.3	0.0	1.6	3.0
Total	*925*	*978*	*1,001*	*1,862.6*	*1,547.9*	*1,479.0*	*24,393.3*	*25,651.2*	*27,253.5*	*148.4*	*155.7*	*155.7*

INTER-AMERICAN COUNTRIES

OVERVIEW

Regional Development Needs

Considerable diversity exists within the 19 countries that comprise the Inter-American Region of Peace Corps. Conditions range from extreme poverty and underdevelopment in Haiti to severe unemployment in the developing nations of the Eastern Caribbean. There are, however, several development needs common to all countries in the region since their economies are predominantly agrarian-based and all have increasing numbers of disenfranchised youth.

In general, the economies have been deteriorating due to inflation, falling market prices for traditional agricultural exports, and lack of hard currency for imports and debts. Austere budgets have severely limited the ability of governments to provide necessary social and economic services, such as basic education, health and sanitation, technical assistance, and credit. Inadequate roads and other means of transportation limit access to markets. These problems are particularly severe in the rural areas where the majority of the poor are concentrated.

There is significant loss of human resources and development potential caused by illiteracy, which often exceeds 50 percent in rural areas. Worker productivity suffers as a result of poor health due to malnutrition, water-born diseases, and poor sanitation. Population growth exacerbates these problems.

Natural resources are also seriously threatened throughout the region. Forests, water, soil, and wildlife are being depleted and endangered as the population continues to grow. Rural populations need alternative sources of income to prevent further degradation of natural resources.

The greatest regional need is for services- housing, water, education, and jobs-.for young people, whose numbers approach or exceed 50 percent of the total population in most countries.

Program Strategy

The recent wave of democratic elections throughout the Latin American and Caribbean Region prepared the way for Peace Corps' reentry to Bolivia, Haiti and Panama in 1990 and Nicaragua, Uruguay and Chile in 1991. Peace Corps continues to explore reentry possibilities with Guyana and will be receptive to invitations from at least two other Latin American countries for entry in 1992. In addition to the development assistance Volunteers can provide, it has been proven over and over that Peace Corps programs improve and promote mutual understanding between the people of the United States and the people of the host countries.

Peace Corps is making a significant contribution, in partnership with host governments and local communities, to the development and well-being of thousands of poor people in South America, Central America, and the Caribbean. The Inter-American Region's

economic, social, and environmental development needs require continued efforts in the Agency's priority areas of small business development, environmental conservation, and urban development (especially youth development).

Small Business Development

The Region's Small Business Development (SBD) initiative, begun in 1988, provides technical assistance and training needed for employment and income generation. Working with a variety of host country government and private entities, Volunteers provide technical assistance and training in basic business practices, feasibility studies, record-keeping, marketing studies, and product design. In addition, Volunteers in other fields are receiving basic SBD training. It is anticipated that the application of basic SBD skills in all Volunteer projects will substantially increase the success rate of SBD and SBD-related projects. SBD program and training activities are being supported by AID funding in Honduras, Costa Rica, Guatemala, and the Dominican Republic and Jamaica.

Environmental Conservation

Natural resource preservation and land management have been important programs for many years. Thousands of Volunteers have worked in the region as foresters in projects ranging from planting seedbeds and nurseries to fighting forest fires. Volunteers have conducted inventories of forest resources and written management plans for forests, national parks, and watersheds.

Conservation remains a regional priority, and there is a growing consciousness concerning the environment. Agricultural extensionists are teaching methods of soil conservation and integrated pest management, and biologists and wildlife specialists are working to protect flora and fauna. Still, the problem continues, and environmental degradation is more severe each year. Conservation and ecology groups have been formed in many countries, with Volunteers advising on environmental issues. Projects include organizing school science and nature clubs, developing wildlife videos and slide shows, developing curricula, and continuing efforts in soil conservation, hillside farming techniques, agroforestry, watershed management, and wildlife management.

Urban and Youth Development

Peace Corps has been working with youth for many years in a variety of programs similar to the 4-H clubs in the United States. Groups such as Boy Scouts, Girl Scouts, craft and sewing circles have also been developed. There have been, however, few programs aimed at the burgeoning problem of urban youth: runaways and abandoned or abused youth with little education and few or no vocational skills. A pilot program has been underway in Honduras for several years that has proven effective in providing urban youths with remedial education, structured recreational activities, and counseling and guidance. The program teaches responsibility, self-discipline, job and study habits, and vocational and business skills. Similar projects are being developed in other countries.

Volunteers are working with youths from ages seven to seventeen in a variety of activities and settings. Whenever possible, the projects include some form of income-generating activity. A popular project in several centers is silk-screening T-shirts and greeting cards for sale. One successful project sells stuffed animals designed and sewn by the young people in the center. These activities, in collaboration with other

institutions such as Partners of the Americas, Junior Achievement and the Kellogg Foundation, will continue to expand..

Inadequate housing is another serious problem in urban areas. With technical assistance from the Cooperative Housing Foundation (CHF) and funding from AID, Peace Corps has been involved in a shelter program in Costa Rica for several years. The program, which features low cost, self-help housing construction and rehabilitation with loans administered by a local savings and loan association, has proven successful. The Inter-America Region is exploring the possibility of developing similar cooperative models in ther countries in 1992.

BELIZE

Population: 184,000
Annual Per Capita Income: $1,460
Number of years Peace Corps in Country: 30

Peace Corps Country History:

The first group of Volunteers arrived in Belize in 1962. Since that time more than 1,100 Volunteers have provided assistance in education, small business development, conservation and agriculture.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	51	25	25
Volunteer Years	98	96	58
Funding ($000)			
Appropriated	1820	1532	1632
Host Country Contributions	41	40	40

Host Country/Peace Corps FY 1992 Initiatives:

Six out of every ten Belizeans are under twenty-one years of age. Fifty per cent of the students entering the third grade drop out after completing this grade. While sustaining its long-time commitment to education in Belize, Peace Corps will expand its activities in youth development and vocational education this year. This will complement the country's own efforts to equip the large youth population with the training and motivation necessary to pursue productive lives.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	3	8	Volunteers help Belizean beekeepers effectively manage the Africanized bee in order to preserve the honey industry. Volunteers assigned to the Toledo Agriculture and Marketing Project assist in the post-harvest storage, processing and marketing of cacao.
Education	11	10	The majority of Volunteers in Belize work in education. They serve as teachers, and also provide assistance in teacher training and curriculum development, and pre-school, primary, secondary, adult and vocational education.

Environment	3	3	Volunteers promote the development and protection of national parks and environmental education through conservation programs.
Small Business Development	1	2	Volunteers provide technical and managerial assistance to agricultural, fishing and beekeeping cooperatives. They also work with local artisans in the production of crafts.
Urban Dev.	7	2	Volunteers assist PRIDE with drug awareness and prevention activities. Other Volunteers work with the National Youth Commission to develop and support organized youth groups such as 4H Clubs, Boy Scouts, Youth Clubs, Girl Guides and sports clubs.

Program Highlights & Accomplishments:

Working in partnership with the government of Belize, Peace Corps Volunteers have played a key role in organizing and promoting PRIDE, an international, private volunteer organization that operates drug awareness and prevention programs. Volunteers have also continued to provide professional leadership and skills to teachers throughout the country, as well as to official tourism and archaeological programs. Greater emphasis will be placed on developing vocational tracks for primary and secondary school drop-outs. An environmental education syllabus developed in conjunction with a Volunteer project has been used as the basis for a national curriculum.

Outlook:

Working with local sponsoring organizations, Volunteers will coordinate and help to organize Belizean chapters of PRIDE and Junior Achievement. In addition to stepping up its involvement in youth programming, Peace Corps Belize will continue to contribute qualified Volunteers as teachers. Volunteers will provide teacher training at the primary and secondary levels, and establish and maintain several teacher resource centers around the country. The Government of Belize has made a substantial commitment to protecting the environment and natural resources and has asked for Peace Corps' assistance in that effort. Peace Corps will provide teacher trainers in the area of environmental education, which will be part of a new curriculum to be taught in schools nationwide. Additionally, Volunteers will help establish environmental resource centers, marine biology centers and archaeological sites.

Due to the uncertain political conditions that exist in neighboring countries, Belize has seen a large increase in the number of refugees that are settling in the countryside. Peace Corps Belize is initiating a series of projects relating to refugee assimilation and relief. These projects will include education for both adults and children, construction of needed infrastructure such as school facilities and potable water systems. Additionally, there will be a small business advisor assigned to these villages to assist in creating income-generating projects.

BOLIVIA

Population: 7,110,000
Annual Per Capita Income: $570
Number of years Peace Corps in Country:

Peace Corps Country History:

Peace Corps resumed operations in Bolivia in April 1990, after an eighteen year absence. From 1963 to 1971, over 1250 Volunteers worked in almost every department or state of the country in such projects as tuberculosis control, university education, community development and agriculture production.

Peace Corps Bolivia currently has 41 Volunteers working in the Departments of Tarija, Chuquisaca, Cochabamba and Oruro. These Volunteers are working in three sectors: Agriculture, Small Business Development and Environment.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	31	40	40
Volunteer Years	9	41	49
Funding ($000)			
Appropriated	805	1156	1262
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Bolivia's priority initiative is the protection and rational use of Bolivia's forests and farmlands. Primarily, Peace Corps will use an integrated development strategy of agroforestry and soil conservation to achieve this.

Peace Corps has also identified irrigation and small animal husbandry as priority issues of the rural farmers that they serve. Peace Corps is committed to assisting their Bolivian counterparts in addressing this development need.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	10	11	This sector is comprised of two projects: Crop Extension and Beekeeping. Crop Extension Volunteers assist Bolivian farmers in rural areas to conserve their soil through such practices as contour plowing and crop rotation. Beekeeping Volunteers promote the management of bees and bee by-products as an alternative source of income.

Environment	16	14	The Environment sector is divided into two projects: Forestry Extension and National Parks. Forestry Extension Volunteers promote such practices as fruit production and the production of multi-purpose crops. National Parks Volunteers coordinate with Bolivian counterparts to design strategies for the preservation and efficient use of selected national parks.
Small Business	14	15	Volunteers in the Small Business Sector work in the Cooperative Promotion and Small Business projects. Both projects focus on the trans'ɜr of basic business skills such as accounting and financial management.

Program Highlights & Accomplishments:

As noted above, Peace Corps Bolivia only resumed operations in April 1990. One of the principal goals of the program is to re-establish close working relationships with the Bolivian counterpart organizations. This goal is being achieved by the staff and Volunteers of Peace Corps Bolivia, as evidenced in the growing number of public and private organizations requesting Volunteer assistance. For example, an organization has requested Volunteer assistance in their efforts to develop a format for systematically taking inventory of Bolivia's flora and fauna.

Outlook:

Peace Corps Bolivia continues in its initial phase of establishing a core of counterpart agencies with whom it conducts development activities. In the future, programmers there will look to further solidify this relationship with existing counterpart agencies, and seek others with whom to coordinate. Peace Corps Bolivia will open a regional office in Tarija during the next year. This will greatly facilitate the crucial Volunteer support aspect of operations there.

CHILE

Population: 12,980,000
Annual Per Capita Income: $1,510
Number of years Peace Corps in Country:

Peace Corps Country History:

From the installation of the program in 1962, to its termination in 1982, over 2,000 Volunteers served in Chile. Projects were implemented in agricultural extension, health education, special education, and youth rehabilitation.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	24	24
Volunteer Years	0	5	22
Funding ($000)			
Appropriated	0	543	700
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps anticipates that Volunteers will return to Chile in the third quarter of fiscal year 1991. These Volunteers will be third year transfers from other Spanish speaking countries. The focus of Peace Corps Chile's development activities will initially be in the environment and small business development.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Environment	14	14	Volunteers in this sector will focus on three different types of projects: 1) University research; 2) University teaching and research, 3) Forest products management.
Small Business	10	10	Small Business Development Volunteers will work with public and private institutions in the Santiago area in order to assist in training member clients in improved business skills.

Program Highlights & Accomplishments:

The content of a draft agreement was recently hand delivered to the Chilean Foreign Ministry by the U.S. Embassy in Santiago. It is expected that the official exchange of diplomatic notes will occur without any major obstacles.

Outlook:

Initially, Peace Corps operations will focus in the metropolitan Santiago area, and perhaps Valdivia. This will give Peace Corps the opportunity to establish a firm base of development activities from which to build. As the program gains experience, project focus will be monitored and appropriate adjustments made.

COSTA RICA

Population: 2,735,000
Annual Per Capita Income: $1,710
Number of years Peace Corps in Country: 29

Peace Corps Country History:

Volunteers have served in Costa Rica since 1963. Agriculture has historically been the area of primary concern to the government of Costa Rica (GOCR). Projects in education, adult literacy, income generation and rural housing were made possible for Peace Corps Costa Rica under the Initiative for Central America funding in FY 1986. These projects are still operating successfully. Volunteers enjoy a good reputation among the people and official agencies of Costa Rica.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	106	100	100
Volunteer Years	188	142	137
Funding ($000)			
Appropriated	2241	1937	2187
Host Country Contributions	4	2	5

Host Country/Peace Corps FY 1992 Initiatives:

Although elections were held in 1990, the GOCR development initiatives have remained largely unchanged. These include the creation of employment opportunities, the construction of new housing, reforestation, environmental education, agriculture, and education. Peace Corps will continue to expand its projects in small enterprise development, low cost housing, forestry, environmental education, rural development and special education. A new social rehabilitation program, placing Volunteers in the metropolitan areas of the country to work with troubled urban youth and their families, has been successful. Emphasis on the environment remains a priority for Peace Corps Costa Rica as it is for the GOCR. Over 12% of Costa Rica's land is preserved in a national park system in which several Volunteers work. Volunteers continue to work at the grass-roots level in a structured Integrated Community Development project. This project has a strong focus on the development of women's roles in the community and is implemented through numerous women's groups. Volunteers will participate in a small business credit program through an agreement with two strong Costa Rican non-profit financial organizations.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	34	10	Volunteers promote community development projects and provide technical assistance to poor farmers so they can improve productivity and more effectively utilize available credit resources.
Education	22	24	Peace Corps provides adult, elementary, English and special education teacher trainers.
Environment	14	24	Volunteers conduct reforestation activities, establish mixed nurseries, and work with national agencies and community committees on environmental education and the use and conservation of natural resources.
Health	9	9	Rehabilitation extensionists raise social awareness, and train medical personnel, para-professionals, parents and other community members in how to work with the handicapped and elderly.
Small Business	16	26	Volunteers assist rural cooperatives and small business owners by providing technical assistance in marketing, financial planning and management, quality control and in the procurement and use of credit. Volunteers also facilitate the organization and execution of house construction in rural areas.
Urban Dev.	5	7	Volunteers counsel and guide poor and homeless urban youth and juvenile offenders in the metropolitan areas.

Program Highlights & Accomplishments:

Volunteers in the rural housing program worked to build 80 new homes and 47 home improvements through the Cooperative Housing Federation/Fedecredito/Peace Corps project. Under other financing arrangements 200 new homes were built and 300 homes improved.

Volunteers in Integrated Community Development, Peace Corps Costa Rica's biggest project, worked to change attitudes through the formation of community groups. These groups specialized in small business enterprises, crafts, agroforestry, and community gardens. Last year, PCVs worked with over 130 such groups in all provinces of Costa Rica. In addition, many groups created community self-help infrastructure projects, such as bringing electricity and telephone systems, and constructing needed roads and bridges. In the course of a three-year U.S.AID-sponsored school refurbishment project, PCVs helped communities rehabilitate 198 rural schoolhouses.

Outlook:

While a major shift in development priorities is not anticipated, Peace Corps will continue to enhance its current programs to make them more effectively serve a greater number of beneficiaries. Possibilities include collaboration with a host country agency to provide increased credit availability for beginning small businesses.

DOMINICAN REPUBLIC

Population: 7,002,000
Annual Per Capita Income: $720
Number of years Peace Corps in Country: 30

Peace Corps Country History:

Peace Corps entered the Dominican Republic in 1962 with twenty-two Volunteers working in rural development and agricultural extension. It is notable that the Peace Corps remained in the Dominican Republic during the suspension of diplomatic relations in 1963 and the civil war of 1965. Over 2,000 Volunteers have served since the inception of the program.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	93	95	90
Volunteer Years	174	162	135
Funding ($000)			
Appropriated	2245	2218	2213
Host Country Contributions	0	2	2

Host Country/Peace Corps FY 1992 Initiatives:

The problems Peace Corps Dominican Republic plans to continue to address include: income and employment generation, the increasing deterioration of the environment, infant mortality, scarce income sources for women, inadequate access to credit and technical assistance for micro-entrepreneurs, low quality of primary education, rural to urban migration and the improvement of opportunities for young Dominicans.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	24	19	Volunteers work with rural youth groups, schools, and individual small farmers in a variety of subjects including vegetable gardening, crop storage, and environmental awareness.
Education	13	19	Community education extension Volunteers promote the participation of the community in projects that enhance the local school's ability to provide quality education.

Environment	10	16	Peace Corps has been instrumental in providing technical assistance for reforestation and soil conservation projects. Volunteers are also involved in promoting environmental education. Appropriate Technology Volunteers work with communities to build aqueducts, wells, catchment tanks, irrigation systems and other water sanitation projects.
Health	24	18	Volunteers focus on child survival programs. They perform community diagnostics in order to determine the degree of malnutrition, and then work with rural mothers' clubs and community groups in the promotion of good health, hygiene and nutrition practices.
Small Business	24	18	Small business Volunteers, assisted by PASA funds available through the United States Agency for International Development, work directly with small and micro businesses, and with private indigenous agencies to promote sound business practices.
Urban Dev.	0	0	While the Dominican Republic currently does not have an urban development sector, many small business development Volunteers in urban sites work with business entrepreneurs to increase employment and income opportunities.

Program Highlights & Accomplishments:

The Peace Corps Dominican Republic program formed and strengthened local organizations by increasing local capacity for problem solving. Program activities in the different sectors have also fortified local organizations by enhancing linkages with other local organizations as well as with public agencies and the private sector. Natural resources, water and appropriate technology initiatives continue to focus on environmental issues critical to the long term welfare of all Dominicans.

Outlook:

While placement of Volunteers with host government agencies will continue to be important for Peace Corps Dominican Republic, more consideration is being given to the placement of Volunteers with Dominican private development agencies. The environment, small business projects, and health care services will continue to be a priority for meeting the development needs of the Dominican Republic.

EASTERN CARIBBEAN

Population: 800,000
Annual Per Capita Income: $1,800-$3,800
Number of years Peace Corps in Country: 30

Peace Corps Country History:

The Eastern Caribbean includes the island countries of Antigua, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent. By the end of FY 1991, the reorganization of Peace Corps in the Eastern Caribbean will be completed with all the management and administrative functions established on St. Lucia. Development of project-based programming in the environment and education sectors has been initiated, as well as assessment of our health and youth development projects.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	99	70	73
Volunteer Years	140	126	121
Funding ($000)			
Appropriated	3202	2550	2651
Host Country Contributions	87	52	54

Host Country/Peace Corps FY 1991 Initiatives:

Peace Corps Eastern Caribbean initiatives will be in health and youth development. We will design programming strategies in collaboration with host country agencies to address critical issues in both sectors. In the health sector, we anticipate being involved in institutional program development, and in community-based health and nutrition education programs. In youth development, Peace Corps will be involved in delivering non-formal education programs for youth who leave school early. Peace Corps will also work to strengthen and consolidate the programming initiatives begun last year in education and the environment.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	5	3	Volunteers are involved in a project to expand papaya and passion fruit production. Strengthening farmers' production and marketing skills are also areas in which Volunteers provide support.

Small Business	2	5	Volunteers continue to be involved in youth programs geared towards developing leadership and employable skills. Volunteers train Red Cross first-aid workers in life-saving techniques and counselors for urban youth programs.
Education	39	31	Volunteers provide classroom teaching in vocational education, math, science and business. PC/EC is also involved in special education working with teachers to upgrade remedial reading programs and education for the deaf and the emotionally and physically handicapped. Volunteers are also involved in a pilot project to use school gardens as a laboratory for teaching agricultural science.
Environment	7	13	Volunteers have designed and are implementing school environmental awareness curricula, and are supporting the forestry, wildlife and national park capabilities of the region.
Health	13	10	Volunteers have made significant impact over the past year in upgrading the health care delivery system on Antigua. They also work in rural health centers to fill a critical shortage of nurses.
Urban Development	4	11	Volunteers continue to be involved in youth programs geared towards developing leadership and employable skills. They also work to train Red Cross First-Aid trainers and counselors for urban youth.

Program Highlights & Accomplishments:

In collaboration with the Ministry of Education on Dominica and the Life Lab Science Program of California, PC has developed a three-year pilot project which involves incorporating Life Lab methodologies into the existing agriculture and science school curricula. Also on Dominica, a Volunteer completed a national survey of the disabled which provided initial baseline data to the GOD on the number, extent and needs of the country's disabled.

A six-month Rehabilitation Aid Training program has been designed and will be conducted by Volunteers in cooperation with health agencies on Antigua. On the same island, another Volunteer has organized an international conference on occupational therapy, the first of its type to be held in the Eastern Caribbean.

AVolunteers assigned to the Department of Fisheries on St. Lucia, contributed towards the introduction, stocking, monitoring, and harvesting of fresh water fish and prawn farms lands. "Fish and Prawn Farming News", a newsletter initiated by a Volunteer, has enhanced the efforts of this Department in expanding its aquaculture program to more areas of the island.

Outlook:

Peace Corps will continue to monitor the impact of the impending 1992 European Community Market to determine if increased programming in agriculture and small business is necessary. Development of sound programming will continue to be a top priority of the region. The potential for additional collaboration with the USAID and EPA is being assessed.

ECUADOR

Population: 10,329,000
Annual Per Capita Income: $1,110
Number of years Peace Corps in Country: 30

Peace Corps Country History:

Peace Corps has provided technical assistance to Ecuador since 1962 for 29 uninterrupted years. During that time over 4,400 Volunteers have served in all of Ecuador's provinces, primarily in the areas of agriculture, rural public health, rural infrastructure, special education, forestry, youth development and small business development. Currently, there are approximately 180 Volunteers working throughout the country. Sixty-five percent of Volunteers are based in rural areas.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	87	107	119
Volunteer Years	178	146	150
Funding ($000)			
Appropriated	2390	2325	2486
Host Country Contributions	62	54	62

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Ecuador's current programming reflects the government of Ecuador's development priorities as well as the needs of populations traditionally left out of development efforts. As the economic crisis worsens, the Ecuadorean agencies have fewer resources with which to work. Volunteers work as extension agents in many areas to stretch these resources further. Peace Corps Ecuador, in conjunction with host country agencies, PVOs and NGOs, is currently undertaking a major environmental initiative to mitigate some of the environmental destruction and contamination that is now occurring. Volunteers in this new project will work with national elementary school curricula and local teachers to implement changes in attitude toward the environment in the rural areas. This project will complement the successful forestry project currently in place.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	28	31	Volunteers provide technical assistance to improve agricultural practices, improve cattle and fish production. Volunteers also teach gardening, beekeeping and small animal husbandry. A new alternative agriculture project will begin in the current fiscal year.

Education	18	18	Volunteers working in special education provide technical training to teachers, parents and other related professionals, in the fields of mental retardation, learning disabilities and deaf education.
Environment	19	21	Peace Corps is involved in agroforestry, the establishment and improvement of nurseries and forestry extension. A new project in environmental education has recently begun.
Health	26	30	Volunteers teach preventive health practices and assist rural communities in the construction of basic infrastructure facilities such as water systems, sewage systems, hand pumps and latrines.
Small Business	10	13	Volunteers provide technical assistance in marketing, financial planning, management and quality control to small business owners.
Urban Dev.	6	6	Urban youth promoters work in sports, small business development, handicrafts and job skill training. Volunteers counsel children with behavior problems in a variety of settings, such as orphanages and state institutions.

Program Highlights & Accomplishments:

Volunteers in small business worked with artisans to improve the quality of products and introduce more efficient marketing and accounting systems. Several Volunteers have been instrumental in attempting to preserve local indigenous crafts by working with the Museo de Chordeleg. The museum store also provides an outlet for locally produced arts and crafts.

Volunteers trained in sheep production live in the Ecuadorean highlands and work with farmers to improve local wool and meat production. The host country agency sponsoring the project (ANCO) is very supportive of the PCVs and well-organized in their sheep management systems.

Twelve cheese producers were organized into an association. A cooperative cheese-making factory was inaugurated last year.

PCVs working in deaf education published the first and only Ecuadorean Sign Language Dictionary.

Outlook:

Peace Corps Ecuador has begun a program reorganization in order to better prepare itself to face the challenges in the coming decade. The economic situation in Ecuador is steadily deteriorating. Peace Corps Ecuador anticipates an ever increasing demand in the coming years for the technical assistance that we are providing.

GUATEMALA

Population: 8,946,000
Annual Per Capita Income: $920
Number of years Peace Corps in Country: 29

Peace Corps Country History:

The first Volunteers arrived in Guatemala in 1963. Since that time, more than 2,000 Volunteers have provided community development assistance in rural and poor areas. At present, Volunteers are in the eastern and western highlands areas of Guatemala. Volunteers are currently specializing in agriculture, conservation, health, and small business development projects.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	121	103	103
Volunteer Years	240	213	191
Funding ($000)			
Appropriated	2632	2615	2550
Host Country Contributions	15	33	30

Host Country/Peace Corps FY 1992 Initiatives:

The Government of Guatemala, in an effort to improve the socioeconomic situation of the majority of the country's population, is implementing projects in the following sectors: agriculture, conservation and management of natural resources, health and nutrition, and small business development. Agriculture is the largest economic sector in Guatemala, accounting for 25% of the gross domestic product, 60% of exports and 60% of total employment. In 1950, 65% of Guatemala's territory was covered by forests. Today only 40% remains forested, with deforestation calculated at about 1/5% annually. Guatemala faces serious health problems, especially in its small child and infant population. Common preventable illness such as gastrointestinal diseases, respiratory infections, malnutrition, polio and measles severely affect children five years of age and younger. During 1986-87, approximately 85% of Guatemalans were living at the poverty level with unemployment and underemployment rates particularly high among the rural population. Micro-enterprises generate employment and contribute 20% to the gross domestic product. Peace Corps is actively participating with Guatemalan agencies in all of these sectors, contributing approximately 230 Volunteers this year.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	45	61	Volunteers are working in soil conservation in order to restore and preserve potentially valuable agricultural land and forest acreage from severe erosion. Other projects are crop improvement and diversification, fish farming, livestock development and 4-H Clubs.
Environment	36	8	Volunteers work in reforestation and resource management education. Others assist in the development of national parks and in wildlife management. Volunteers utilize appropriate technologies to respond to needs such as firewood conservation, health improvement and economic development.
Health	14	19	Volunteers are assigned to rural health clinics working with community and school groups, promoting proper nutrition and hygiene and monitoring the growth of children. Other Volunteers are assigned to the Ministry of Agriculture. They promote the production of nutritious foods and provide nutrition education. In addition, Volunteers assist in vaccination campaigns, health education and the training of village health promoters and midwives.
Small Business	8	15	Peace Corps Volunteers are training members of production and service cooperatives in the fundamentals of business management.

Program Highlights & Accomplishments:

Peace Corps organized the first national workshop on environmental education to establish priorities, policies and coordination among approximately fifteen Guatemalan agencies and private volunteer organizations The workshop was funded by PC/Guatemala, PC/Office of Training and Program Support, World Wildlife Fund, and the Guatemalan National Commission on the Environment.

Peace Corps Guatemala reached an agreement with U.S.A.I.D. and CARE to initiate a five year watershed protection project in selected watershed areas of Guatemala.

Outlook:

Peace Corps Guatemala will play an increasingly important role in the area of conservation of natural resources. In addition, they will continue to contribute a large number of qualified Volunteers in the agriculture and health sectors and expand their efforts in the area of small business development.

GUYANA

Population: 800,000
Annual Per Capita Income: $310
Number of years Peace Corps in Country:

Peace Corps Country History:

In 1989, Peace Corps and the Government of Guyana (GOG) began a dialogue about the establishment of a Peace Corps program in Guyana. In November of 1989 the U.S. Ambassador expressed additional support for a country re-entry, and reiterated the GOG interest in the potential program development. Negotiations continue towards reinstatement of the prior country agreement.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	15	15
Volunteer Years	0	1	13
Funding ($000)			
Appropriated	0	252	638
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

Initiatives for Peace Corps Guyana center around agricultural extension and small enterprise development, including cooperatives.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Small Business	0	8	Volunteers focus on strengthening local institutions, improving the efficiency of micro-businesses, and cooperative management.

Agricultural Extension	0	7	The focus will be on introducing techniques which will result in improved agricultural production and land utilization.

Program Highlights & Accomplishments:

Peace Corps and the GOG have entered into dialogue about the re-entry of Peace Corps into Guyana. We anticipate that programs in agricultural extension and small business enterprise will be underway in the Winter of FY '92.

Outlook:

Development of sound programming will be top priority for a Peace Corps Guyana re-entry. Expanded programming will take place a sound program foundation is established.

HAITI

Population: 6,368,000
Annual Per Capita Income: $400
Number of years Peace Corps in Country: 9

Peace Corps Country History:

A country agreement between Peace Corps and the Government of Haiti was signed on August 12, 1982. Volunteer operations continued until 1987 when political unrest and a Congressional Resolution resulted in a decision to discontinue Volunteer activities. In March 1989, the Congressional ban barring Peace Corps from working in Haiti was lifted, and a decision was made to resume Volunteer operations in FY 1990. The first group of trainees arrived in Haiti in January 1990 to work in health care, health administration, teacher training and youth development. A second group of trainees arrived in July, 1990 and are currently working in agroforestry.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	33	36	36
Volunteer Years	4	25	47
Funding ($000)			
Appropriated	737	1051	1429
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

The social and economic problems of Haiti have not changed over the years. They are serious and widespread and have largely been neglected by the national government. As a result, Haiti remains the poorest country in the hemisphere. Peace Corps Haiti is working with the ministries and private voluntary organizations to address Haiti's severe problems of environmental degradation, inadequate health care services, low literacy rates, and lack of opportunity for youth to effectively participate in their communities.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	15	18	Early Childhood Education and Physical Education are represented in this sector. Early Childhood Education Volunteers train teachers in improved teaching methodologies, use of educational resources and assist in the formation of parent groups. Physical Education Volunteers promote non-traditional sports such as basketball and volleyball in the schools, as well as emphasize the social benefits of recreational programs.

Environment	21	8	This sector consists of Agroforestry Research and Community Forestry Extension. Agroforestry Research Volunteers conduct field studies regarding tree nursery production and management, socioeconomics, and seed improvement. Agroforestry extensionists work with local groups and technicians to help develop an environmentally integrated system of food production within the context of soil conservation and environmental protection.
Health	0	10	Volunteers in this sector work in Rural Health Care Management, Rural Public Health Nursing, and Health/Nutrition Extension. Health Care Management Volunteers assist the staff of community health outreach programs in the development of management systems and procedural guidelines. Rural Public Health nurses train local health outreach agents in such areas as non-formal educational methods, primary health care, and the monitoring of nutritional patterns.

Program Highlights & Accomplishments:

Peace Corps operations in Haiti were successfully resumed in January 1990. While the Volunteers are still relatively new to their sites, they are well received and the Health Administration Volunteers have already introduced important new concepts to the community outreach programs.

Outlook:

Peace Corps Haiti will continue to expand its program so as to reach a level of 50 Volunteer years by the end of FY91. In FY92, Projects in Small Business Development will be added to address the high unemployment rate and provide income generating activities to entrepreneurs in rural areas.

HONDURAS

Population: 4,981,000
Annual Per Capita Income: $800
Number of years Peace Corps in Country: 30

Peace Corps Country History:

Peace Corps entered Honduras in 1962 with Volunteers in health, agriculture and education. In 1986 Peace Corps Honduras grew to be one of the largest Peace Corps programs in the world, with over 360 Volunteers working in 22 technical project areas.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	140	125	125
Volunteer Years	314	252	189
Funding ($000)			
Appropriated	4005	3458	3845
Host Country Contributions	145	141	143

Host Country/Peace Corps FY 1992 Initiatives:

In light of difficult economic and social conditions resulting from economic reform measures, the development needs being addressed by Peace Corps Honduras reflect a broad spectrum of program areas. These are: employment, health, education, food production, environment, and urban development.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	18	38	The heart of Peace Corps Honduras' agriculture programs rests in maximizing production, especially on fragile lands. Hillside agriculture and small-scale irrigation projects have allowed farmers to extend the life of their plots indefinitely and lengthen the growing season.
Education	28	30	Volunteers have been instrumental in developing special education, environmental education and teacher training curriculum for primary and secondary school teachers. They have produced some of the first training materials available in Spanish for these areas.

Environment	10	22	Volunteers working directly on environmental degradation and its causes include those in forestry, woodlands management, environmental education and agroforestry. They work hand-in-hand with Honduran agencies to head off what could be a disastrous over-use of Honduras' natural resources. These Volunteers work very closely with Volunteers in other sectors to promote their message .
Health	50	17	Volunteers in this sector are involved in water sanitation, latrine construction, waste disposal, nutrition, hygiene and mental health. Most work with counterparts on a local level to organize community-based outreach groups.
Small Business	15	18	Small business development Volunteers are instrumental in providing technical assistance to both individuals and groups, focusing on assisting the entrepreneur. Their ability to provide valuable business assistance to a struggling private sector. They are very successful at utilizing project funds available through United States Agency for International Development.
Urban Dev.	6	0	A cross-sectorial approach is used to deal with urban development issues. With urban migration straining metropolitan resources, urban-based Volunteers work directly on those problems faced by urban migrants, and rural and semi-rural based Volunteers address those problems which cause urban migration.

Program Highlights & Accomplishments:

Peace Corps Honduras has experienced many successes in its 29 years of operation. The Education Sector has been successful in the printing of a manual on teaching methodologies to be used in the primary schools. The Environmental Sector has developed a national network of agencies concerned with environmental issues. The Hillside Farming project has been successful in increasing crop yields by up to 500% and continues to be used as a model extension program by the Ministry of Natural Resources. The Small Business Assistance project, through the USAID Micro-Enterprise Development Participating Agency Service Agreement, held a workshop on marketing techniques for artisans. The Health sector has started to develop materials in Spanish for AIDS education.

Outlook:

The Natural Resource sector is in the process of signing an agreement with USAID through the Regional Office for Central American Programs that establishes a design for pesticide resource management in Honduras.

Over the next two years, Peace Corps Honduras will be reducing its program to stabilize at operating level of 200 Volunteer years. As a result of this decrease, Peace Corps Honduras will be consolidating its program in order to continue to meet the needs of Honduras.

JAMAICA

Population: 2,396,000
Annual Per Capita Income: $1,260
Number of years Peace Corps in Country: 30

Peace Corps Country History:

Since the start of the program in Jamaica in 1962, Volunteers have been working in education, health and agriculture. The small enterprise development sector began in 1987, and the community services sector, including youth development in 1988. Environmental development, which is handled through the agriculture sector, was expanded as a priority in 1989. There are now approximately 50 Volunteers in three urban communities. The remainder are in rural areas.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	82	80	87
Volunteer Years	149	146	130
Funding ($000)			
Appropriated	2344	2361	2348
Host Country Contributions	28	63	64

Host Country/Peace Corps FY 1992 Initiatives:

Improving the economy and reducing the import/export imbalance continues to be the top priority of the Government of Jamaica. Peace Corps programming priorities stressing small business development and improved agriculture production are directly addressing these key needs. In addition, the GOJ continues to emphasize the need for improved education as a long-range solution to many economic problems. Programming in the education sector is aimed at decreasing the illiteracy rate, training teachers and preparing students with vocational skills. Other priorities include improving health facilities, increasing the number of nurses and trained health professionals and environmental preservation. Peace Corps staff works closely with the Ministries and agency officials to address the most pressing needs with its health, community service and environmental programming, and will continue to do so into FY 1992.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	9	11	Volunteers provide technical assistance to government and agency programs designed to benefit the small farmer as part of a drive for national self sufficiency in food, dairy products, honey, meat and fish production.

Education	28	30	Volunteers conduct teacher training workshops in secondary subjects and develop remedial programs. Non-formal education programs include work with the handicapped, disabled, and community groups.
Environment	6	8	Volunteers work in environmental education programs, parks development, forestry conservation and wildlife management to assist Jamaicans reduce loss of natural resources.
Health	16	19	Volunteers work with the Ministry of Health to strengthen primary health care services, and assist other health agencies to develop service functions, such as aiding the Jamaican Cancer Society establish screening and education facilities in each parish.
Small Business	15	14	Volunteers assist entrepreneurs and businesses develop viable enterprises and strengthen the technical capabilities of small business agencies and credit institutions.
Urban Development	6	7	Volunteers work with youth programs primarily in urban centers, and are engaged community development work in some of the lowest income areas of Kingston.

Program Highlights & Accomplishments:

Jamaica continues to have Volunteers placed on the cutting edge of the identified needs in the country. For example, the country's first marine park is being created in the Montego Bay area with the assistance of Volunteers. This project, which increases tourism and preserves a valuable resource, has generated interest and support nationwide.

An earlier project in which Volunteers organized craft producers and vendors in the Ocho Rios area continues to grow and serve as an outstanding example of Peace Corps and US AID cooperation. The program, which includes teaching the vendors marketing skills as well as providing better facilities from which to operate, is generally credited as turning around the tour ship trade, which was threatened by severe vendor harassment.

On a more technical skill level, a former architecture professor, now a Volunteer, has aided in the development of the first Jamaican school of architecture.

Outlook:

Demand for Peace Corps Volunteers continues to far out-pace the number of Volunteers available. Jamaica will continue to program in the same basic sectors which address the priority needs of the country.

NICARAGUA

Population: 3.7 million
Annual Per Capita Income: N.
Number of years Peace Corps in country:

Peace Corps Country History:

Peace Corps Volunteers served in Nicaragua from 1968 to 1978. The program ranged in size from 75 to 125 Volunteers. Volunteers provided assistance in such areas as education, vocational training, rural nutrition, rural water works, agriculture extension, cooperatives and municipal development. Volunteers worked with both government ministries (education, health, agriculture) and a variety of private volunteer organizations (Wisconsin Partners, CARE, etc). Following the 1972 earthquake the entire program was temporarily shifted to relief and reconstruction activities.

The Peace Corps program was suspended in Nicaragua in 1978 due to the civil war. In 1982 Peace Corps attempted to re-establish a program in Nicaragua but was unsuccessful due to the highly polarized and politicized situation in country. Peace Corps representatives visited Nicaragua in 1990 to discuss the possibility of Peace Corps' return with the Nicaraguan government. Follow-up program assessments were conducted in 1990.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	15	15
Volunteer Years	0	5	21
Funding ($000)			
Appropriated	0	394	659
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

The current Government of Nicaragua (GON) inherited a very unstable economic situation when it assumed office in April 1990. Hyperinflation reached a peak of 33,654 percent in 1988. By the end of 1989, Nicaragua's external debt reached $9.7 billion and external arrears stood at $3.1 billion, compared to the estimated dollar value of GDP of about $1.8 billion. Between 1977 and 1989 the GDP declined by 37.8 percent, and the living standard of the average Nicaraguan fell by 58.2 percent.

To address this bleak situation, the GON has developed an economic reform plan. The plan has three objectives: to stop hyperinflation, to reactivate agriculture, and to institute major structural reforms to fully utilize the capacity of the Nicaraguan economy.

The youth of Nicaragua have been one of the groups most disenfranchised by the civil war and economic impoverishments. Thousands of youth, displaced socially, economically and geographically by events of the last decade, must be integrated back into society. However, they are inadequately prepared. Occupational training institutions are generally dysfunctional. There is a recognized need to combine technical and entrepreneurial skills in order to take advantage of self-employment opportunities in small business development and to develop the capabilities of institutional occupational training programs. Peace Corps will provide assistance in both small business development and vocational education.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	6	15	Volunteers assigned to the Salesian Missions Vocational Education Project will serve as instructors and advisors at the Centro Juvenil Don Bosco in Managua.
Small Business	3	15	In collaboration with Mennonite Economic Development Associates (MEDA), Peace Corps Volunteers will provide technical production assistance to small businesses.

Program Highlights & Accomplishments:

In January 1991, Peace Corps signed Memoranda of Understandings with the Salesian Missions and the Mennonite Economic Development Associates. Nine transfer/extension Peace Corps Volunteers from other Spanish-speaking countries will begin working in vocational education and small business development projects with these two private volunteer organizations in May.

Outlook:

The Peace Corps program in Nicaragua will re-open by the end of FY91 and be fully staffed and operational by the first half of FY92. Staff will build on initiatives in the vocational education and small business development sectors. They will also explore potential projects in other programming sectors consistent with Nicaraguan development needs, such as health and environment.

Peace Corps Nicaragua will pursue the following management goals involved with re-opening a program over the next year: develop an effective programming and administrative staff to provide services to an increasing number of Volunteers, in accordance with established PC regulations; establish an effective medical unit to provide health services to PC Trainees and Volunteers; and design and implement integrated pre-service and in-service training components to provide quality training to trainees and Volunteers.

PANAMA

Population: 2,370,000
Annual Per Capita Income: $1,780
Number of years Peace Corps in Country: 9

Peace Corps Country History:

Peace Corps served in Panama from 1963 to 1971. Over 750 Volunteers provided technical assistance in several sectors throughout the country. Peace Corps left Panama in 1971 due to political turmoil.

Peace Corps was contacted by the Panamanian government in February 1990 and was asked to re-enter Panama after a 19 year absence. An agreement between Peace Corps and the Government of Panama was signed on May 1, 1990. The Panamanian Assembly ratified the agreement in November of 1990.

Six experienced transfer Volunteers went to Panama on November 27, 1990 to begin a new Peace Corps project in Integrated Natural Resources.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	30	30
Volunteer Years	0	14	34
Funding ($000)			
Appropriated	25	586	638
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps was asked to enter Panama for a number of reasons. The previous government's policies adversely affected the infrastructure and economy of Panama. The recent period of tense relations with the United States and the accompanying economic boycott also took an economic toll. The events of 20 December 1989 were the culmination of this period and resulted in an intensification of many ongoing problems. Not least of these is the increasing rate of invasion by subsistence farmers into virgin forest and parklands for the purpose of agricultural exploitation.

The Integrated Natural Resources project, in conjunction with INRENARE (Institute for Renewable Natural Resources), the Panamanian sponsoring agency, will work to reduce natural resource degradation while offering alternatives to rural families. The recognized importance of the Canal watershed fits in well with areas of proven Peace Corps success. PC/Panama proposes an integrated agriculture-natural resources project as part of an overall public and private sector efforts in Panama to achieve sustainable development through resource conservation.

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Peace Corps Program by Sector:

Sector	Trainee Input FY'90	FY'91	Description
Agriculture	8	8	PCVs will help farmers in the watershed areas to improve current agricultural techniques, introduce agroforestry practices, implement environmental education programs and promote other economic activities to provide alternate sources of income.
Environment	18	18	PCVs will assist individuals and farmers' groups in small communities in the application of sound forestry and conservation practices. They will also help implement a program of environmental education in the schools and communities in the watershed areas.
Small Business	4	4	PCVs will help subsistence farmers to identify economically feasible alternatives to traditional crops.

Program Highlights & Accomplishments:

PCVs will work in agricultural extension, agroforestry, forestry extension, environmental education, small business development and community development. They will help teach Panamanians to improve agricultural productivity, farm incomes and develop other economic alternatives while reducing pressure on tropical soils and forests. The first group of trainees consisted of 6 transfer/extension Volunteers from countries in all three regions who possess the language and technical skills to get the Peace Corps Panama program off the ground. The following groups will expand and enhance the program.

Outlook:

Long term country strategy for Panama will have to be developed by Peace Corps Panama staff once an office is opened. Obviously, a continued emphasis in the environment will be a part of this strategy. However, there are other program areas that Peace Corps Panama will wish to examine such as health, education and agriculture.

PARAGUAY

Population: 4,161,000
Annual Per Capita Income: $1,030
Number of years Peace Corps in Country: 25

Peace Corps Country History:

A bilateral agreement establishing the Peace Corps Program in Paraguay was signed on November 4, 1966. 33 Agriculture Sector Volunteers initiated the program in 1967. Since that time, the program has expanded to include approximately 160 Volunteers in the following sectors: Agriculture, Environment, Education, Health and Small Business Development.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	62	89	95
Volunteer Years	167	170	159
Funding ($000)			
Appropriated	1948	2202	2062
Host Country Contributions	0	57	57

Host Country/Peace Corps FY 1992 Initiatives:

Decreasing environmental degradation is Peace Corps Paraguay's highest priority initiative area. Peace Corps Paraguay has taken a cross-sector, integrated programming approach in addressing the complex nature of environmental degradation in Paraguay. Currently, over 50% of all Peace Corps Paraguay's Volunteers conduct primary or secondary activities which are related to environmental education and rational resource use. Peace Corps Paraguay, in coordination with host country agencies, intends to raise environmental awareness and provide Paraguayans with feasible, lasting alternatives to natural resource degradation.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	18	18	This sector is divided into two projects: Crop Extension and Beekeeping. The Crop Extension project focuses on two important areas of agricultural and environmental concern: soil conservation and rational pesticide use. The Beekeeping project emphasizes the effective management of bees and their by-products for income generation.

Education	10	15	Volunteers in this sector are assigned to the Initial Education, Special Education and Teacher Trainer projects. Initial Education Volunteers focus on the establishment of head start programs in their communities, while Special Education Volunteers focus on training teachers of the handicapped, as well as promoting community awareness and support. Teacher Trainers work in the teacher colleges to help the future teachers of Paraguay effectively implement the national educational curriculum.
Environment	15	15	This sector is comprised of two projects: Forestry Extension and National Parks/Environmental Education. The Forestry Extension project currently focuses on the promotion of agroforestry systems, the establishment and management of nurseries in rural areas and extension efforts with rural farmer groups. National Parks/Environmental Education Volunteers assist in the design of environmental education curriculum for schools and communities and promote buffer zone management in selected buffer zones, parks and protected areas.
Health	31	30	This sector is Peace Corps Paraguay's largest, with 28% of all Volunteers serving in the Rural Nursing, Environmental Sanitation and Nutrition projects. Volunteers in these projects develop their activities in an integrated manner, concentrating on child survival and parasite prevention.
Small Business	15	17	Volunteers in the Small Business Sector conduct development activities in cooperative promotion, small business development and shelter promotion. Cooperative promotion and small business Volunteers work to strengthen national institutions that provide support services to cooperatives and small business entrepreneurs throughout the country. The initial group of Shelter Promotion Volunteers are currently coordinating with two local institutions in order to develop affordable home-addition credit packages and appropriate technology housing design formats.

Program Highlights & Accomplishments:

Volunteers in the Natural Resources sector have established 68 small nurseries; planted 19,000 trees; conducted over 100 environmental education presentations, and; published a quarterly newsletter in Spanish for Volunteers and counterparts alike.

Outlook:

Peace Corps Paraguay has enjoyed tremendous support and cooperation from the government and people of Paraguay since 1967. The outlook for the future promises much of the same. Peace Corps is recognized as one of the most dependable, dedicated foreign assistance programs in Paraguay, which has resulted in a high level of interest on the part of public and private agencies in coordinating with Peace Corps Paraguay.

URUGUAY

Population: 3,077,000
Annual Per Capita Income: $2,620
Number of years Peace Corps in Country: 12

Peace Corps Country History:

Between 1963 and 1974 approximately 200 PCVs served in Uruguay. After an absence of 17 years the government of Uruguay invited Peace Corps back into the country in 1990. The first group of Volunteers will arrive in the Spring of FY 1991. The GOU has indicated interest in technical assistance in the areas of natural resource management, environmental education, and small business development.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	24	24
Volunteer Years	0	5	23
Funding ($000)			
Appropriated	0	460	647
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

Initiatives for Peace Corps Uruguay center around rational natural resource utilization and small enterprise development, including cooperatives.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Small Business	9	9	Volunteers focus on strengthening local institutions, improving the efficiency of small businesses, and on cooperative management.
Forestry Extension	8	8	The focus will be on introducing techniques which will result in sustained use and development of natural resources.

Environmental Education	7	7	PCVs will work to raise awareness of environmental issues and promote a more rational use of resources.

Program Highlights & Accomplishments:

Peace Corps anticipates that programs in forestry, environmental education, and small business enterprise will be underway in the Spring of FY '91.

Outlook:

Development of sound programming will be top priority in Peace Corps Uruguay, as will the development of curricula to guide pre-service and in-service training. Peace Corps will also monitor requests from the GOU to expand to other programming areas.

TRAINEE INPUT, VOLUNTEER YEARS, PROGRAM FUNDING AND FTE LEVELS FOR THE PACEM REGION

PACEM	Trainees			V-Years			Program Funds			FTE		
	FY.1990	FY.1991	FY.1992	FY.1990	FY.1991	FY.1992	FY.1990	FY.1991	FY.1992	FY.1990	FY.1991	FY.1992
Bulgaria	0	20	30	0.0	3.0	20.8	0.0	648.9	935.7	0.0	2.2	3.0
Comoros	9	8	8	10.1	14.8	12	406.8	483.0	479.7	1.0	1.0	1.0
Cook Islands	4	4	5	0.7	4.0	5.2	106.3	157.2	205.3	0.0	0.0	0.0
Czechoslavaki	0	44	48	0.0	15.9	57.1	332.3	967.8	1478.2	0.3	3.7	4.0
Fiji	40	66	71	81.3	86.2	101.6	1217.5	1442.7	1578.8	10.0	9.8	9.0
Hungary	61	40	48	5.0	64.6	91.8	891.6	1430.2	1901.9	2.2	7.3	8.0
Kiribati	17	15	15	14.8	22.5	22.8	395.8	473.8	529.4	1.0	1.8	2.0
Laos	0	15	15	0.0	2.3	15.4	0.0	642.5	626.1	0.0	1.8	2.0
Malta	2	1	5	0.2	2.0	3	51.3	60.6	76.9	0.0	0.0	0.0
Marshall Is.	18	18	18	28.8	30.0	29.5	571.0	588.6	624.6	3.0	3.5	4.0
Micronesia	59	40	58	72.3	90.6	75.3	1803.8	1866.6	1873.4	12.0	12.0	11.0
Mongolia	0	15	15	0.0	1.2	10.4	0.0	638.9	610.4	0.0	2.2	3.0
Morocco	78	0	71	147.6	33.8	6.4	2485.4	1464.5	1382.3	11.3	10.4	8.0
Nepal	84	86	84	137.8	144.2	141.4	1865.0	2135.7	2173.7	16.9	17.1	17.0
Pakistan	38	0	39	16.4	11.4	3.8	774.0	751.4	8[illegible]9.0	3.2	4.3	4.0
PNG	40	50	50	65.2	66.3	74.6	1487.7	1718.5	1941.9	7.1	7.0	7.0
Philippines	64	0	35	210.8	3.8	25.9	3535.7	456.4	883.6	26.7	9.9	6.5
Poland	80	88	107	9.3	94.6	151.8	926.3	1597.7	1932.7	2.4	6.7	7.0
Romania	0	15	15	0.0	9.1	20.8	0.0	487.4	669.4	0.0	1.5	2.0
Seychelles	4	5	5	12.0	9.8	9.1	311.1	299.5	350.7	0.9	1.0	1.0
Solomon Is	33	35	35	50.3	46.0	46.2	837.1	912.4	929.0	5.2	4.6	5.0
Sri Lanka	15	25	25	10.6	23.6	24.1	411.6	567.0	670.6	2.5	3.5	4.0
Thailand	111	109	109	208.5	207.4	199.8	3118.8	3526.3	3583.1	17.4	18.3	18.0
Tonga	9	22	24	34.5	33.0	38.4	609.4	668.2	716.5	4.2	4.0	4.0
Tunisia	48	0	33	72.5	18.2	3.4	1332.6	954.7	1007.6	7.9	8.0	8.0
Tuvalu	2	1	2	1.6	2.9	2.9	69.3	64.4	95.0	0.0	0.0	0.0
Vanuatu	3	3	5	2.3	5.3	5.4	78.5	110.0	133.7	0.0	0.0	0.0
West Samoa	27	25	30	47.3	42.9	44.2	897.8	859.1	1016.9	6.0	6.0	6.0
Yemen	27	0	24	46.7	0.8	11.6	1140.9	287.9	740.5	5.9	3.2	4.0
Total	*849*	*750*	*1,027*	*1,286.8*	*1,090.2*	*1,253.9*	*25,657.6*	*26,239.7*	*30,035.7*	*147.0*	*150.5*	*150.5*

PACIFIC, ASIA, CENTRAL AND EASTERN EUROPE AND MEDITERRANEAN COUNTRIES

OVERVIEW

Regional Development Needs

There is great diversity in the development needs among the countries in the Pacific, Asia, Central and Eastern Europe and the Mediterranean (PACEM) region.

With its expansion into numerous countries in Central and Eastern Europe, Peace Corps is demonstrating its belief that there should be no cultural, geographic or political barriers to the pursuit of peace. The new governments in these countries have asked for Peace Corps' assistance in their transition for state-run economies to freer and more democratic societies. The needs range from expansion of their English instruction capability for increased international contact to improvements in the environment and in the economy.

The Mediterranean sub-region is characterized by a lack of productive land, a high infant mortality rate, and short life expectancy. Nonetheless, several of the countries within this sub-region are some of the most sophisticated countries in which Peace Corps operates. Many projects in these countries are complex and highly technical. Their critical needs include improved environmental conditions, expansion of income generation, and strategies to address rapid urbanization. The provision of greater education opportunities to increase literacy and practical job skills is of great importance as well.

Assistance requirements in the Asian subregion range from basic health, sanitation, agriculture, and reforestation to the expansion of small-business development and secondary school education.

The Pacific sub-region consists of many island groups. The area is isolated, with infrequent air service to capital cities and even fewer ship routes to the hundreds of inhabited outer islands. Development problems center on achieving a higher standard of living without destroying the fragile ecological balance of the islands. Potential solutions are restricted by limited fresh water, land mass, infrastructure, population, and natural resources.

Program Strategy

Primary program emphases are on education, agriculture, income generation, rural development, and public health. Host country governments frequently request assistance in these areas because their needs cannot be met by other sources.

Considerable effort will be devoted to increasing the number of Volunteers working in small businesses and income generation. The current project in Fiji in which Volunteers serve as bank advisors and planning consultants will serve as a model for replication throughout the PACEM posts. The small business programs in Pakistan and Nepal will also be expanded.

In addition to expansion of income generation projects in the Pacific, Asia, and the Mediterranean in 1992 and 1993, the PACEM Region will expand its programming efforts in new country entries:

- Programs in the Eastern European countries of Bulgaria and Romania will focus on English education, child survival and development, agriculture, and the environment.

- Entry into the Asian countries of Mongolia and Laos will bring assistance in English education and computer sciences.

BULGARIA

Population: 9,001,000
Annual Per Capita Income: $2,320
Number of years Peace Corps in Country: 1

Peace Corps Country History:

Peace Corps Director Paul D. Coverdell led the first delegation of Peace Corps staff to Bulgaria on April 19, 1990. A subsequent visit in September, which included discussions with the Vice President, the Minister of Education, and with the Vice Minister of Agriculture, concluded with an agreement that the first project would be English teaching and that a second project to begin a year later would include agriculture and small business. Permanent U.S. staff will arrived in Sofia in January 1991, and the first team of Volunteers will arrive in June 1991.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	20	30
Volunteer Years	0	3	21
Funding ($000)			
Appropriated	0	646	936
Host Country Contributions	0	0	10

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps plans to begin a Teaching English as a Foreign Language (TEFL) program. Approximately twenty Volunteers will arrive in Bulgaria to start training in June 1991. These Volunteers will train English teachers and teach English at the university level, in teacher training colleges and in secondary schools. The TEFL Volunteers will also be responsible for a variety of tasks outside of their teaching assignments. These activities will include improving the language capability of fellow faculty members, establishing regional English language resource centers, sponsoring English clubs, and giving lectures on American culture.

Peace Corps Program by Sector:

Sector	Trainee Input FY91	Trainee Input FY92	Description
Education	20	30	Volunteers will teach English and train teachers in universities, teacher training colleges, and secondary schools throughout Bulgaria.

Program Highlights & Accomplishments:

Volunteers will be able to begin to make substantial improvements in the quality of teacher training at the university, and teacher-training college level in the first year of the program. Less quantifiable, but of equal value, will be the enhancement of communication and mutual understanding between Americans and Bulgarians in accordance with traditional Peace Corps goals.

Outlook:

Bulgaria's non-traditional development obstacles and need for rapid change will present some of the most formidable challenges Peace Corps has faced. Nevertheless, Peace Corps is anticipating that significant contributions can be made in the development of English teaching, agriculture, small business development, and the environment.

Since the Ministry of Education announced that the study of Russian would no longer be compulsory, students have rushed to request English classes, creating a severe shortage of trained English teachers. Also, Bulgaria currently has some of the most highly collectivized agricultural and centralized industrial sectors in Central/Eastern Europe. In order to adapt to a new free enterprise system the Ministry of Agriculture has expressed interest in having Volunteers work with individual farmers to better understand how the free enterprise system works. Small business development Volunteers could also work to support the growing private sector of the economy.

COMOROS

Population: 459,000
Annual Per Capita Income: $460
Number of years Peace Corps in Country: 3

Peace Corps Country History:

The Peace Corps program in Comoros was established in May 1988. The first group of nine trainees and Volunteer transferees arrived in August 1988. Their arrival constituted the largest group of Americans ever to live and work on the islands. There are currently fourteen Volunteers working in secondary education and teacher training. This year the Comoros program is implementing an environmental education project.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	9	8	8
Volunteer Years	10	15	12
Funding ($000)			
Appropriated	407	483	480
Host Country Contributions	33	34	35

Host Country/Peace Corps FY 1992 Initiatives:

Because Comoros has only a limited number of university trained host country national teachers of English and no supervising instructors, the Peace Corps plans to increase its involvement with Comorian teachers. This is an essential next step, as Comoros desires that the teaching of English expand from three years of secondary school to seven years, including junior high school. Peace Corps is starting an environmental project, and wants to explore development of youth programs with the Education and Health ministries.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	6	6	This project teaches secondary school students and provides in-service training to Comorian teachers of English.
Environment	2	2	This project will involve designing and improving a conservation curriculum for primary schools, training school teachers in environmental education, and employing techniques for organizing community-based environmental action groups.

Program Highlights & Accomplishments:

Volunteers use locally designed materials and curricula, including materials for environmental education in the secondary schools Peace Corps is in its third year of training secondary and junior high school teachers in classroom teaching techniques.

Outlook:

Over the next five years, Peace Corps plans to maintain its current activities in education. Future growth will be in areas such as environmental education, health, and youth, with Volunteer assignments in local community centers.

COOK ISLANDS

Population: 18,000
Annual Per Capita Income: $1000
Number of years Peace Corps in Country: 9

Peace Corps Country History:

The Peace Corps Country Agreement with the Government of the Cook Islands was signed in May 1981, and the first group entered training in March 1982. The first Volunteers were assigned to projects in vocational education, energy planning, and small business enterprise. They worked primarily with central government departments. In FY86 a decision was made to delay further Volunteer input until the staff could evaluate and redesign the program. During FY86-88, no new Volunteers were assigned to the Cook Islands. However, there remained a Volunteer presence. The program has since been reassessed, and Volunteer input resumed. Peace Corps will continue to work with the Government of Cook Islands to ensure that its activities match the development needs of the country.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	4	4	5
Volunteer Years	1	4	5
Funding ($000)			
Appropriated	106	157	205
Host Country Contributions	5	6	7

Host Country/Peace Corps FY 1992 Initiatives:

Agriculture and small business development have been identified as the first priorities for Peace Corps' assistance by the Government of the Cook Islands. Volunteers are currently working as agriculture extension agents on three outer islands. Peace Corps Volunteers will be assigned to work with the Development Bank of the Cook Islands, marking the start of a new project area.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	2	3	Volunteers are working with the Ministry of Agriculture in the planning and implementation of a vegetable development program in the southern islands of Mauke and Mangaia. There will be the opportunity for Volunteers to assist in the development of a forestry program on the island of Mangaia.

Small Business	2	2	Volunteers will work with the Development Bank of the Cook Islands A new division, the Small Business Advisory Unit, has been created under the Department of Trade, Labour, and Transportation. Volunteers will provide direct training to the small business community-at-large on skills needed to run a small business. This unit will also develop an outreach service to the outer islands to enable individual assistance to clients.

Program Highlights & Accomplishments:

Since the reassessment of the Cook Islands program, Peace Corps has been able to work in collaboration with the Government and respond to its needs. A deliberate decision to delay placements in the past few years enabled staff to develop projects in the outer islands. With the initiation of two new projects areas in the Cook Islands this year, Peace Corps is on target with the developmental needs of the Cook Islands. Peace Corps will continue to work towards increased support of Volunteers and strengthen the program in the Cook Islands.

Outlook:

Peace Corps has developed a strong collaborative relationship with the Ministry of Agriculture, Public Service Commission, and the Development Bank of the Cook Islands. The Government of the Cook Islands recognizes that Peace Corps can play a significant role in their strategies to restore agriculture at the grassroots level and develop small business skills on the outer islands. With this renewed effort and program expansion in the Cook Islands, Peace Corps will continue to address and support the development needs of the country.

CZECH AND SLOVAK FEDERAL REPUBLIC

Population: 15,641,000
Annual Per Capita Income: N/A
Number of years Peace Corps in Country: 1

Peace Corps Country History:

During Czechoslovakian President Vaclav Havel's visit to Washington D.C. in February 1990, he and President Bush announced that Peace Corps Volunteers would be sent to Czechoslovakia prior to the end of 1990. As the third country in Central Europe to welcome Peace Corps Volunteers, Czechoslovakia represents another opportunity for Peace Corps to provide important technical aid and people-to-people contacts to a nation which needs assistance in developing its educational institutions. President Havel's statement... that "the salvation of this world lies nowhere else than in the human heart, in the power to reflect, in human meekness and in human responsibility," is an apt description of what Peace Corps has stood for during its 30 years of service to the world.

The first programming team arrived in Czechoslovakia on April 9, 1990. The visit established communication with the Czech and Slovak Ministries of Education and laid the foundation for the program and staff arrival in July. The first group of Volunteers arrived in November 1990.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	44	46
Volunteer Years	0	16	57
Funding ($000)			
Appropriated	332	968	1478
Host Country Contributions	N/A	N/A	N/A

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Czechoslovakia plans to continue to expand its current TEFL program. Volunteers will train English teachers at the university level and at teacher-training colleges. The TEFL Volunteers will also be responsible for a variety of tasks outside of their teaching assignments. These activities will include improving the language capabilities of fellow faculty members, establishing regional English language resource centers, sponsoring English clubs, and giving lectures on American culture. The first group of environment Volunteers will arrive in Czechoslovakia in October 1991. Volunteers will work in environmental management and education, using resources available through the Environmental Center for Central and Eastern Europe.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	44	20	Volunteers will teach English and train teachers in universities, teacher training colleges, and secondary schools throughout both Czech and Slovak areas.
Environment		26	Volunteers will work with non-governmental organizations, the national park service, and the Regional Environmental Center for Central and Eastern Europe to assist in environmental management and education.

Program Highlights & Accomplishments:

Volunteers will be able to make substantial improvements in the training of university and secondary school teachers and students in the first years of the program. Less quantifiable, but of equal value, will be the enhancement of communication and mutual understanding between Americans and the Czech and Slovak people in accordance with traditional Peace Corps goals.

Outlook:

Czechoslovakia's non-traditional development obstacles and need for rapid change will present new challenges for Peace Corps. Peace Corps is anticipating that significant contributions can be made in the development of English teaching, environmental education and training.

FIJI

Population: 743,000
Annual Per Capita Income: $1,560
Number of years Peace Corps in Country: 23

Peace Corps Country History:

Peace Corps Volunteers commenced service to the people of Fiji in January of 1968. The initial group of fifty-seven Volunteers were assigned to three sector areas of education, rural development and health. In 1983 the government's developmental priorities became more intricate and technically oriented; thus Volunteer placements shifted to urban assignments, with few rural postings until 1987.

Since 1987 Fiji has seen two military coups and the establishment of a new civilian government. The post has responded to these changed circumstances by realigning existing projects to meet the needs of the people of Fiji under the new republic. Small business development, integrated family food systems, fresh water fisheries, education and management planning projects designs were developed in 1988. Implementation of the collaborative project designs began in FY 89.

The small business advisor and management planning advisor project designs have undergone numerous modifications as a result of field assessments, Volunteer feedback and host country requests for expansion. Peace Corps projects have been highly successful in Fiji to due effective programming, and the collaborative efforts on part of the host country.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	40	66	71
Volunteer Years	81	86	102
Funding ($000)			
Appropriated	1218	1443	1579
Host Country Contributions	68	82	85

Host Country/Peace Corps FY 1992 Initiatives:

The Peace Corps will continue to support the Government of Fiji's initiatives in the (1) small business, (2) education and (3) human resource development. In 1993, a country program expansion will be effected to address watershed management and environmental resource utilization issues.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Small Business	9	16	Volunteers work with the Fiji Development Bank as small business advisors. They provide basic business management advice and training to owners and managers of small businesses and income generating projects.
Education	37	35	Volunteers teach in the areas of physics, chemistry and accounting at the secondary levels. The Ministry of Education anticipates maintaining requests for educators due to the continuing migration of professionals and subsequent shortage of qualified secondary school teachers.
Urban Development	16	16	Volunteers are used as resource people for planning methods, organizing the development of planning aids, and the development of monitoring and evaluation systems. Volunteers are working in various agencies throughout Fiji as computer trainers and programmers in response to the country's current technical shortage of skilled computer personnel
Agriculture	4	4	The Rural Aquaculture Program is in cooperation with the Fiji Fisheries Department. A Volunteer's primary responsibility includes the management and development of fish farming in the interior. This work entails: extension work, pond construction and maintenance, spawning, harvesting, management advising and marketing.

Program Highlights & Accomplishments:

The success of the small business advisor, management planning advisor, and education projects have been noted by the Prime Minister, Deputy Prime Minister, and successive U.S. Ambassadors. The United States Peace Corps is highly respected by Fijians and viewed as a key developmental agency.

Outlook: Peace Corps will continue to work with the Fiji Development Bank to provide business advisory services to rural Fijians. They will also assist in the designing and implementing of small business development workshops to train clients and prospective clients. In addition, Peace Corps seeks to revitalize provincial and urban level administration via skills transfer to government officials in management, planning and project implementation. Peace Corps will also assist the Ministry of Education in developing a long-term strategy for addressing the acute shortage of skilled educators, while continuing to support the Ministry's need for classroom teachers.

HUNGARY

Population: 10,587,000
Annual Per Capita Income: $2,560
Number of years Peace Corps in Country: 1

Peace Corps Country History:

In the summer of 1989, President Bush announced at Karl Marx University that Peace Corps would send English teachers to Hungary. The announcement was enthusiastically received as a measure to help meet Hungary's need for English teachers.

The post was formally established with the arrival of the U.S. Peace Corps staff in January 1990. The first Volunteers began training in June 1990. Their arrival constituted the first group of Peace Corps Volunteers to work in Central Europe and the 100th country to receive Peace Corps Volunteers.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	61	40	48
Volunteer Years	5	65	92
Funding ($000)			
Appropriated	892	1430	1902
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps will expand its current Teaching English as a Foreign Language (TEFL) program. Volunteers will train English teachers at the university and college level, and teach Hungarian students at the secondary level. The TEFL Volunteers will also be responsible for a variety of tasks outside of their teaching assignments. These activities will include improving the language capability of fellow faculty members, establishing regional English language resource centers, sponsoring English clubs, and giving lectures on American culture.

The first group of environment Volunteers will arrive in Hungary in October, 1991. Volunteers will work in environmental management and education, accessing resources available through the Environmental Center for Central and Eastern Europe.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	FY'92	Description
Education	40	35	Volunteers will teach English and train teachers in universities, teacher training colleges, and secondary schools throughout Hungary.
Environment		13	Volunteers will work within the National Park Service, with the Environmental Center for Central and Eastern Europe, and with non-governmental organizations to assist in environmental management and education.

Program Highlights & Accomplishments:

Volunteers will train hundreds of university, secondary, and primary school teachers in the first years of the program. Less quantifiable but of equal value will be the enhancement of communication and mutual understanding between Americans and Hungarians in accordance with traditional Peace Corps goals.

Outlook:

Hungary's non-traditional development obstacles and need for rapid change will present some of the most formidable challenges Peace Corps has faced. Nevertheless, Peace Corps is anticipating that significant contributions can be made in the development of English teaching, and environmental education and training.

REPUBLIC OF KIRIBATI

Population: 69,000
Annual Per Capita Income: $700
Number of years Peace Corps in Country: 18

Peace Corps Country History:

Peace Corps involvement in The Republic of Kiribati began in 1973 with the assignment of one Volunteer. Peace Corps' presence was limited and sporadic until 1979 when a group of 12 Volunteers arrived to work in health, water supply, sanitation and construction. The work of this first sizable group of Volunteers was continued by 9 Volunteers placed in 1982. Between 1982 and 1987 the total number of Volunteers in the country ranged from 12 to 18.

During the first nine years of Peace Corps' presence in Kiribati, the program was administered from the Solomon Islands. The first resident Peace Corps staff arrived in Kiribati in February 1988. Current staff have focused their efforts on building a collaborative relationship with the Kiribati government, and improving the quality of programming, training and Volunteer support. Primary, secondary and adult community education comprise the country projects at this time.

Resources:

	FY 1990 Estimate	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	17	15	15
Volunteer Years	15	23	23
Funding ($000)			
Appropriated	396	474	529
Host Country Contributions	7	9	10

Host Country/Peace Corps FY 1992 Initiatives:

The government of Kiribati considers the improvement of the education sector to be of primary importance to the development of the nation. In addition, because of the extremely limited land area and natural resource base, much emphasis is placed on initiatives which promote resource conservation and rural community development.

Peace Corps will continue to be involved in community development through existing education projects. Opportunities for more direct involvement in environmental education and the development of small business ventures are currently being explored.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	15	15	Volunteer assignments involve a variety of responsibilities including formal classroom teaching and teacher training, community workshops, and experiential-based vocational training. Rural Training Center Volunteers work with church-sponsored schools teaching a variety of vocational subjects. Secondary school instructors teach English, social studies, math and science. Primary education Volunteers are assigned as co-teachers to elementary schools to teach English as a second language (ESL) and assist school staff with development of their teaching skills. The majority of Volunteers serve in remote, outer island communities.

Program Highlights & Accomplishments:

Marked improvement in all aspects of the country program have been evidenced since the arrival of full-time country staff. Program assessments are being conducted and new projects developed. Standard training designs and improved trainee assessment processes have been implemented. Volunteer effectiveness has increased and attrition has stabilized. Peace Corps is gaining increased credibility as a significant contributor to the development of Kiribati.

Outlook:

Through its emphasis on collaborative planning, careful programming, training and Volunteer support, Peace Corps will continue to build on its cooperative links with both the people of Kiribati and their government.

LAOS

Population: 4,055,000
Annual Per Capita Income: $170
Number of years Peace Corps in Country: The program will begin in FY91

Peace Corps Country History:

Peace Corps began negotiating for entry with the Lao People's Democratic Republic in late 1990. One of the poorest countries in the world, Laos is an ideal candidate for a Peace Corps program. A Peace Corps program will demonstrate support for the economic and political reforms undertaken by the Lao government. The Country Director-designate arrived in Vientiane in mid-January 1991. The first group of 15 Volunteers will report to Vientiane for training in early July 1991.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	15	15
Volunteer Years	0	2	16
Funding ($000)			
Appropriated	0	643	526
Host Country Contributions	0	0	0

Peace Corps Program by Sector:

Trainee Input

Sector	FY'91	FY'92	Description
Education	15		Volunteers will teach English in teachers colleges, high schools and perhaps government ministries. Several Volunteers will also be teacher trainers.
		15	Programming has not yet been decided for the second group of Peace Corps Volunteers in Laos.

Outlook:

Peace Corps is looking forward to beginning a program in the Lao People's Democratic Republic as a part of a process of constructive change and as a dramatic symbol of the healing which is taking place in this war-torn region. Small business, health and environmental education are possible project areas for 1992.

MALTA

Population: 351,000
Annual Per Capita Income: $5,820
Number of years Peace Corps in Country: 8

Peace Corps Country History:

Peace Corps Volunteers first arrived in Malta in 1970. Volunteers have worked in architecture, library science, archeology, education and veterinary science. The program was in operation from 1970 through 1977. The goodwill and reputation of the Volunteers who served in Malta never faded, and officials of the Ministry of Agriculture renewed their request for Peace Corps assistance in 1989. In August of 1990, a veterinarian and a large animal husbandry Volunteer arrived in Malta to begin work.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	2	1	5
Volunteer Years	0	2	3
Funding ($000)			
Appropriated	51	61	77
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

The Nationalist Party government has intensified Malta's efforts to attract foreign investment, particularly in offshore drilling activities around Malta. The modernization of the infrastructure in Malta is a high priority of the current administration and the government has begun modernizing the water distribution system and upgrading Malta's telecommunications system. Malta is an associate member of the European Economic Community (EEC) and the government is working to raise standards in agriculture, pharmacology, and other areas to allow entry as a full member of the community. Because of Malta's late entry into the information systems field, it has a critical shortage of people with the requisite skills to develop and implement computer systems. It is in the process of developing a government-wide information systems strategic plan and has requested Peace Corps assistance.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	FY'92	Description
Agriculture	0	4	A veterinarian and a large animal husbandry Volunteers assist in the development of more efficient herd management practices and better feeding programs through improvement of artificial insemination and animal selection practices and carrying out breeding, performance control and testing.
Education	1	0	A substance abuse counselor/trainer will work with the staff of a therapeutic community in staff training and development of appropriate rehabilitation programs for young people living in this community and participating in a drug detoxification program.
Small Business	0	1	A systems analyst will assist in the design and implementation of a government micro-computer based system and work with government agencies to develop appropriate applications.

Program Highlights & Accomplishments:

Volunteers are assisting the Ministry of Agriculture's Division of Veterinary Services to automate data collection from Maltese farmers and extension agents. They are monitoring and tracking the status of an eradication program for brucellosis and TBC from cattle, goats and sheep which is critical to the Maltese government for entry into the European community. The veterinarian has set up a bacteriology and parasitology lab for testing of animal products.

Outlook:

In 1990 the Office of the Prime Minister requested Peace Corps assistance in identifying informational needs of the government and opportunities for the application of computer technology. The Volunteer will work with some ten ministries and 60 different departments to develop applications while transferring skills to enable the Maltese to undertake such development.

A growing drug problem among its young population is of increasing concern and an interministerial Commission against drug abuse has been established. A Peace Corps Volunteer will assist in the development of a therapeutic community program now in its early stages and train staff who have little experience in the drug rehabilitation field.

MARSHALL ISLANDS

Population: 44,000
Annual Per Capita Income: $1,500
Number of years Peace Corps in Country: 25

Peace Corps Country History:

Peace Corps started programs in the Republic of the Marshall Islands (RMI) in 1966 as a sub-component of the Micronesia program. Early emphasis was on teaching English in elementary and secondary schools. By the early 1970s, there were more than 100 Volunteers, a ratio of one Volunteer per 300 Marshallese. Programs in health, agriculture, appropriate technology, small enterprise development and vocational education were gradually introduced. In the late 1970s the first education program's goals were met. By 1984, with a new constitutional government in place in the Marshall Islands, Peace Corps established an office in country and conducted a major program assessment. Peace Corps entered into the health sector in 1986 with a focus on rural sanitation and family life/health education. In 1988 a new program, based on revised requests from the Ministry of Education, was initiated with the placement of 15 Volunteers to teach English, health and science.

Resources:

	FY 1990 Estimate	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	16	18	18
Volunteer Years	29	30	30
Funding ($000)			
Appropriated	571	589	625
Host Country Contributions	11	13	14

Host Country/Peace Corps FY 1992 Initiatives:

The government of the Republic of the Marshall Islands considers the improvement of the education sector to be of primary importance to the development of the nation. Economic development is also crucial to the future of the RMI. A full assessment of the education sector has recently been completed, and the government is currently seeking ways to implement recommendations generated during the assessment. The RMI government also continues to explore creative ways to generate income for the resource poor nation.

Peace Corps will continue to be involved in the education sector through the provision of teachers in English, health, science and vocational education projects. In addition, opportunities for involvement in the development of small business ventures will be explored.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	FY'92	Description
Education	18	18	Working under the supervision of the Department of Education, the majority of the Volunteers in the RMI teach English in the remote outer island primary schools. One Volunteer currently works within the Department of Education developing a science curriculum for elementary schools and training teachers in its use. In 1991 a science education component will be added to all outer island English teachers' responsibilities. A vocational skills instructor currently teaches principles of electricity to students at the Marshall Islands High School.
Health			TESL Volunteers have dual assignments as community health educators. In addition, there are currently six Family Life health education Volunteers teaching health as their primary job on outer islands. The Family Life project is scheduled to be completed in 1991.

Program Highlights & Accomplishments:

Volunteers continue to stress a re-focusing of efforts in their assignments from classroom teaching to teacher training. At present, outer island TESL Volunteers develop teacher training plans during their first year of service and implement them in conjunction with local teaching staff during their second year.

Outlook:

Plans for Volunteers to teach science and assist in the training of outer island teachers in science education are built around the RMI government's strategy to develop competencies among Marshallese teachers in this subject area within the next three years. Peace Corps also intends to integrate an environmental education component into the existing science curriculum. Small business development placements will be dependent upon the RMI government's ability to identify viable placements for Volunteers.

MICRONESIA/PALAU

Population: 125,000
Annual Per Capita Income: $1,442.
Number of years Peace Corps in Country: 25

Peace Corps Country History:

Volunteers arrived in the Federated States of Micronesia (FSM) in 1968 and focused on primary and secondary English teaching. In the mid-1970s the program expanded to include health, agriculture and village development projects. Projects were developed in 1985 to meet the stated needs of the newly-independent nations of the FSM and Palau. At the requests of the governments, English teaching at the primary level became an integral component of all Volunteer assignments. In addition to the primary program focus, Volunteers were given a secondary focus chosen by the government of each state to address specific needs. In 1991 these long term, community-based programs include: health education in Chuuk, youth development in Palau and Pohnpei, small business advising in Kosrae, and general community development in Yap. Peace Corps will be conducting major assessment and re-programming efforts in 1991.

Resources:

	FY 1990 Estimate	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	59	40	58
Volunteer Years	72	91	75
Funding ($000)			
Appropriated	1804	1867	1873
Host Country Contributions	89	89	92

Host Country/Peace Corps FY 1992 Initiatives:

Major challenges facing Micronesia and Palau include enhancing educational opportunities and providing jobs for a growing, youthful population, conserving and protecting natural resources while fully exploring an array of potential economic opportunities, and preserving the cultural integrity and way of life for the nations' citizens.

Peace Corps will conduct a program assessment during 1991 to determine how best to assist Micronesia and Palau in meeting their development goals for the next 5 years. Anticipated project areas include small business development, primary and community education, teacher training and community health.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	FY'92	Description
Education	37	58	Peace Corps continues to be involved in Teaching English as a Second Language (TESL) throughout Micronesia. All Volunteers are assigned to teach in the upper grades of rural primary schools. In FY91 Peace Corps Micronesia will begin a new effort to enhance the skills of rural primary school teachers through the provision of highly skilled teacher trainers. This project will be a collaborative effort between the government of Yap State, the University of Guam and Peace Corps Micronesia.
Health			TESL projects described above are "dual task" assignments with Volunteers assuming secondary responsibilities in the areas of either Health Education or Youth Development. Volunteers divide their time between formal classroom teaching and community non-formal education efforts.
Small Business	4	0	Small business advisors are currently working in the State of Kosrae. These Volunteers teach basic skills in management and accounting to small, family-type businesses and conduct on-site support and training follow-up to encourage economic development in that State. A new project will be designed for Pohnpei and Palau for FY92.
Environment	0	0	A small group of Volunteers have been working with Yap State since 1985 in Giant Clam reseeding, trochus shell stock surveys, fish drying and marketing, marine research and feasibility studies. This project will be evaluated in FY91, and a potential for continued or redirected efforts exists beginning in FY92.

Program Highlights & Accomplishments:

Several Volunteers, in cooperation with fellow teachers, counterparts, and the Department of Education, have developed Micronesia-based curriculum materials to enhance US-based classroom materials. Schools where Volunteers are teaching English have students that generally out-perform their colleagues in schools that hava no Volunteers. Volunteers will continue to serve as community development workers and as teachers of English as a second language at the primary level in rural and outer island communities where development needs are greatest. It is hoped that with the development of the teacher training project, the skill transfer component of the Peace Corps assignments will be enhanced and accelerated.

Outlook:

With the reprogramming efforts currently underway in Micronesia and Palau, significant program shifts are anticipated for FY92. Basic project areas are expected to remain similar to current ones; however, "dual-task" projects are likely to be consolidated as host country needs become more focused.

MONGOLIA

Population: 2,128,000
Annual Per Capita Income: N/A
Number of years Peace Corps in Country: The program will commence in FY91

Peace Corps Country History:

The Government of Mongolia first requested Peace Corps Volunteers in early 1990. Negotiations culminated with the signing of an agreement in August 1990. The Country Director and Administrative Officer arrived in Ulaan Bataar in January 1991. The first group of 15 Peace Corps Volunteers will report to Ulaan Bataar to begin training in late June 1991. This first group of Volunteers will teach English and computer science, and will train Mongolian teachers.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	15	15
Volunteer Years	0	1	10
Funding ($000)			
Appropriated	0	639	610
Host Country Contributions	0	N/A	N/A

Peace Corps Program by Sector:

Trainee Input

Sector	FY'91	FY'92	Description
Education	13	13	Most Volunteers will teach English in the Polytechnic, the Institute of Foreign Languages, and the Ministries of Health and Agriculture. Several Volunteers will be teacher trainers at the Institute of Foreign Languages.
Computer Ed.	2	2	Volunteers will train Ministry of Health employees in the use of computers and also develop a program to computerize the national health care system

Outlook:

After decades of isolation from the world's mainstream, Mongolia began a liberalization effort and an emergence from the Soviet sphere of influence in 1987. With only 500 speakers of English out of a total population of about two million, Mongolia can be well served by Peace Corps in its effort to reach out and participate in world affairs. Programming for the the second group of Mongolia Volunteers has not been completed. Small business development and health projects are under consideration.

MOROCCO

Population: 24,567,000
Annual Per Capita Income: $900
Number of years Peace Corps in Country: 28

Peace Corps Country History:

Peace Corps Morocco's country agreement dates from February 1963, making it one of the Agency's oldest programs. Fifty-three surveyors, English teachers and irrigation foremen comprised the first group of Volunteers to serve in Morocco. Over the past 28 years, more than 2,800 Volunteers have worked in the fields of health and sanitation, education, agriculture, rural water supply, social services and parks, wildlife and environmental education. Until recently, there were 133 Volunteers working in special education, veterinary medicine, rural development, environmental awareness and protection, and English language education.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	78	0	71
Volunteer Years	148	34	6
Funding ($000)			
Appropriated	2485	1465	1362
Host Country Contributions	41	46	48

Host Country/Peace Corps FY 1992 Initiatives:

The Persian Gulf crisis caused the temporary suspension of Peace Corps programs in Morocco in January 1991. As the world situation changes, Peace Corps hopes to resume its activities there. Reducing regional inequities in economic and social development by improving the living and working conditions of Morocco's rural population is a central theme of the government's 1988-1992 development plan. With 61.5% of the population under the age of 25, migration to urban centers increasing, and the unemployment rate hovering around 30%, development of the agriculture sector remains critical. Volunteers will continue addressing the needs of this sector through projects in veterinary medicine, range management and apiculture.

Another priority of the Moroccan Government is to increase English literacy in the commercial and health sectors so Morocco will be able to participate more effectively in the world market and keep abreast of the latest technical trends and scientific research. Volunteers have served in English language instruction for the past 27 years. Peace Corps Morocco had been shifting its focus away from instruction in the secondary schools towards English teaching in new Faculties of English in Moroccan Universities and in Moroccan institutions and agencies with specialized English needs.

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Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	0	15	Volunteer veterinarians are working with Moroccan veterinarians and technicians to increase livestock productivity and improve livestock management skills of producers. Other Volunteers work with regional extension offices in areas of range management and apiculture.
Education	0	31	Volunteers work in orphanages, schools and rehabilitation centers providing formal training in early childhood development, blind mobility and deaf education. Volunteer English teachers are working to develop English language programs and resources in newer faculties of education and in institutions and agencies with specialized English needs.
Environment	0	8	Volunteers are assisting host country authorities to preserve important forests and park and wildlife areas and to raise the awareness of the general public concerning environmental issues.
Health	0	17	Volunteers are working to develop, improve and maintain rural water supplies and reduce water and sanitation related morbidity.

Program Highlights & Accomplishments:

With cooperation from VOCA, farrier (shoeing of farm animals) workshops were carried out at veterinarian's sites with a large number of host country practitioners trained. English teaching Volunteers developed full course disciplines in areas of health, maritime fisheries and agriculture. Regional English resources centers established by Volunteers have continued to grow and become centers for informal education and research. An environmental education lecture series was expanded by Volunteers through the development of audio-presentations for community groups and schools. Volunteers organized an information day attended by 100 host nationals on hygiene education and the proper use of latrines. An activity book developed by Volunteers for special education teachers is now being used in Moroccan schools.

Outlook:

When Peace Corps resumes its programs in Morocco, it will increase its focus on environmental concerns. Environmental degradation and protection of rare species has recently been recognized by the Moroccan government as a grave concern. A growing program focus will be on the promotion of environmental awareness through education in Morocco's schools and communities. Peace Corps Morocco will continue to target employee job needs through its English for Special Purposes project working in five sectors: science and technology, health, agriculture, business and export promotion and maritime fisheries. Infectious diseases caused by poor housing, inadequate sanitation practices and malnutrition are prevalent among the poor, especially in rural areas. Volunteers working in health extension will be assigned to health centers in rural provinces to address these problems in the local communities through health and hygiene education activities.

NEPAL

Population: 18, 431,000
Annual Per Capita Income: $170
Number of years Peace Corps in Country: 29

Peace Corps Country History: Since 1962 over 2,700 Volunteers have served in a wide variety of programs to assist His Majesty's Government (HMG) in meeting basic human needs in Nepal. Efforts today have grown to include diverse programs in natural resources, education, health, and rural development.

Resources:

	FY 1990 Estimates	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	84	86	84
Volunteer Years	138	144	141
Funding ($000)			
Appropriated	1865	2136	2174
Host Country Contributions	9	14	16

Host Country/Peace Corps FY 1992 Initiatives: The overall goal of HMG as stated in the Eighth Five Year Plan (1990-1995) is to meet the basic human needs of all Nepalis by the year 2000. Peace Corps is involved in the following areas to assist HMG in meeting this goal: education, health, agriculture, environment, urban planning, and business.

Of particular emphasis will be assistance in forestry and small enterprise development. Volunteers will teach at the Nepal Institute of Forestry. They will also be instructors at Labor Supply Centers and Basic Vocational Training Projects of the Ministry of Labor and Social Welfare.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	31	31	Volunteers work with existing teacher training projects providing classroom instruction in math, science, and English in primary and secondary schools in their first year; and training Nepali primary and secondary teachers in these fields in their second year.

Health	14	20	Training Nepali nurses and strengthening the clinical component of the basic nursing curriculum is one aspect of this project. Volunteers work with Nepali private voluntary organizations in the education of the mentally retarded, blind and deaf. Volunteers also work in water and sanitation projects.
Environment	14	12	Volunteers assist in the establishment of nurseries, production and distribution of seedlings, development and implementation of forest management plans, and the establishment of committees to manage protected forests. They will also provide technical instruction at the Nepal Institute of Forestry.
Agriculture	15	13	This project focuses on extension, training and research in crop production, and livestock , farm management, and fisheries work.
Business	7	0	Through the Agriculture Development Bank, Volunteers are active in introducing appropriate technology to rural Nepal. Peace Corps will also assist the Ministry of Labor and Social Welfare in their effort to increase income generation opportunities for the underprivileged of Nepal by providing vocational trainers and skill development trainers.
Urban Planning	6	8	Volunteers work in survey, design, cost estimation, project planning, land use mapping, and drawing master plans for the 33 districts.

Program Highlights & Accomplishments: Poor public health, low economic growth, and massive deforestation problems continue to create great obstacles for HMG's in their struggle to meet basic human needs for all Nepalis. Peace Corps continues to provide Nepal with trained manpower and technical expertise in each of its primary sectors.

Volunteers in appropriate technology have addressed the needs of rural Nepal by introducing methods of egg preservation, fruit storage, and increasing fuel-efficiency of cookstoves. They have trained villagers in bee-keeping and other small enterprise skills and have served 50,000 rural villagers through their work with improved drinking water systems.

Outlook: In the next five years, Peace Corps will continue its work in Nepal's primary development sectors with increased emphasis in the environment and small enterprise development.

PAKISTAN

Population: 109,950,000
Annual Per Capita Income: $370
Number of years Peace Corps in Country: 9

Peace Corps Country History: Peace Corps first entered Pakistan in 1961 with 60 Volunteers skilled in public works projects. The program swelled to 200 before political unrest precipitated the withdrawal of Volunteers in 1967. In 1988, Peace Corps returned to Pakistan with a small contingent of English teacher trainers. Peace Corps is prepared, with the consent and cooperation of the Government of Pakistan, to increase the number of Volunteers serving in Pakistan in teacher training as well as in small enterprise development and community health.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	38	0	39
Volunteer Years	16	11	4
Funding ($000)			
Appropriated	774	751	886
Host Country Contributions	24	33	34

Host Country/Peace Corps FY 1992 Initiatives:

The Persian Gulf crisis caused the temporary suspension of Peace Corps projects in Pakistan in January 1991. Peace Corps hopes to resume its activities there as soon as it is feasible. The development priorities would remain the same. Pakistan faces severe public health problems and a shortage of community health workers. The Government of Pakistan is striving to address these issues in its new health policy. Peace Corps hopes to assist the Government in this area by involving Volunteers in a program to train trainers of village health workers. Peace Corps will also become involved in the Government of Pakistan's new interest in small enterprise development as a means of alleviating the rapidly rising unemployment rate.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	0	24	Volunteers work primarily in teacher training colleges in order to impact most

			effectively the country's English proficiency.
Special Education	0	10	Volunteers with specific expertise in special education are developing training courses and delivering services to the disabled within existing institutions.
Business	0	5	Working with the Youth Investment Promotion Society, Volunteers will be employed as advisors in small enterprise development.

Program Highlights & Accomplishments: Prior to the program suspension, Peace Corps was actively engaged in addressing the social and economic needs of Pakistan as identified by its government. In the 1990s Peace Corps will develop its assistance in education, health, and small enterprise development.

Last year education Volunteers introduced Peace Corps to their counterparts in teacher training. They collaborated closely with their co-teachers to develop and deliver in-service teacher training modules in Education Extension Centers and in the field.

Volunteers had also begun a fruitful relationship with the Directorate General of Special Education and its institutions in meeting the needs of the disabled population of Pakistan by expanding the community awareness and education work already begun.

Outlook: When Peace Corps resumes its programs in Pakistan, it will continue to explore new areas of cooperation and activity with the Government of Pakistan. The short term focus will be on providing trained assistance and skills transfer in the education and health sectors.

PAPUA NEW GUINEA

Population: 3,812,000
Annual Per Capita Income: $900
Number of years Peace Corps in Country: 10

Peace Corps Country History:

The first group of nine Volunteers arrived in Papua New Guinea in September 1981. At that time the PNG government's development focus was primarily on six "least developed" provinces. Volunteers currently serve in nearly every province in Papua New Guinea and they are working in health, secondary education, and rural community development projects.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	40	50	50
Volunteer Years	65	66	75
Funding ($000)			
Appropriated	1488	1719	1942
Host Country Contributions	126	140	147

Host Country/Peace Corps FY 1992 Initiatives:

In the Papua New Guinea Development Plan (1989-1993), the government initiatives are guided by an integral human development approach. Integral human development embodies the State's obligation to assist people to improve themselves through: 1) provision of adequate shelter, food and water; 2) educational opportunities; 3) access to health care and social welfare services, and; 4) protection of basic human rights.

Within this general framework the Government has identified the following development priority areas: education and manpower development, economic growth and job creation. Peace Corps projects in health, education, micro-enterprise and rural development address these initiatives in the spirit of assisting people to improve themselves.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	10	10	Volunteers work to improve self-sufficiency and economic earnings of agriculture-based village communities.
Education	25	25	Volunteers assist provincial governments in providing adequate numbers of qualified teachers in rural high schools.

Health	15	15	Volunteers develop and deliver primary health and nutrition training with an emphasis on community participation.

Program Highlights & Accomplishments:

Volunteers have implemented the first Peace Corps/USAID Small Project Assistanc (SPA) activities. SPA funds enabled Volunteers to work closely with community group to initiate, design and manage small development projects.

Volunteer support and assistance in agriculture, health and small enterpris development resulted in "Volunteers working themselves out of a job" as trained Papu New Guinean counterparts have taken over the management of a vegetable market an trade store activities.

Outlook:

Peace Corps will continue to assist the government in meeting its current developmen priorities and stands ready to explore new areas such as expanded involvement in smal enterprise development, literacy, youth development, and environmental education.

PHILIPPINES

Population: 61,224,000
Annual Per Capita Income: $700
Number of years Peace Corps in Country: 30

Peace Corps Country History:

In October 1961, the Government of the Philippines invited Peace Corps Volunteers for assignments in math and science education. Responding to national priorities, the program was changed in 1970 to emphasize health and nutrition, agriculture, and income generation. The Peace Corps program in the Philippines is one of the longest standing and most successful programs. As a result of political uncertainty, the Philippine program was suspended in June of 1990 and all 261 Volunteers were removed. Peace Corps will reopen its program in the Philippines when the political situation is judged as safe for the return of Volunteers.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	64	0	35
Volunteer Years	211	4	26
Funding ($000)			
Appropriated	3536	456	884
Host Country Contributions	140	152	N/A

Host Country/Peace Corps FY 1992 Initiatives:

The Philippine government development goals for 1987-1992 are the:

(a) alleviation of poverty,
(b) generation of more productive employment,
(c) promotion of equity and social justice, and
(d) the attainment of sustainable economic growth.

Peace Corps projects in agriculture, agroforestry and fisheries have sought to increase production and income of farming/fishing families and small land-holders at the lowest economic levels.

Additionally deforestation and the fouling of marine resources are significant problems in the Philippines. Peace Corps programming and training will provide Volunteers the techniques to assist communities combat environmental degradation.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	0	10	Volunteers introduce and encourage improved farm management techniques, and review development plans with a view to including resource management and sustainable development strategies.
Education	0	10	Volunteers serve as community educators and as resource persons within the existing Program for Decentralized Educational Development.
Environment	0	7	Volunteers work as coastal resource management advisors to promote the establishment of marine sanctuaries, artificial reefs, mangrove reforestation, and environmentally benign fishing methods They are also involved with environmental education and management of protected areas and parks.
Health	0	8	Volunteer water sanitation technicians assist island communities plan, build, operate, and maintain small-scale water systems.

Program Highlights & Accomplishments:

Peace Corps and the Philippine National Volunteer Service Coordinating Agency have developed and instituted procedures to strengthen the role of Volunteers in Host Country Agencies (HCA). As part of a continuing effort to improve coordination and collaboration between Peace Corps and the HCAs, the position of Regional Liaison Officer (RLO) was created to ensure Volunteers have viable job and site assignments.

Previous Volunteers in the agriculture sector planted seedlings, built fish ponds, and developed a marine conservation program. Education sector Volunteers organized teacher-training workshops.

Outlook:

Peace Corps looks forward to reopening its program in the Philippines. Peace Corps' extensive experience in the Philippines will allow projects to restart with a minimum of difficulty.

POLAND

Population: 38,061000
Annual Per Capita Income: $1,760
Number of years Peace Corps in Country: 2

Peace Corps Country History:

Peace Corps was contacted by the Polish government regarding assistance in September of 1989. Peace Corps programming teams then assessed the need and feasibility for Volunteers to serve in a variety of development sectors in Poland as requested by the Polish government. A post was formally opened upon the arrival of U.S. staff in Warsaw in March 1990, and the first group of Teaching English as a Foreign Language (TEFL) Volunteers arrived in Poland on June 18, 1990. With the successful start of the TEFL program, a small business development program was established with the arrival of twenty-eight Volunteers in October 1990.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	60	88	107
Volunteer Years	9	95	152
Funding ($000)			
Appropriated	926	1598	1933
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Poland plans to continue to expand its current TEFL program. Volunteers will train English teachers at the university and college level and teach Polish students at the secondary level. The TEFL Volunteers will also be responsible for a variety of tasks outside of their teaching assignments. These activities will include improving the language capability of fellow faculty members, establishing regional English language resource centers, sponsoring English clubs, and giving lectures on American culture.

With the great need for western experience and business management skills in Poland, the Small Business Development program has tremendous potential and the first group of Volunteers have received a warm welcome from Poles. The Volunteers began working in January 1991, primarily at the county level in Eastern Poland.

The first group of environment Volunteers will arrive in Poland in October 1991. Volunteers will work in environmental management and education, using resources available through the Environmental Center for Central and Eastern Europe.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	80	80	Volunteers will teach English and train teachers in universities, teacher training colleges, and secondary schools throughout Poland.
Environment		7	Volunteers will assist in environmental management and education programs throughout Poland.
Small Business	20	20	Volunteers will provide business management advise and training through the Ministry of Local Government in a variety of areas including accounting, bookkeeping, and credit management.

Program Highlights & Accomplishments:

Volunteers will be able to begin training hundreds of university, and secondary school teachers and students in the first years of the program. Less quantifiable, but of equal value, will be the enhancement of communication and mutual understanding between Americans and Poles in accordance with traditional Peace Corps goals.

Outlook:

Poland's non-traditional development obstacles and need for rapid change will present some of the most formidable challenges Peace Corps has faced. Nevertheless, Peace Corps is anticipating that significant contributions can be made in the development of English teaching, business management and environmental education and training.

ROMANIA

Population: 23,148,000
Annual Per Capita Income: N/A
Number of years Peace Corps in Country: 1

Peace Corps Country History:

The 24 year-old Ceausescu regime was overthrown by a popular uprising supported by the army on December 22, 1989. To meet the need for humanitarian assistance which became apparent after the fall of Ceausescu, the Peace Corps sent two representatives to meet with the Romanian government and non-governmental organizations in August 1990. They determined that Peace Corps Volunteers would be welcomed and could provide much needed assistance in the orphanages that had been created under Ceausescu's policies. A subsequent programming visit in September and a medical review set the ground work and provided the necessary information for the program. Peace Corps staff arrived in Romania on December 2, 1990 to establish the program and prepare for the arrival and training of Volunteers.

Romania has many critical development needs. However, because of the present lack of reform within Romania, Peace Corps has not signed a country agreement with its government. Until conditions within the country improve, Peace Corps will be operating in Romania in conjunction with the Citizen's Democracy Corps, a U.S. non-profit organization, and working with orphanages will be Peace Corps' only project.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	0	15	15
Volunteer Years	0	9	21
Funding ($000)	0	467	669
Appropriated	0	N/A	N/A
Host Country Contributions			

Host Country/Peace Corps FY 1992 Initiatives:

The Peace Corps in FY 1992 will concentrate on addressing the needs of the children isolated from the rest of society in orphanages. Six teams of Volunteers, consisting of community outreach, early childhood development, and special education Volunteers, will be sent to work in orphanages throughout Romania's eastern region of Moldavia. Volunteers in special education and early childhood development will work with the Romanian staff of the orphanages to train them in the most effective ways to improve the mental and physical development and standard of care of the children. Community outreach Volunteers will work with the local communities where the orphanages are located to increase their participation in the operations of the facilities and care of the children.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	FY'92	Description
Education	15	15	Volunteers will work in community outreach, special education, and early childhood development to assist the development of the children living in orphanages and increase community support for the children.

Program Highlights & Accomplishments:

While it is too early to specify accomplishments for this program, Volunteers will make substantial improvements in the quality of training and care of the children in Romanian institutions within the first year of the program. Less quantifiable, but of equal value, will be the enhancement of communication and mutual understanding between Americans and Romanians in accordance with traditional Peace Corps goals.

Outlook:

Romania's non-traditional development obstacles and need for rapid change will present some of the most formidable challenges Peace Corps has faced. Nevertheless, Peace Corps is anticipating that significant contributions can be made in the development of improved training, education, and care for Romanian orphans. If the country reforms its current political system, Peace Corps looks forward to assisting the government of Romania in meeting its other development needs.

SEYCHELLES

Population: 68,000
Annual Per Capita Income: $4,170
Number of years Peace Corps in Country: 17

Peace Corps Country History:

The Peace Corps program in the Seychelles, started with four Volunteers in 1974. The Volunteer level has fluctuated from a low of two in 1982 to a high of seventeen in 1989. It has always been a technical program requiring highly skilled Volunteers rather than generalists. The Peace Corps, by providing engineering Volunteers, has played a major role in the development of the road and water systems infrastructure in the Seychelles over the past seven years. Agriculture, health and education were the focus of programs during the first few years. Road construction, water and sanitation projects and the expansion of the education program to include computer science have been added since 1982. The Seychelles program has implemented an environmental education project this year.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	4	5	5
Volunteer Years	12	10	9
Funding ($000)			
Appropriated	311	300	351
Host Country Contributions	54	60	62

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps environmental education Volunteers will continue their efforts in training Marine Park rangers and developing and environmental education resources center..

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	2	2	Volunteers are assigned to the Polytechnic to teach computer science and mathematics.
Environment	2	2	Volunteers participate in marine park management which involves a review and evaluation of park regulations and management plans; train marine park rangers in surveillance and enforcement of regulations; recommend and establish research procedures.

Health	1	1	One Volunteer in occupational therapy is responsible for organizing and directing the activity programs for the Ministry of Health and Social Services

Program Highlights & Accomplishments:

The Peace Corps program has branched into youth and community development with a Volunteer counsellor trainer to work with juveniles at a detention center. Volunteers have designed and delivered the first professional training program for Seychellois occupational therapy assistants. A Volunteer designed and installed an irrigation system at the Indian Ocean Nurseries' export orchid farm. The Volunteers assigned to the Ministry of Health designed and implemented a national in-service training program for nurses and physicians. They also established the first occupational health, alcohol abuse and anti-smoking programs in the country.

Outlook:

Since 1974 Peace Corps' programming in Seychelles has consisted of requests for technical expertise to meet manpower needs in areas where qualified Seychellois were insufficient. Peace Corps has seen its role as helping the country meet its human resource needs while the Government strives to educate and train its population to take over positions. Due to the Government's increased environmental concern, Peace Corps has included an environmental project to its program.

BRAZIL
DOLLARS IN THOUSANDS

SUMMARY OF FY 1992 REQUEST

MILITARY:	
FOREIGN MILITARY FINANCING	1,000
INTL MIL EDUCATION & TRNG PROG	250
ECONOMIC:	
ECONOMIC SUPPORT FUND	0
DEVELOPMENTAL ASSISTANCE	34,000
P.L. 480	7,095
PEACE CORPS	1,829
INTERNATIONAL NARCOTICS CNTRL	0
TOTAL FOREIGN ASSISTANCE	44,174
STUDENTS TRAINED UNDER IMET	16

SECURITY ASSISTANCE RESOURCES

	ACTUAL FY 1990	ESTIMATED FY 1991	PROPOSED FY 1992
FINANCING:			
CONCESSIONAL	0	0	0
GRANT	2,091	0	1,000
TOTAL	2,091	0	1,000
ECONOMIC SUPPORT FUND	0	0	0
IMET	172	250	250
FOREIGN MILITARY FINANCING APPLIED TO COMMERCIAL PURCHASES IN FY 1990			0

FOREIGN MILITARY AND CONSTRUCTION SALES AGREEMENTS AND VALUE OF COMMERCIAL EXPORTS

ACTUAL FMS AGREEMENTS FY 1990:	1,903
DEFENSE ARTICLES/SERVICES	1,903
CONSTRUCTION/DESIGN	0
ACTUAL VALUE OF COMMERCIAL EXP DELIVERIES	0
ESTIMATED FMS AGREEMENTS FY 1991:	2,000
DEFENSE ARTICLES/SERVICES	2,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	*
ESTIMATED FMS AGREEMENTS FY 1992:	1,000
DEFENSE ARTICLES/SERVICES	1,000
EST VALUE OF COMMERCIAL EXP DELIVERIES	*

*Less than $500.

ECONOMIC DATA
DOLLARS IN MILLIONS

	1986	1987	1988	1989
GDP	1,181	1,241	1,388	1,587
PER CAPITA GDP**	182	166	179	198
TOTAL BUDGET	399	383	n/a	n/a
TOTAL DEBT	1,166	1,369	1,349	n/a
FMF DEBT	0	0	0	0
PERCENTAGE OF FMF TO TOTAL DEBT	0%	0%	0%	0%
DEBT SERV RATIO	37%	21%	19%	0%

*Less than $500,000 **In dollars n/a=not available

CONSOLIDATED FMF DEBT REPAYMENT

	PRINCIPAL	INTEREST	TOTAL
CUM SCHEDULED REPAY A/O 30 SEPT 90	0	0	0
FY 1991	0	0	0
FY 1992	0	0	0
FY 1993	0	0	0
FY 1994	0	0	0
FY 1995	0	0	0
FY 1996	0	0	0
FY 1997	0	0	0
FY 1998	0	0	0
FY 1999	0	0	0
FY 2000	0	0	0
TOTAL	0	0	0

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	30	26	Academic, vocational, and community education, and rural community development comprise the projects in this sector. Volunteers currently provide academic and vocational instruction to secondary school students in both provincial (junior) and national (senior) secondary schools. Volunteers also work with provincial community education offices and local government councils to coordinate nonformal education efforts for rural communities. The majority of Volunteers working in the education sector are assigned to remote locations.
Environment	0	0	Volunteers currently work in a fisheries development project and an alternative energy development project.
Health	2	4	Water supply design engineers continue to develop small and medium scale water supply systems for rural communities. Health Education Volunteers provide extension services for isolated rural communities.
Small Business	0	0	A financial management advisor currently assists rural branch offices of the Solomon Islands Credit Union League with the development of sound financial management practices.
Urban Dev.	3	5	Planning advisors and civil engineers work with provincial governments to design and implement infrastructure development projects.

Program Highlights & Accomplishments:

Peace Corps Solomon Islands has completed development of pre-service training curricula for Peace Corps Volunteers working in secondary education and nonformal education projects. In addition, competency-based curricula for language and cross-cultural training have been developed. These efforts have contributed significantly to the volunteers' ability to perform effectively in their assignments.

Outlook:

Future program developments will depend to a great extent on the stability of the incumbent government in Solomon Islands and their ability to fully implement decentralization plans.

SRI LANKA

Population: 16,779,000
Annual Per Capita Income: $430
Number of years Peace Corps in Country: 13

Peace Corps Country History: Peace Corps returned to Sri Lanka in 1983. Volunteers had previously served in Sri Lanka from 1962-1964 and 1967-1970. Political issues of difference between the United States and Sri Lanka resulted in the termination of both programs. In the total of eleven years of Peace Corps activity on this island 200 Volunteers have served.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	15	25	25
Volunteer Years	11	24	24
Funding ($000)			
Appropriated	412	567	371
Host Country Contributions	12	11	12

Host Country/Peace Corps FY 1992 Initiatives:
Peace Corps continues to respond to the Government of Sri Lanka's emphasis on English language acquisition by continuing the model English Language Teacher Training project such as the District English Language Improvement Centers (DELIC) which began in 1983, and the Prinsett Credit Program which trains unaccredited teachers teaching in rural areas.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	15	14	Volunteers train future English teachers in District English Language Improvement Centers and the Prinsett Credit Programs throughout the country.
Business	10	11	A project with the Ministry of Agriculture emphasizes Small Enterprise Development skills for those Sri Lankans involved in small farming and fledgling industries.

Program Highlights & Accomplishments: As the political situation in Sri Lanka stabilizes, real growth is beginning to return. Sri Lanka, recognizing that English literacy is the key to economic growth in a competitive world market, is reemphasizing the teaching of English throughout the land. Peace Corps is responding to this need by instituting English Literacy components in each of its projects and expanding its teacher trainer projects to reach more people.

Outlook: Peace Corps carefully monitors the security of the Volunteers in Sri Lanka and is prepared to interrupt its activities if the personal safety of the Volunteers is threatened. Barring such interruptions Sri Lanka plans, over the next five years, to continue its work in education, particularly English teacher training. The program will also focus anew on small enterprise development while searching for other avenues in which to expand programming.

THAILAND

Population: 55,200,000
Annual Per Capita Income: $1,170
Number of years Peace Corps in Country: 29

Peace Corps Country History:

Peace Corps has continued in Thailand without interruption since 1962. Approximately 3,500 Volunteers from every state in the United States have served two-year tours in every province. In numbers of Volunteers on board, Thailand is the largest program in the PACEM region. The latest training group, (the 97th) was sworn-in in October 1990.

Volunteers in Thailand presently work in the health, education and agriculture sectors. The average Volunteer age is 30, with eight Volunteers over 60 years old. Peace Corps also places disabled Volunteers in Thailand.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	111	109	109
Volunteer Years	209	207	200
Funding ($000)			
Appropriated	3119	3526	3583
Host Country Contributions	277	283	294

Host Country/Peace Corps FY 1992 Initiatives:

Environmental deterioration is particularly evident in the destruction of forests and disappearing wildlife. Volunteers work with local villagers on reforestation projects and help educate villagers on the value of maintaining Thailand's wildlife population, much of which is endangered because of the pressure of human demands on its habitat.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	40	40	Volunteers teach in rural community high schools and participate in the school's demonstration vocational development project.

Health	38	38	Volunteers work mainly in rural areas to improve the quality of life of Thai farm families through better nutrition and improved hygiene.
Agriculture	31	31	Volunteers work in a variety of projects from fisheries to national parks to community forestry. Projects include income generation activities to help farmers remain in their villages rather than migrate to the cities.

Program Highlights & Accomplishments:

Peace Corps completed its first regional fisheries training for Volunteers in 1989 with trainees from Nepal, Thailand, and Fiji participating. Additionally, Volunteers have been placed for the first time in three of Thailand's private voluntary organizations.

Volunteers continue to provide economic assistance to rural villagers. For example, Volunteers have established market outlets for handicrafts produced by 4-H members and women's groups. Crop extension Volunteers have developed and tested a training module for improved soybean cultivation practices on sloping land. Education Volunteers are in community high schools teaching approximately 6,600 students. Volunteers also have helped establish income generating projects such as duck farming, mushroom farming and a beef-cattle feeding project.

Outlook:

The Royal Thai Government has requested approximately 200 Volunteers per year for the next several years to work in the undeveloped rural areas of the country.

TONGA

Population: 98,000
Annual Per Capita Income: $910
Number of years Peace Corps in Country: 24

Peace Corps Country History:

The Peace Corps first entered Tonga on October in 1967 with more than 60 Volunteers. Program strength has grown as high as 100 and has maintained an average of 70 Volunteers until recent years. With the entry of Volunteers in 1990, the total number of Volunteers to serve in Tonga will exceed 1,100 since the program began.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	9	22	24
Volunteer Years	35	33	38
Funding ($000)			
Appropriated	609	668	717
Host Country Contributions	34	38	40

Host Country/Peace Corps FY 1992 Initiatives:

Education continues to be the backbone of Peace Corps Tonga. The Ministry of Education and the Mission Schools system concur with Peace Corps their need for assistance in the education sectors. Two initiative areas have been added to the program. This year Peace Corps Volunteers will be working in the environmental sector and providing assistance in small business development. In addition to their primary projects, Volunteers are encouraged to develop secondary projects in the schools and in the local communities. Some areas where Volunteers have made considerable impact outside of their primary assignment are: environment, small business, music, school gardens, adult education, and urban development.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	5	6	Volunteers work in agricultural research and production. Tonga is an agrarian society and must rely on research and crop development to increase productivity on its scarce land resources. Volunteers are also working in forestry, natural resources, agriculture education, and even as specialists in entomology, farm management, and pasture development.

Education	12	14	Education projects continue to be the dominate programs in Tonga. Volunteers are teaching in the areas of: science, math, industrial arts, and accounting. An expanding school system, a lack of trained teachers, migration of teachers to urban areas and neighboring countries are reasons for the teacher shortage in Tonga.
Environment	1	2	The need to conserve the natural habitat and prevent extinction and loss of natural resources, have become increasingly important to the Government of Tonga. Volunteers are working to increase public awareness on these issues through published materials, radio, seminars, community projects, and articles in the local papers. In addition, this project seeks to identify land and marine parks and control removal of sand from shore areas and outlying islands.
Health	2	0	The major goal of this project is to expand health education activities in the rural areas as well as coordinate on-going programs at the local level. Volunteers are working with the Ministry of Health as health education officers. Volunteers and their co-workers are working directly with villagers through village development committees in order to help local people identify health problems and priorities, and encourage community participation and support for primary health care programs.
Small Business	2	2	This is a new project area for Tonga. Volunteers are working with the Tonga Development Bank providing business skills and advice to loan clients. The Volunteers work closely with the bank's loan officers in the communities to help local businesses obtain higher success rates.

Program Highlights & Accomplishments:

Peace Corps Tonga has strived to improve its projects to meet more closely the pressing development needs of the country. Peace Corps has redirected its focus towards developing more program based projects and less individual placements. Most recently Peace Corps has responded to the host country government needs with two additional projects in the areas of small business development and the environment.

Outlook:

In the past, Volunteers have often served in abundance of unrelated program capacities. Although Volunteers are requested for and continue to serve in highly specialized areas Peace Corps has concentrated on consolidating projects. This will allow for increased Volunteer support and the creation of a clear project direction that has measurable goals.

TUNISIA

Population: 7,988,000
Annual Per Capita Income: $1,260
Number of years Peace Corps in Country: 29

Peace Corps Country History:

Peace Corps Tunisia's country agreement dates from February 1962, making it one of the Agency's oldest programs. Over the past 29 years, more than 2,000 Volunteers have served in the fields of health, education, architecture, urban planning and agriculture. Until recently there were 67 Volunteers working in youth development, special education, agriculture, rural development and English language education.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	46	0	33
Volunteer Years	72	18	3
Funding ($000)			
Appropriated	1333	955	1006
Host Country Contributions	7	7	8

Host Country/Peace Corps FY 1992 Initiatives:

The Persian Gulf crisis caused the suspension of Peace Corps programs in January 1991. Peace Corps hopes to resume its activities there as soon as circumstances allow.

Job creation remains one of the most persistent problems in Tunisia. In spite of significant economic growth in a number of sectors there is a rising number of unemployed and underemployed youth migrating to the cities looking for work. An increase in the population of 18-20 year olds has seriously strained university resources and new campuses have been created in secondary cities. Peace Corps Tunisia's programming will respond to these needs through programs in youth development, university English teaching, and Self-Help Housing and community development.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Agriculture	0	0	Beekeepers are working to introduce modern beekeeping equipment and management techniques to rural farmers. Large animal husbandry Volunteers assist dairy farmers increase their incomes through improved milk production techniques and farm management.

Education	0	22	Volunteers are working in special education in the development of services and programs for the disabled and in training a cadre of special educators in teaching techniques and curriculum development. Basketball coaches are addressing the needs of the youth population through sports to reduce the risk of young people becoming involved in activities detrimental to their development as adults. University English teachers are assisting the Ministry of Education achieve self-sufficiency in its English teaching corps.
Environment	0	6	Volunteers, working in cooperation with the Tunisian Agency for the Protection of the Environment, will address deforestation and other environmental concerns.
Urban Dev.	0	5	In this new project, urban development Volunteers are providing technical and management advice in self-help housing projects to improve the substandard living conditions of poor families in urban areas.

Program Highlights & Accomplishments:

A training center for special education teachers was started in Djerba in collaboration with AID and the Ministry of Social Affairs where seminars have been conducted for approximately 200 Tunisian professionals. Vocational programs were designed and implemented in woodworking, sewing and agriculture in 10 centers for the disabled. Volunteers were responsible for compiling the first Tunisian sign language book and have designed and implemented evaluation tools and curricula in 15 schools.

Peace Corps English teachers at the University of Kairouan developed an American studies program. Volunteers teaching at the Ecole Normale Superieure in Sousse organized book donations to help develop the student and faculty library.

A beekeeping Volunteer trained a group of handicapped young people to produce high quality modern beekeeping equipment and another is promoting beekeeping among the blind.

Outlook:

When the program resumes, Peace Corps will focus efforts on the growing number of poor in urban areas. Volunteers will help families through a self-help housing project and urban community development program. To address the growing problem of deforestation and other environmental concerns, Peace Corps Tunisia will explore collaborative efforts with the Government of Tunisia and its newly formed Agency for the Protection of the Environment. Special Education Volunteers will be instrumental in the formation and development of regional rehabilitation centers focusing on early diagnosis of the handicapped. Youth Development Volunteers will continue to address the problems of idle and jobless youth, building self-esteem through sports programs at youth centers.

TUVALU

Population: 8,000
Annual Per Capita Income: $450
Number of years Peace Corps in Country: 11

Peace Corps Country History:

The Peace Corps program in Tuvalu began in 1980 providing assistance to government agencies and to island communities. The program was developed through direct collaboration with Save the Children Foundation (SAVE). The program continued with Volunteers working as island community developers until 1982 when that portion of the program was cancelled because of the termination of air service to the outer islands. Because of Tuvalu's unique geography and government requirements, Peace Corps policy has been to respond to individual needs through single placements.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	2	1	2
Volunteer Years	2	3	3
Funding ($000)			
Appropriated	69	64	95
Host Country Contributions	9	9	9

Host Country/Peace Corps FY 1992 Initiatives:

At the request of the Tuvalu Government, Peace Corps recruits skilled Volunteers to meet a specific need through individual placements. Each placement has a long-term emphasis on training and transfer of skills to local counterparts. Our most recent placement was an architect.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Urban Development	1		The Volunteer works in the Department of Public Works under the direction of the Ministry of Works. The work entails: providing designs for various development projects, preparing contract documents, evaluation of tenders, supervision and administration of building contracts, financial management and training of staff in the fields of drafting, estimating, contract administration and supervision. The Volunteer maintains a close liaison with all government departments regarding their requirements for new projects. Also, the architect provides advice to the government concerning building and contract related matters.

Agriculture	1	2	A marine fisheries advisor establishes procedures to collect data on bottomfish catches by research/survey cruises and commercial fishing operations. The work includes designing data forms in Tuvalu and English.

Program Highlights & Accomplishments:

Close communication with Tuvalu Government officials continues on a regular basis to determine the need for Volunteers in new project areas. Additional future placements will be examined on a case by case basis to ensure that they meet Peace Corps Tuvalu placement criteria. Peace Corps Volunteers have been very well received; they provide a visible presence which has enhanced American goodwill and friendship with Tuvalu.

Outlook:

Peace Corps will provide a computer trainer to the government of Tuvalu who will utilize skills concentrating on urban development. The trainer will provide technical training aimed at developing programming skills working an urban setting.

VANUATU

Population: 152,000
Annual Per Capita Income: $860
Number of years Peace Corps in Country: 1

Peace Corps Country History:

Vanuatu is Peace Corps' newest country entry in the Pacific and is administered from the Peace Corps office in Honiara, Solomon Islands. Peace Corps entered into an agreement with the Republic of Vanuatu in October 1989. Three Volunteers began their assignments in January 1990. A second group of three began service in January 1991. The Government of Vanuatu (GOV) has requested that initial efforts focus on education projects.

Resources:

	FY 1990 Estimate	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	3	3	5
Volunteer Years	2	5	5
Funding ($000)			
Appropriated	79	110	134
Host Country Contributions	0	0	0

Host Country/Peace Corps FY 1992 Initiatives:

A major concern of the GOV is the acute shortage of trained manpower. Current recruitment of expatriates to fill specialized positions within the government is a drain on already limited financial resources. Human resource development is thus a primary objective of the government. Other major initiatives include accelerated, environmentally sound development of the moderate natural resource base of the country, and further expansion of the growing private sector.

At present, Peace Corps is focusing its efforts on providing certified teachers in technical subjects to develop skills in mathematics and the sciences among secondary school students. Opportunities for involvement in small business development and environmental education are also being explored.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	FY'92	Description
Education	3	5	Certified teachers are currently engaged in the teaching of math and science in Junior Secondary Schools. All Volunteers are assigned to rural areas.

Program Highlights & Accomplishments:

Peace Corps is developing an image as an organization that can provide skilled manpower at a moderate cost to the GOV. Opportunity for the expansion of the program i substantial. Program funding will ultimately determine the rate at which the prograr will grow.

Outlook:

Peace Corps will continue to work with local authorities to increase its contribution i the Republic of Vanuatu.

WESTERN SAMOA

Population: 159,000
Annual Per Capita Income: $720
Number of years Peace Corps in Country: 24

Peace Corps Country History:

The first group of Volunteers arrived in 1967. The program focused on agriculture extension, rural sanitation and a few specialized positions. During the 1970s, a large percentage of Volunteers were assigned to work in education. Since 1980 vocational and agriculture education have been emphasized. Peace Corps' technical training efforts have shifted into senior secondary schools. Approximately 1,350 Volunteers have served in Western Samoa.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	27	25	30
Volunteer Years	47	43	44
Funding ($000)			
Appropriated	898	859	1019
Host Country Contributions	68	68	71

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps Western Samoa has recently expanded its programming efforts in the area of Small Business Development. Volunteers are working in collaboration with The Development Bank of Western Samoa as extension advisors.

Peace Corps Program by Sector:

Sector	Trainee Input FY'91	Trainee Input FY'92	Description
Education	13	17	Volunteers are teaching at the rural junior and senior secondary schools. In addition to teaching science and accounting , they assist Samoan teachers in learning about curriculum development.

Small Business	9	10	The Development Bank of Western Samoa is utilizing Volunteers as Small Business Advisors. They are working directly with the banking staff to provide training and management advisory services to managers of small businesses and income generating projects in the rural areas. In addition, Volunteers are teaching basic economics and business practices in grades 9 & 10 and accounting in grades 11 & 12.
Youth Dev.	3	3	Volunteers are working in the youth development program at the Boys Brigade. They teach manual arts, which includes: technical drawing, designing and implementation of projects, construction with wood, basic metal work and appropriate technology. Older students are offered training in marketing skills in order to sell produced products. Another Volunteer is teaching basic motor mechanics and bicycle repair.

Program Highlights & Accomplishments:

Peace Corps Western Samoa is working closely with Government departments and non-government organizations to do more effective programming in Western Samoa. Peace Corps is committed to addressing the developmental changes in Western Samoa. As a result, a project in the initiative area of small business development has been requested and implemented with the support of the Development Bank of Western Samoa

Outlook:

The Peace Corps focus remains on meeting the development needs of Western Samoa. Peace Corps will ensure that projects and Volunteer activities have realistic, achievable goals aimed at improving the lives and welfare of the Samoan people.

YEMEN

Population: 11,207,000
Annual Per Capita Income: $640
Number of years Peace Corps in Country: 18

Peace Corps Country History:

Peace Corps began its work in the Republic of Yemen in 1973, only two years after the ten-year civil war ended. Initially, Peace Corps' programs focused largely on health. Over the years, Volunteers have also worked in education, earthquake reconstruction, agriculture, old city preservation and rural water supply projects. In August, 1990 with rising tensions in the Gulf region, the Volunteers were removed from Yemen and the program there was temporarily suspended.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	27	0	24
Volunteer Years	47	1	12
Funding ($000)			
Appropriated	1141	288	741
Host Country Contributions	18	N/A	N/A

Host Country/Peace Corps FY 1992 Initiatives:

Peace Corps hopes to resume its activities in Yemen as soon as circumstances permit.

The government of Yemen's priorities outlined in its most recent 5-year plan (1987-1991) include scientific and technical progress for developing human and natural resources, increasing domestic output of the economy to achieve self-reliance and food self-sufficiency and providing strong support to local and regional institutions. Quality of life indicators in Yemen are among the lowest in the world with health and education statistics pointing to a lack of education rather than poverty as the major reason for poor health. The most pressing urban problems in general are a lack of jobs and the physical and sociological decline of the old city of Sana'a. Peace Corps will address these needs through health, education, and old city restoration projects and a new project in agricultural education.

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Peace Corps Program by Sector:

Sector	Trainee Input FY'91	FY'92	Description
Agriculture	0	2	This project addresses the government's goal of food self-sufficiency through the development of human resources. Crop extension and plant protection specialists will train Yemeni students at the Faculty of Agriculture instructional farm at Sana'a University.
Education	0	16	Volunteers will be teaching English in secondary schools, at the Yemeni-American Language Institute, the National Institute of Public Administration, and Sana'a University.
Health	0	4	In 1989, Peace Corps reentered the health sector where the needs are great. Nurses and lab technicians will be working to improve mother and child health and expand the primary health care program to families and communities in rural areas of Yemen.
Small Business	0	1	Volunteers will be working to preserve culturally important and economically viable traditional crafts which are in danger of disappearing and provide opportunities for gainful employment through skill and business training.
Urban Dev.	0	1	An architect will be working in the supervision and restoration of one of the oldest and largest Samsarat (trading centers) in old Sana'a while providing on the job training to a Yemeni counterpart in the documentation and restoration process.

Program Highlights & Accomplishments:

Health Volunteers have established health education rooms in health care centers in locations throughout the country and have conducted training in oral rehydration therapy, immunizations, nutrition and growth monitoring, as well as developing training programs for primary health care workers in conjunction with the local ministry of health.

Volunteer English teachers began summer in-service trainings for Yemeni teachers in which methodology and curriculum use was addressed.

Outlook:

Plans are to return Volunteers to Yemen as soon as the situation in the Gulf is resolved. With the reunification of North and South Yemen in 1990, the country's needs are even greater. Peace Corps will be prepared to expand its programming, initially in health and education, to include former South Yemen.

A health and nutrition evaluation conducted by Peace Corps Yemen in 1990 recommended Peace Corps' health strategy focus on improving mother/child care and expanding health education through the rural based primary health care program. Volunteers will identify training needs and provide on the job training to primary health care workers.

UNITED NATIONS VOLUNTEERS

Number of years Peace Corps in Program: 20

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Program			
Trainee Input	19	25	25
Volunteer Years	37	44	48
Funding ($000)	315	311	427

Program Highlights & Accomplishments:

Since 1971, Peace Corps has recruited both returned Peace Corps Volunteers and other individuals with the experience and highly specialized skills requested by the countries participating in the United Nations Volunteer (UNV) program. Currently, the largest group of Volunteers in any one country is located in China.

Peace Corps is the sponsoring agency for U.S. citizens. Peace Corps recruits and evaluates candidates, provides medical clearances, international transportation to and from site, and readjustment allowances for those candidates selected by the UNV headquarters in Geneva.

Peace Corps also provides the United States Government's annual contribution to the UNV Special Voluntary Fund. The purpose of this fund is to pay international travel and post-service resettlement costs for Volunteers from developing countries that have no sponsoring organizations of their own. Such Volunteers made up 82 percent of all UNVs at the close of 1990. Peace Corps provided a grant of $100.0 thousand for this fund in FY90.

FY91 Volunteers by Country

Country			
Bhutan	1	Morocco	1
Burkina Faso	1	Mozambique	1
China	14	Namibia	3
Fiji	2	Nepal	1
Ghana	1	Pakistan	1
Guyana	2	Papua New Guinea	2
Hong Kong	1	Sierra Leone	1
Indonesia	1	Sudan	1
Jamaica	1	Thailand	1
Kiribati	2	Tokelau	1
Laos	2	Vanuatu	1
Malaysia	1		

OFFICE OF PRIVATE SECTOR RELATIONS

History:
The Office of Private Sector Relations was created in 1982 in response to the Reagan Administration's strong emphasis on public and private sector partnership. Since late 1989 Director Paul Coverdell has encouraged the collaboration of the Peace Corps and the private sector through the Partners for Peace Program. Partners for Peace, which includes the Peace Corps Partnership Program, the Gifts in Kind program and the Volunteer Partner Program, offers the private sector an opportunity to "volunteer" in its own way.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Funding ($000)			
Appropriated	371	537	574

FY 1992 Initiatives:

The Office of Private Sector Relations established the Partners for Peace Program to provide individuals, associations, corporations and foundations with an opportunity to participate in Peace Corps projects. Partners for Peace has been a pipeline for private sector assistance to Peace Corps initiatives in health, education, urban development, small business development, environment, minority outreach, university programs and global awareness

Program Highlights & Accomplishments:
In FY 1990 the Office of Private Sector Relations collaboration with the private sector provided $3.2 million in materials, financial support and services to Peace Corps efforts around the world. This represents an increase of 400% in such support over the previous year. Of this amount, $1.2 million in textbooks, medical and children's books was donated to improve literacy and offer technical assistance in developing countries. The Peace Corps Partnership Program used $325,000 to complete 124 community projects.

Outlook:

The Peace Corps has joined with the private sector to establish a partnership which supports volunteerism, education and peace. Private sector assistance continues to grow and successes continue to build. A new Partners for Peace initiative, Peace Corps Partners in Teaching English, is underway to bring English to countries that wish to increase their citizens' ability in this language of international commerce.

WORLD WISE SCHOOLS

HISTORY

Since it inception, Peace Corps has served as a bridge of understanding between the United States and developing countries. The World Wise Schools program (WWS) makes sure this bridge is traveled in each direction as it brings the Peace Corps Volunteer experience directly into classrooms throughout the United States.

World Wise Schools is Peace Corps' response to its Congressional mandate to teach Americans about the world. This mandate --Peace Corps' Third Goal-- is as much a part of Peace Corps as its efforts overseas.

Exchange between Peace Corps Volunteers and students in American classrooms is the centerpiece of World Wise Schools, but it is only one aspect of the program. WWS sends printed instructional material and videotapes of Peace Corps countries to participating schools as a means of exposing our nation's young people to the diverse peoples and countries of the world. In addition, another program component is presently being established to involve returned Volunteers with participating schools to relate their unique perspectives on other countries and cultures and to serve as consultants to classroom teachers.

RESOURCES

In the 1990-91 school year, World Wise Schools brought an enriching educational experience to more than 60,000 American students in more than 2,000 classrooms in 1,300 schools in all 50 states and the District of Columbia.

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Funding ($000)			
Appropriated	121	496	522

INITIATIVES

The program is designed to promote the study of geography, stimulate international awareness and encourage volunteerism in our nation's youth. By matching students with Peace Corps Volunteers, World Wise Schools opens up the world to American students and also enriches the Volunteer's experience.

HIGHLIGHTS AND ACCOMPLISHMENTS

Outside the classroom, government officials, educators and others interested in providing America's young people with the knowledge to meet the challenges of the twenty-first century have embraced World Wise Schools. The states of South Carolina, Oklahoma, Mississippi and Ohio have formally endorsed World Wise Schools.

World Wise Schools is broadening the classroom experiences of America's young people, adding a vital international dimension to the learning of our future leaders. WWS draws on the unique international experience of Peace Corps Volunteers in their most uplifting tradition of serving as ambassadors of peace.

Outlook

Efforts are underway to expand the program so that all Volunteers can be matched with classrooms in the United States. World Wise Schools will further the legislative mandate to increase Third Goal activities by establishing a framework for returned Peace Corps Volunteers to share their experience with other Americans.

Before the close of the next academic year at least ten additional states are expected to enter into partnerships with the Peace Corps by becoming World Wise Schools States. To allow broader participation in the program, World Wise Schools will work with state educational agencies to bring the benefits of this initiative to more students through the use of educational television.

OFFICE OF UNIVERSITY PROGRAMS

History:

The importance of American universities as providers of skilled trainees and as partners in post-Peace Corps programs led to the creation of this office as a separate entity. It oversees the operations of the Peace Corps Fellows/USA Master's Internationalist, Peace Corps Preparatory, and Campus Compact and other collaborative programs with universities.

Resources:

	FY 1990 Actual	FY 1991 Estimates	FY 1992 Estimates
Funding ($000)			
Appropriated	52	128	140

FY 1992 Initiatives:

The Office of University Programs will expand the Peace Corps Fellows/USA program in FY 1992. This program puts the unique skills of returned Volunteers to work on some of America's toughest challenges. The program was first developed to attract qualified and motivated teachers for some of the most challenging schools of New York City. Former Volunteers were offered paid teaching positions while concurrently pursuing a master's degree in education at Teachers College, Columbia University. The program is expanding to more universities and will include other fields including the health professions, human services and the environment. Fellows will continue to serve in both inner cities and rural communities throughout the United States.

Program Highlights & Accomplishments:

Peace Corps has signed agreements with eleven universities to create scholarships and create jobs for more than fifty Returned Peace Corps Volunteers who enter advanced training for critical work in America. Participating schools are: Teachers College of Columbia University, University of Southern California, Florida International University, George Washington University, Georgia State University, Georgia College, Auburn University, Texas A&M, Tulane University, University of Southern Mississippi, and Ohio University.

Outlook:

Seven agreements with other colleges and universities are currently being completed. The program will ultimately be expanded to accommodate nearly 300 Peace Corps Fellows per year. In some cases, major corporations are assisting in funding scholarships for the Fellows; in others, public universities are offering to grant in-state tuition.

United States Trade and Development Program

Congressional Presentation

Fiscal Year 1992

United States International Development Cooperation Agency

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U.S. TRADE AND DEVELOPMENT PROGRAM
Washington, D.C. 20523-1602

February 22, 1991

To the United States Congress:

I am pleased to transmit to you the Fiscal Year 1992 budget request for the U.S. Trade and Development Program (TDP).

TDP's mission is to promote economic growth in developing and middle-income countries by helping them gain access to U.S. private sector expertise for key infrastructure projects. The past year was a particularly productive one for our Agency as the dramatic events in Eastern Europe and Latin America opened new opportunities for the United States to support emerging market economies.

TDP, an independent Federal agency within the International Development Cooperation Agency, is administered under the authority of Section 661 of the Foreign Assistance Act of 1961, as amended, and the Omnibus Trade and Competitiveness Act of 1988.

I look forward to discussing with you our work around the globe -- in Africa, Asia, Europe, and Latin America -- as you consider the FY 1992 budget for TDP and the reauthorization of the program this year.

Priscilla Rabb Ayres
Director
U.S. Trade and Development Program

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I. SUMMARY

The Administration is requesting $35 million to fund the U.S. Trade and Development Program (TDP) in FY 1992. The following table compares the FY 1992 TDP budget request with appropriations from past years.

TABLE I
U.S. TRADE AND DEVELOPMENT PROGRAM
APPROPRIATIONS HISTORY
($ in Millions)

FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991 Estimate	FY 1992 Request
$18.1	$20	$25	$25	$31.5[1]	$35	$35

TDP's mission is to promote U.S. exports for major development projects in middle-income and developing countries. To this end, TDP funds feasibility studies, reverse trade missions, training programs, conferences, and other project planning services related to priority projects in host country development plans.

Among the unique elements of the TDP approach are its emphasis on host country participation in project identification and implementation, and its flexibility in responding quickly and effectively to U.S. Government priorities in international commerce.

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[1] The original appropriation was $32 million; the amount shown is the post-sequester amount.

TDP's activities result in a generous return to the U.S. economy. Exports associated with projects in which TDP provided assistance total more than $3.2 billion. This is an increase of $400 million over the amount TDP reported to Congress last year at this time. Over 579 companies in 42 states, Puerto Rico, and the District of Columbia have benefited from activities supported by TDP. Many of these are small and medium-sized firms. There are additional sub-suppliers associated with the projects, but it is impossible to identify them all.

In FY 1990, TDP focused particularly on assistance to emerging democracies in Eastern Europe and Latin America. TDP project expenditures in Eastern Europe grew from $500,000 in FY 1989 to $5 million in FY 1990. In Latin America, TDP obligations also increased, growing especially in Mexico, Venezuela, and Ecuador. During the year, the Agency also maintained an active program in regions where TDP is well established.

In FY 1992, TDP will continue its global activities and will be prepared to respond quickly and effectively to world events. TDP will strengthen its efforts to share trade leads with U.S. exporters, working with state export programs in this endeavor. To the extent funds allow, TDP will continue to experiment with new approaches to achieve its mission using such means as conceptual design studies, which provide a more intensive form of support for host country development. Finally, the Agency will undertake close evaluation of its ongoing program to ensure the highest return on the U.S. foreign assistance dollar.

II. TDP BUDGET REQUEST

The Administration's FY 1992 budget request for the U.S. Trade and Development Program is $35 million, the same amount Congress appropriated for the program in FY 1991.

The following table summarizes the FY 1992 TDP budget request for program and operating expenses.

TABLE II
U.S. TRADE AND DEVELOPMENT PROGRAM
FY 1992 BUDGET REQUEST
($ in Thousands)

	FY 1990 Actual	FY 1991 Estimate	FY 1992 Request
TDP APPROPRIATIONS	$31,499[1]	$35,000[2]	$35,000
TDP OBLIGATIONS	$32,144[3]	$35,944[4]	$35,300[5]
(Program)	($29,861)	($33,144)	($32,500)
(Operating Expenses)	($2,283)	($2,800)	($2,800)

[1] The original appropriation was $32 million; the amount shown is the post-sequester amount.

[2] Excludes sequester on assumption that technical error will be corrected.

[3] Includes $621,700 of no-year funding appropriated in earlier years and expended in FY 1990. Also includes $408,000 of funding reimbursed by USAID for three power projects in Pakistan.

[4] Includes $352,000 of no-year funds appropriated in earlier years and projected to be expended in FY 1991. Also includes the balance of funding projected to be reimbursed by USAID for projects in Pakistan, a total of $592,000.

[5] Includes $300,000 of no-year funds appropriated in earlier years and projected to be expended in FY 1992.

It is requested that the $35 million remain available for TDP obligation until expended. The decisions of foreign governments are not driven by U.S. fiscal year deadlines. In addition, TDP has no staff in the field, so communication is complicated by relatively infrequent face-to-face dealings. For these reasons, "no-year" funding is necessary to ensure that funds committed but not obligated prior to the end of a fiscal year remain available for use in the next fiscal year.

Of the $35 million requested for FY 1992, $32.2 million is proposed to be allocated to program activities; $2.8 million would be used to cover operating expenses.

TDP Program in FY 1992

In FY 1992, TDP will continue to promote U.S. exports for major development projects in middle-income and developing countries.

Key factors and opportunities projected to influence TDP activities in FY 1992 include the following:

- ✔ **U.S. Foreign Policy /Trade /Development Initiatives:** Supporting economic and political reform around the world, particularly in Eastern Europe and Latin America, will remain at the top of the U.S. foreign policy agenda. A strengthened Mexican economy will be a key goal of American trade and foreign policy as discussions continue on a North American Free Trade Agreement. Further, TDP assistance may be useful in the Middle East in the wake of the Persian Gulf crisis. Beyond these, there will certainly be new priorities. TDP will continue its practice of rapid, creative response to new U.S. foreign policy and trade initiatives.

- **Telecommunications:** Telecommunications modernization has been identified by host countries as a high priority. TDP expects continued emphasis on this sector in FY 1992.

- **Energy:** The availability of clean affordable energy is essential to development. TDP will continue to expend significant resources in this sector in 1992.

- **Environment:** Concern for the environment is growing around the world. The United States is recognized as a technological leader in this field, and U.S. expertise is sought after in the developing and middle-income world. More than one-fifth of TDP's FY 1990 grants had an environmental component, and this area is expected to remain central to the Agency's program.

- **Training:** Trade-related training, ranging from management techniques to procurement procedures to equipment usage, is essential to economic development and can provide a strong incentive for procurement of U.S. goods and services. A TDP training grant may be offered in the form of a *de minimis* mixed credit to support a U.S. supplier's bid on an international contract. This can be instrumental in helping the American company counter mixed credit proposals from other countries. TDP will emphasize training in FY 1992 as funds allow.

- **Multilateral Development Bank Procurements:** The World Bank and other multilateral institutions will continue to be important sources of "untied funding" for major procurements in the developing world. Congress identified better U.S. monitoring of planned multilateral development bank (MDB) projects as a major export promotion goal in the Omnibus Trade and Competitiveness Act of 1988, and TDP anticipates an expansion in the activities it has pursued in this area. Intensified targeting of TDP feasibility study grants to potential MDB projects and technology orientation visits for

host country decision-makers associated with key MDB projects are elements of the TDP strategy.

- ✔ **Evaluation:** Evaluation of TDP activities and results is a major discipline for the Agency; TDP staff meet regularly to discuss refinements to the program. One yardstick TDP uses to measure program results is the dollar value of exports related to TDP-associated projects. As export promotion is at the heart of the TDP mission, such evaluations are fundamental to demonstrate the positive impact of the program and to point out areas for improvement. TDP has reached the stage in its development when even greater emphasis should be placed on the evaluation component of the program, and a sufficient corpus of information now exists on which to base effective inquiry. TDP plans further improvements in the collection of associated exports data and enhancement of TDP's tracking systems.

- ✔ **Flexible Response:** TDP is constantly exploring new approaches to opening export opportunities for U.S. business in development projects. This assures that TDP remains relevant, responds appropriately to new situations, and maximizes the return on the U.S. foreign assistance dollar.

- ✔ **Information Dissemination:** A key TDP objective for FY 1992 is to implement an effective and comprehensive strategy for distributing project information and export leads to the U.S. business community.

TDP Operating Expenses

The TDP operating expense budget is proposed to grow from $2.3 million in FY 1990 to $2.8 million in FY 1991 and FY 1992, reflecting successful completion of staff recruitment and accommodation of the increased personnel with appropriate office space and necessary equipment.

Historically, the Agency has spent ten percent of its appropriations for operating expenses. TDP allocated seven percent for these purposes in FY 1990 and projects an expenditure of 8 percent of its appropriation for operations in FY 1991 and FY 1992.

TDP's representational allowance was $2,300 in FY 1990. The Agency proposes that this amount be increased to $5,000 in FY 1992. This account is used to host events overseas or in the United States for high-level officials of the countries with which TDP does business.

III. TDP APPROACH

This section describes the context for the TDP program, the Agency's mission, and how the TDP program works.

Context for the TDP Program

The developing world is a vital market for American products. In the 1980s the United States sent an average of 35 percent of its exports to the developing world. In 1989, U.S. merchandise exports to lesser developed countries totaled $118 billion.

As the twenty-first century approaches, developing countries offer tremendous opportunities for U.S. trade. More than three-quarters of the world's population now lives in these countries, and it is here that most of the population growth will occur. As economies strengthen -- incomes in the Third World generally are rising -- so too will demand for consumer goods and improved infrastructure. TDP's experience has demonstrated what experts have predicted: developing countries are major purchasers of airport and aviation equipment, medical and other technology, sewage treatment plants, telecommunications hardware and software, and transit systems.

It is imperative that the United States pursue these markets aggressively in the future. The Overseas Development Council has indicated that a reduced U.S. trade deficit is dependent in part on our success in competing for these growing markets. Developing country markets, however, are particularly difficult ones for U.S. firms to penetrate because of the strong competition from foreign firms, which are frequently assisted by their governments. Every major donor nation offers grants for feasibility studies. In almost every case where TDP provides a grant for a feasibility study, the host country has the option of obtaining a grant from another donor government. Typically, these grants are made to promote procurement from the donor nation, thereby virtually locking U.S. firms out of major projects at the implementation stage.

Consequently, the TDP approach in FY 1992 will be as relevant to strong U.S. trade and development policies as it is today. At home, the twin objectives of TDP -- to increase American exports and to assist the developing world -- help U.S. firms meet current challenges in the international economy. Abroad, TDP projects support the development of stable, free-market economies.

TDP Mission

TDP seeks to:

- assist economic growth in the developing and middle-income world by increasing access to U.S. expertise in the planning stages of priority infrastructure projects identified by host countries;

- enhance the competitiveness of U.S. suppliers in international competition for project implementation;

- serve as an initiating agency for implementation of the U.S. foreign assistance program, especially where flexible "express service" can demonstrate the U.S. commitment quickly and forcefully; and

- act as an effective counterweight to the efforts of competitor nations to give their companies the edge over U.S. businesses.

TDP Project Selection Criteria

Factors ranging from U.S. foreign policy objectives to overall budget limitations are considered in project selection. The major consideration is the potential return on the foreign assistance dollar measured by development impact and the sale of U.S. goods and services. All TDP projects must meet the following specific criteria:

- ✔ **Development Priority:** TDP projects must be development priorities of the host country and likely to be implemented. TDP must receive a formal request from the host government, and the U.S. Embassy must endorse TDP's involvement in the proposed project.

- ✔ **U.S. Export Potential:** Projects must present an opportunity for substantial sales of U.S. goods or services relative to the cost of the requested assistance.

- ✔ **Untied Funding Availability:** There must be assurance that untied funding for project implementation will be available and procurement will be open to U.S. firms.

- ✔ **Competition:** There must be a likelihood of foreign government-supported competition for project planning.

TDP Program Activities

TDP supports priority projects in host country development plans. The host governments develop the scope of work, select the U.S. company to carry out the study, and monitor the progress of the endeavor. TDP's emphasis on host government participation combined with the high degree of professionalism, skill, and objectivity of U.S. companies ensures a satisfactory and useful product. This cooperation also engenders trust between the host country and the U.S. business community that often extends to future projects.

TDP activities include:

✔ **Definitional Missions**

Once a promising project is identified, TDP hires an assessment team made up of U.S. experts to conduct a definitional mission (DM.) The purpose of the DM is to compile information critical to TDP's internal selection process. Issues the DM reviews include the nature of the project, its priority to the host government, its likely total cost, the nature of the likely financing, the need for a feasibility study, the requirements for such a study, the U.S. export potential, and U.S. companies which could compete for procurement of goods and services for the project. Based on the recommendation of the DM team, the advice of the U.S. Embassy in the country, and TDP budget capabilities, TDP determines whether to offer a grant for the feasibility study. DM studies are performed by small and minority-owned businesses. Thirty-nine percent of all TDP activities in FY 1990 were DMs.

✔ **Feasibility Studies**

TDP funds studies to determine the technical, economic, and financial feasibility of major development projects. Feasibility studies provide detailed data that support decisions on whether and how to proceed with project implementation. These studies provide sufficient engineering analysis upon which to base a reasonably firm cost estimate. Feasibility studies may include calculations of cost-benefit, market and cash flow assessments, plans for processing raw materials, plant operations analysis, market analysis, and financial analysis.

✔ **Technical Symposia**

TDP has sponsored a variety of technical symposia geared to the needs of specific export industries of the United States. Symposia are

generally conducted in cooperation with, and co-funded by, industry and/or other U.S. Government agencies. These symposia are intended to familiarize officials of foreign governments with U.S. goods and services as well as to encourage U.S. companies to export to the developing and middle-income world.

✔ Orientation Visits

TDP funds orientation visits (sometimes called "reverse trade missions") to the United States for high-level foreign officials to familiarize them with U.S. goods and services. Typically these visits are associated with a particular project or sector, and the officials selected are those responsible for procurement in areas where the United States is highly competitive. These activities are usually co-sponsored by U.S. industry.

✔ Trade-Related Training

U.S. training has the potential to influence the attitudes of foreign buyers toward U.S. goods and services. Management and equipment training is often an integral component of a project and significantly enhances the competitiveness of U.S. companies.

IV. TDP PROGRAM TODAY

In FY 1990, TDP concentrated its funds in four sectors: transportation/ports/other infrastructure, manufacturing/processing, energy, and telecommunications/computer technology. Twenty-two percent of all TDP program funds in FY 1990 were obligated for projects with an environmental focus.

TDP operates in Asia, Latin America, Eastern Europe, Southern Europe, and Africa. The geographic distribution of TDP FY 1990 activities is provided in Illustration I. The major change in the Agency's regional obligations between FY 1989 and FY 1990 was the increased TDP program in Eastern Europe. Reflecting the dramatic changes in this region and the high priority the Administration placed on providing assistance to these countries, TDP obligated 17 percent of its funds for Eastern Europe in FY 1990. The $5 million obligated in FY 1990 is a significant increase over the $500,000 obligated in the previous fiscal year.

TDP Sectors

Chart I shows the sector concentration of TDP funds obligated in FY 1990. For comparative purposes, the FY 1989 sectoral picture is also provided.

TDP considers proposals in all industry sectors, but Agency funding focuses on sectors where the United States has a particular strategic interest or technical competitive edge. These factors, along with the project priorities of the developing countries, are elements that dictate TDP's sector emphasis in any given year. TDP also seeks to help U.S. businesses establish contacts and gain entry to emerging markets.

Illustration I

Geographic Distribution of TDP FY 1990 Activity

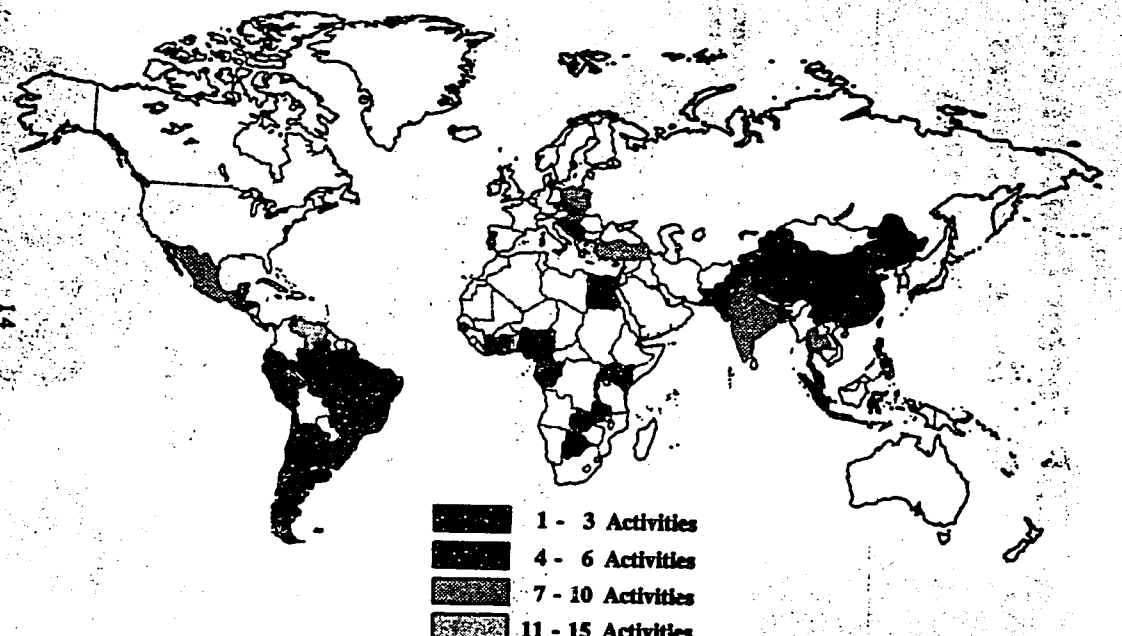
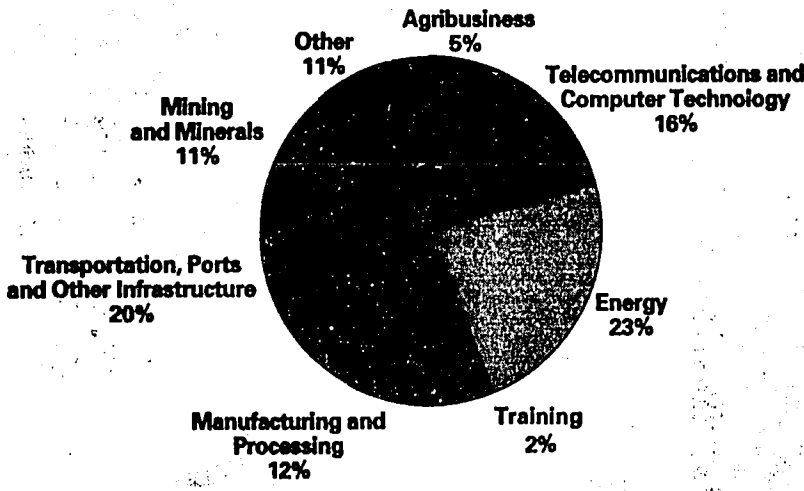


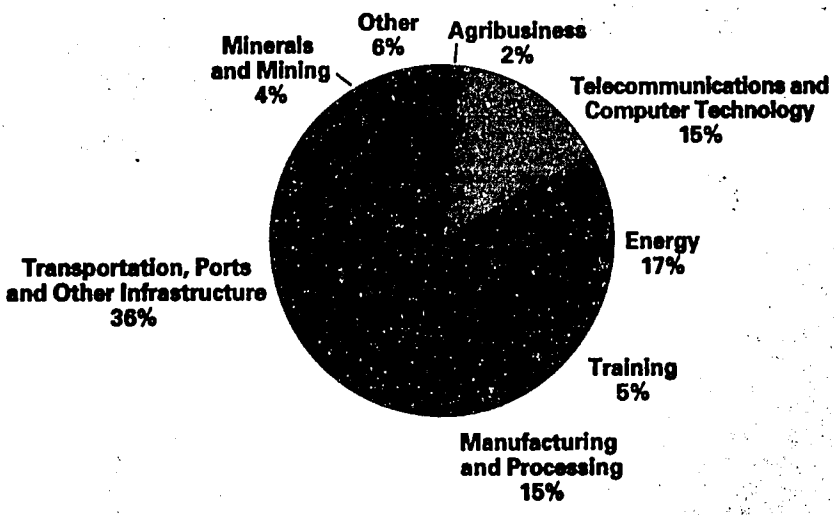
Chart I

TDP Sector Concentration by Obligated Dollars FY 1989 & 1990

FY 1989



FY 1990*



*Note:
• Within the above sectors, 22% of the funds obligated were awarded to projects with an environmental focus

Regional Concentration

Funds obligated to projects in a given geographic region reflect the opportunities and demands generated there, U.S. foreign policy priorities, and TDP budget levels. Regional concentration tends to shift from year to year as these factors respond to current events. Chart II illustrates the distribution of TDP funds obligated by region for FY 1989 and FY 1990. Appendix A provides a detailed list of the FY 1990 obligations by region and country.

Because of annual increases in TDP's budget, percentage decreases may not reflect a decrease in dollars obligated in those regions. For example, while 26 percent of TDP's program funds were obligated in Latin America in FY 1990, down from 30 percent in FY 1989, the amount obligated for the region increased 12 percent from FY 1989 to FY 1990.

In FY 1990, Asia, Latin America, and Eastern Europe were the regions receiving the largest portions of TDP funds. Because of the rapid economic growth occurring in Asia, it has historically been the dominant region for TDP obligations, and remains so.

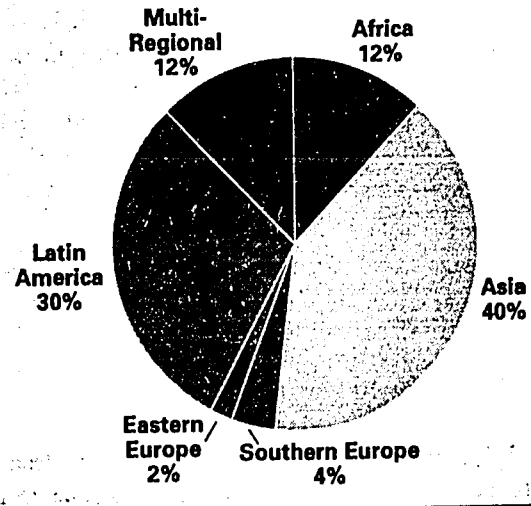
In FY 1989, TDP responded to the export potential from renewed economic growth in Latin America and initiated a concentrated focus on major projects in that region. In FY 1990, Latin America continued to receive a major portion of TDP funds.

Activities that cross regional boundaries are classified as multi-regional activities. Many of these are domestic; examples are grants to states or non-profit trade associations to promote U.S. exports related to TDP projects.

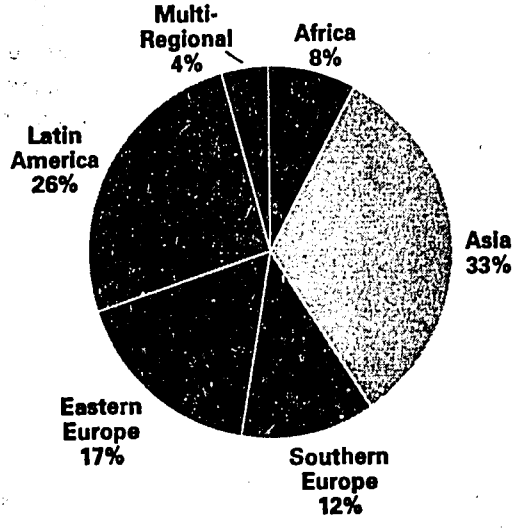
Chart II

TDP Regional Concentration by Obligated Dollars FY 1989 & 1990

FY 1989



FY 1990



TDP Regional Programs

✔Africa

In FY 1990, TDP funded 16 activities in Africa for a total of $2.5 million. These included projects in the infrastructure, energy, aviation, agribusiness, and industrial sectors. Highlights included studies for a coal-fired power plant in Botswana, an aluminum extrusion plant in Cameroon, a gas condensate production facility in the Congo, and an aircraft maintenance facility in Nigeria.

Significant benefits have resulted from TDP projects in the region. In FY 1990, TDP awarded a $25,000 grant to study the feasibility of satellite earth stations across several African countries. Already there have been U.S. exports of $2 million connected with the project from 11 companies located in eight states. The bulk of this is for one contract with Lesotho to retrofit an earth station. There are several other contracts pending. The primary contractor for the study stated that the project has given it political access at levels that it did not have through normal commerce.

In FY 1988, TDP learned that the World Bank was funding a $30 million project in Togo for new telephone switching equipment. Based on this substantial export opportunity, TDP provided $21,000 to fund an official visit to the United States by Togolese officials from the Office of Posts and Telecommunications. The Togolese were introduced to U.S. telecommunications equipment and technology, and U.S. companies had the opportunity to establish business relationships with officials from a country they had never considered exporting to before. As of this date, U.S. firms have sold $600,000 of U.S. telecommunications equipment to Togo, with potential additional exports of $4 million.

Over $1.5 million of TDP grants have been offered to African countries so far in FY 1991. Additional plans in FY 1991 and FY 1992 will include further enhancement of TDP's working relationship

with the World Bank and African Development Bank to assist U.S. companies to participate more effectively in multilateral development bank (MDB) procurements. This effort will include a two-pronged approach: 1) intensified targeting of MDBs through feasibility study grants on specific projects of particular interest to U.S. exporters; and 2) enhanced focus on technology orientation visits for African decision-makers associated with key MDB projects.

TDP will, of course, continue to fund non-MDB project studies in FY 1992 that meet TDP funding criteria. As energy availability is one of the significant constraints to development, TDP anticipates that projects in the energy sector will hold an increasing importance in Africa, especially alternative sources, alternative development methods, and clean energy. Projects in the manpower training, transportation, and agro-industrial sectors are also expected to be important in FY 1992.

✔**Asia**

TDP has historically obligated the greatest share of its yearly appropriation in Asia. In FY 1990, TDP obligated $9.9 million for 53 activities in Asia. These were primarily in the sectors of infrastructure (which included transport, waterways, and civil aviation), manufacturing and processing, and energy. Seven of the activities had an environmental focus. Thailand, Indonesia, Pakistan, and India received the major portion of the funds in this region in FY 1990.

To date, TDP has documented $2.4 billion of exports associated with TDP activities in this region and estimates that an additional $12 billion will occur within the next five years.

For example, TDP provided the Philippine National Steel Corporation (NSC) with a $500,000 grant in 1981 to assess the feasibility of renovating portions of the Illigan production facility. As a follow-on

to that study, the Export-Import Bank provided a loan of $105 million for U.S. equipment purchases. According to NSC officials, since the initial Export-Import Bank loan, they have purchased an additional $185 million in U.S. goods and services for this renovation project. As part of the self-financed $300 million Phase II, a contract for a hot strip mill has been finished recently which includes $85 million worth of U.S. equipment. Officials noted that, over the last five years, they have spent another $100 million for U.S. equipment in other portions of the project.

Over the next decade, the population base of the Northeast and Southeast Asian countries (South Korea, Taiwan, Thailand, Singapore, Indonesia, Malaysia, Philippines, Hong Kong) will exceed 500 million people. Rapid economic development and urbanization in most of the region's countries will require large expenditures in transportation, housing, and industrial infrastructure. South Korea expects to invest $11 billion in the next decade for dams, ports, and industrial sites. Taiwan has equally ambitious plans, projecting to invest over $250 billion on transportation and infrastructure in the same period. Thailand, Malaysia, and Indonesia are also planning major investments in the energy and transportation sectors.

These trends present important opportunities for U.S. exporters. The region is highly competitive, and FY 1992 will be a critical time for U.S. firms to establish their market positions in Asia.

The TDP program in this region in FY 1992 will focus on familiarizing procurement officials for developmental projects with U.S. technical services and equipment. (In some countries TDP will cost share trade activities with the host government.) TDP has had significant success to date in activities to acquaint developing country officials with American goods and services. TDP provided a $470,000 grant in FY 1988 to Northwestern University to partially fund reverse trade missions that were carefully targeted to procurements in certain major projects. The missions brought together 125 potential Korean buyers and 450 U.S. companies from 18 states. Almost $115

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million of U.S. exports have resulted from this effort, and another $340 million are pending.

TDP activities in India are increasing. TDP programs in Nepal, Bangladesh, and Sri Lanka have been limited in the past, but new opportunities are developing.

TDP has begun investigating business opportunities in Mongolia. It is anticipated that early activities there will be focused on natural resource development and electrical power.

✔Eastern Europe

In FY 1990, TDP significantly expanded its program in this region. TDP project expenditures in Eastern and Central Europe have grown from $500,000 in FY 1989 to over $5 million in FY 1990. TDP now operates in Poland, Hungary, Yugoslavia, Czechoslovakia, and (beginning just a few months ago) in Bulgaria.

TDP obligated 17 percent of its appropriated funds for 28 activities in the sectors of telecommunications, infrastructure (power grids, water pollution controls, etc.,) manufacturing and processing (hazardous waste treatment), and energy. As of this writing, TDP has identified over $15 million in FY 1991 for projects that have met TDP criteria and have significant U.S. export potential.

In Poland, TDP provided $3.3 million in FY 1990 for important studies in the areas of telecommunications, hazardous waste, civil aviation, and power. TDP expects increased demand in FY 1991 and FY 1992 for planning assistance as numerous state enterprises shift to the private sector. TDP activity in Hungary is expected to increase significantly in FY 1991 and FY 1992.

TDP has been active in Yugoslavia since 1982 and has funded a number of projects in the energy and manufacturing sectors.

For Czechoslovakia, TDP has current requests for assistance in excess of $3 million in such fields as telecommunications, transportation, hazardous waste, industrial restructuring, and energy efficient technologies. Based on TDP's experience in Poland and Hungary, some of the future grant requests could range up to $1.5 million. This compares to the overall average grant award for TDP feasibility studies of $430,000 in 1990.

TDP recently was authorized by the State Department to operate in Bulgaria, a country that has tremendous demand for U.S. private sector know-how for the rebuilding of its economy. TDP visited Sofia in January 1991 for the first time and received requests for technical assistance in excess of $3 million. Many of the project studies are similar in scope to others funded by TDP in the region.

TDP anticipates funding more regional orientation visits to the United States and technical symposia in FY 1991 and FY 1992 to allow Eastern European officials to share experiences and to view U.S. technology in operation. In 1991, for example, TDP is funding a regional telecommunications training seminar to be held this spring in Prague and an orientation visit to the United States of food processing and packaging officials in March 1991.

TDP will continue to place a significant emphasis in FY 1991 and FY 1992 on programs in Eastern and Central Europe, as countries in the region restructure and modernize. The infrastructure development needs of these emerging democracies, and the market opportunities they represent, signal an important role for TDP in the U.S. Government assistance package.

✔Latin America

As a result of economic restructuring in many Latin American countries, and the Administration's strong emphasis on providing cooperative assistance in this region, the TDP program in Latin America has grown significantly in the last three years, from $1.7 million in FY 1987 to almost $8 million in FY 1990.

The growth in the TDP Latin American program has come about primarily in the countries that have begun to privatize their economies (e.g., Chile, Mexico, and Venezuela) and in the Andean countries (e.g., Bolivia and Ecuador.) At the same time, TDP has begun to operate in countries where it has been inactive during the last five years for political reasons (e.g., Panama and Nicaragua).

In FY 1990, TDP funded 62 project activities in Latin America. Included were three projects in Panama (water, telecommunications, and sugar refineries), the first TDP projects in Panama since 1981, two large projects in Ecuador (water and petroleum), several projects in Venezuela (two of which were in the petroleum sector), a large port and channel project in Uruguay, and others.

Approximately $400 million in U.S. exports associated with TDP projects in Latin America have been documented. For example, two feasibility study grants totalling $267,000 were awarded to Belize in FY 1982 to improve the country's electrical transmission and distribution system. This activity contributed to the development of the ongoing World Bank-funded Belize power project implemented by the Belize Electricity Board. TDP has documentation of $4.6 million of U.S. sales connected with the project prior to FY 1989. Large, mid-size, and small companies all benefited. An Alabama firm's sales totaled $924,000 for bucket trucks, digger derricks and a fork lift; a Missouri firm sold $60,000 of live-line tools and equipment; and several Illinois firms sold plastic seals, conduits, weather caps, mounting brackets, and meter rings. One supply firm located in Illinois sold meters, sockets, and conversion kits that were

manufactured in New Hampshire. More recently, the U.S. Embassy in Belize has identified 11 U.S. firms from seven states and Puerto Rico that have received contracts in Belize during FY 1989 and FY 1990 which are directly or indirectly associated with the TDP studies.

Future growth in the TDP Latin America program is expected in FY 1992. TDP activities in Bolivia, Colombia, Ecuador, and Peru are expected to increase in line with the Administration's Andean Initiative, as the countries work to diversify their industries. TDP has become very active in Chile in the last two years and expects to continue this relationship. In the same period, Venezuela has become one of TDP's major grantees, and this emphasis is projected to continue as higher oil prices enable Venezuela to increase its imports.

There continue to be significant opportunities for TDP in Central America on a selective basis. TDP reopened for business in Nicaragua and Panama in FY 1990. Based on political and economic changes underway, significant grant requests are expected from these countries. With negotiations beginning on a Free-Trade Agreement, interest in TDP activities in Mexico is also increasing dramatically.

✔<u>Southern Europe</u>

This region will continue to represent significant opportunities for expansion of U.S. commercial interests and TDP program activities. In past years, TDP programs in this region have included activities in Cyprus, Greece, Malta, Turkey and Portugal. In FY 1990, TDP funded eight activities totalling $3.4 million. The funding was for activities in Turkey in the computer technology and infrastructure sectors (health systems and solid waste disposal) and Portugal in the energy sector.

Until recently, U.S. educational equipment and service firms have had little success in Turkey. In FY 1989, TDP provided a $610,000 feasibility study grant to the Turkish Ministry of Education to study the use of computer-aided education in the secondary school system. This study is related to a $150 million education project in Turkey to

which the World Bank is making loans. Although the study is not yet complete, a U.S. firm already has received an order for 6,500 computers. This order was announced during a TDP-funded visit to the United States of the Turkish Ministry of Education. The Turkish goal is to procure over one million computers for teaching purposes. It is anticipated that the United States will play a major role in the foundation and development of Turkey's long-term education development project.

Turkey is undergoing major economic and commercial restructuring. Its 1991/92 annual investment plans include infrastructure projects totalling several billion dollars. In FY 1991, TDP has already received requests from Turkey for feasibility study funding in excess of $1.5 million for projects with excellent U.S. export potential in such sectors as electronics, power generation, environment, and transportation.

TDP has thus far documented $64 million of U.S. exports associated with projects funded with TDP grants in this region, $60 million which were associated with projects in Turkey.

Greece is another country where TDP's operations are expected to expand over the next several years. The Greeks recently expressed interest in TDP grants for many large infrastructure projects covering energy, telecommunications, and transportation. While there will be strong European competition, Greece's modernization program to keep pace with the European Community's EC 1992 initiative will represent significant opportunities for U.S. companies if American engineering and consulting firms are involved in the planning stages. TDP grants could exceed $1 million in FY 1991.

V. TDP RESULTS

Exports associated with grants awarded by TDP since the inception of the program total more than $3.2 billion. As of December 1990, there is an increase of approximately $400 million in documented exports over the $2.8 billion identified in TDP's last survey report of January 1990. During 1990, there has been an increase in documented exports in every region of the world that TDP serves. Appendix B shows the summary of exports by region and by project.

The exports documented are based on information received from project managers, embassies, suppliers and other sources in response to an annual TDP survey. This methodology relies on voluntary reporting and therefore does not identify all of the exports associated with TDP projects.

Asia has received the largest portion of funding overall, and thus has produced the largest dollar value of exports. The total exports for Asia are $2.4 billion.

Table III illustrates the percentage growth of documented exports by region from December 1986 to December 1990. Implementation of large projects in developing countries can take as long as five to ten years from the completion of the feasibility study. TDP has been operating just ten years. While the documented exports have already increased nearly 500 percent in less than four years, TDP expects them to increase significantly as projects funded by TDP in its early years are implemented.

TABLE III
EXPORTS ASSOCIATED
WITH THE U.S. TRADE AND DEVELOPMENT PROGRAM
DECEMBER 1990 COMPARED WITH DECEMBER 1986
($ in Millions)

Region	Documented Cumulative Exports 12/86	12/90	% Change 12/86-12/90
Africa	$158	$351	122%
Asia	$333	$2,411	624%
Eastern Europe	---	$2	---
Latin America	$79	$371	370%
Middle East	---	$1	---
Southern Europe	$2	$64	3,100%
Worldwide	---	$45	---
Total	$572	$3,245	467%

Beyond the documented U.S. exports, TDP anticipates an additional $18 billion of exports to occur within the next five years. This projection is based on input from telephone interviews, letters, and other documents from project managers, embassy personnel, or other reliable sources that have identified contracts or other business transactions that are not yet complete.

Many U.S. companies can benefit from one TDP grant. In FY 1986, TDP awarded a $55,000 feasibility study grant to Kenya for the rehabilitation, modernization, and expansion of a sugar mill. As of December 1990, approximately $24 million in exports for the implementation of the project were documented, supplied by over 50 U.S. companies from six states. Appendix C lists the companies that have supplied products and services to projects where TDP has sponsored an activity of some type.

Five projects where TDP has identified the U.S. suppliers are illustrated on maps to provide a geographic perspective of the economic impact which results from exports associated with TDP projects (Illustrations II-VI.) The projects are the Kenya Nzoia Sugar Plant, the Colombia Fiber Optic Telecommunications System, the China Shidongkou Power Plant, the Belize Electric Transmission Network, and the Thailand Bang Pakong Power Plant. The grants for these projects total $3 million, and exports documented for them are over $623 million from suppliers located in 30 states, the District of Columbia, and Puerto Rico. A notation at the bottom of each map provides the grant amount and the type of grant (e.g., feasibility study, training, etc.)

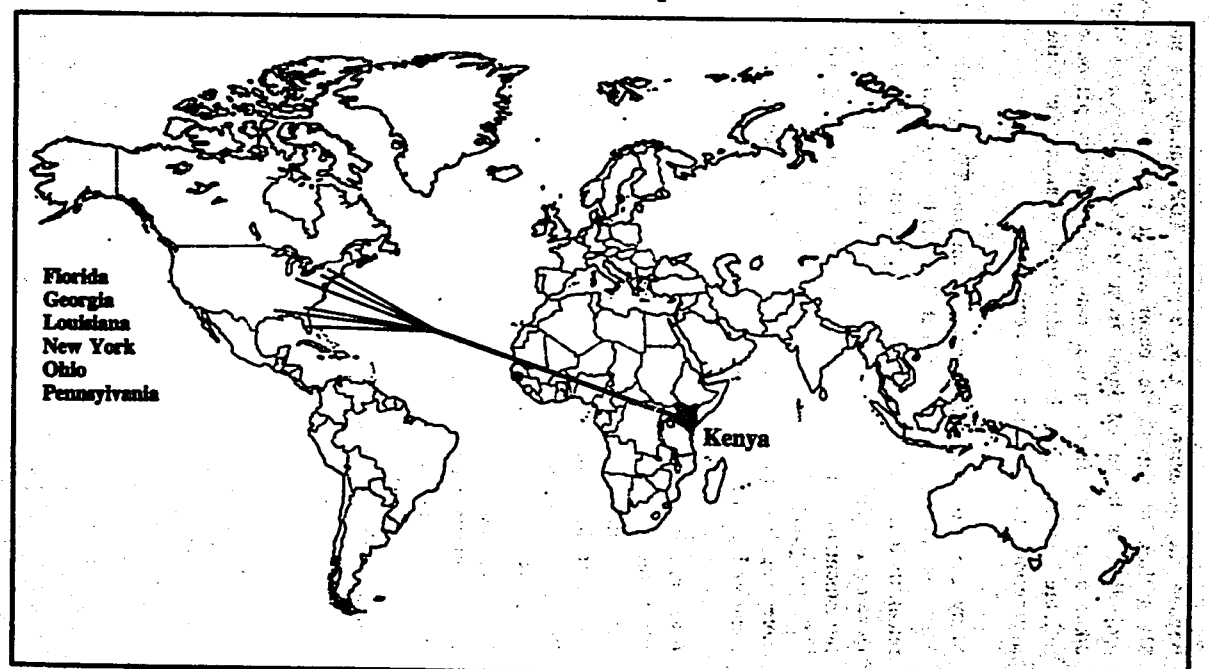
Nzoia Sugar Factory Project*

Illustration II

Geographic Distribution of U.S. Businesses Associated with the TDP Funded Feasibility Study and Project Implementation

TDP Grant: $55,000

$23.9 Million of U.S. Exports Documented



*TDP feasibility study grant of $55,000 provided to Kenya. Exports were subsequently financed by Ex-Im Bank. Geographic distribution includes the U.S. companies that have been involved in both the feasibility study and implementation stages.

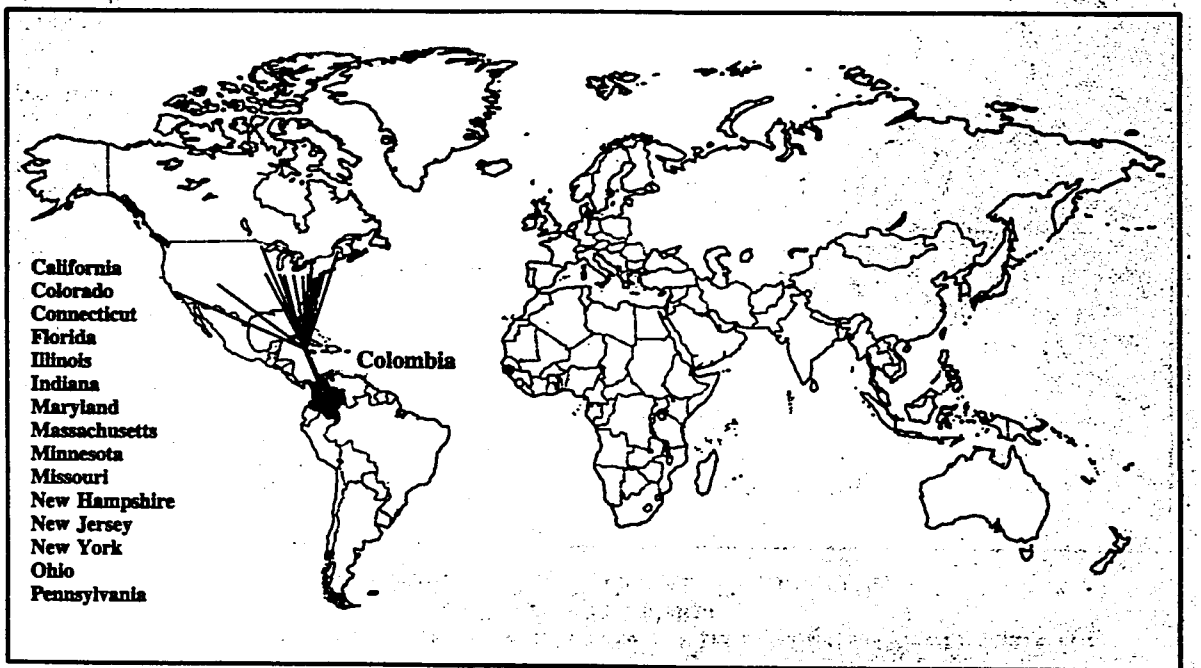
Illustration III

Colombia Telecommunications Project*

Geographic Distribution of U.S. Businesses Associated with the TDP Funded Feasibility Study and Project Implementation

TDP Grant: $1.1 Million

$134 Million of U.S. Exports Documented



*TDP feasibility study grant of $1.1 million provided to Colombia. Geographic distribution includes the U.S. companies that have been involved in both the feasibility study and implementation stages.

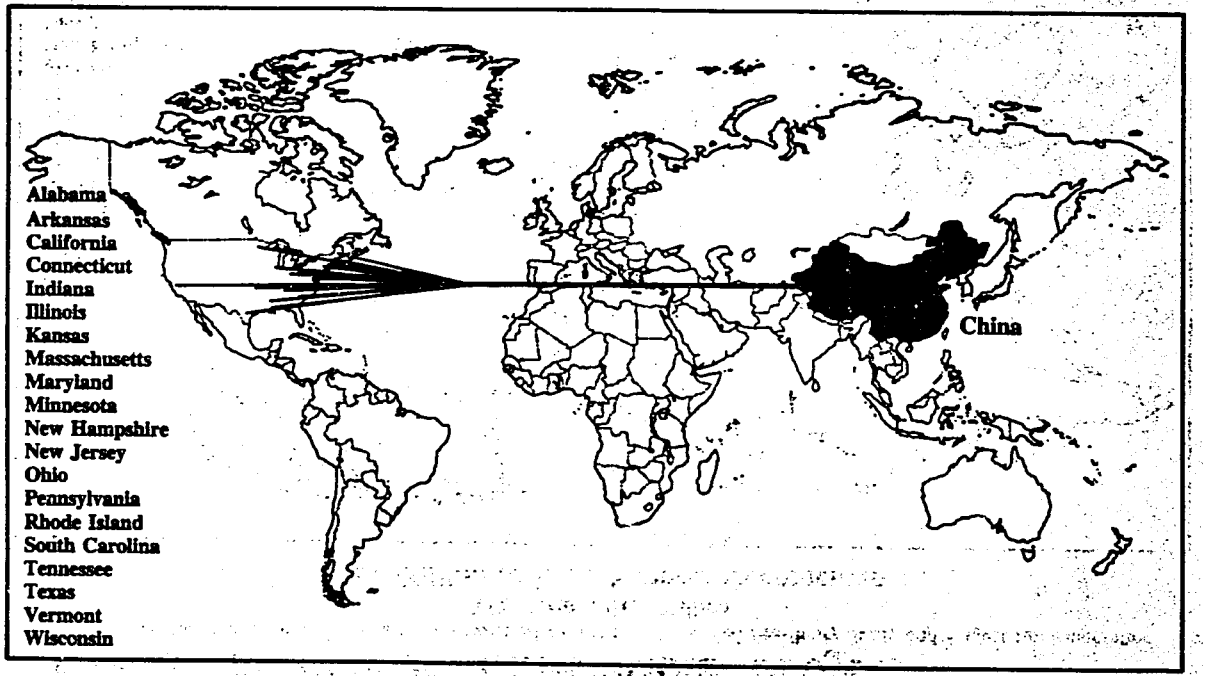
Illustration IV

Shidongkou Power Plant Project*

Geographic Distribution of U.S. Businesses Associated with the TDP Training Grants and Project Implementation

TDP Grants: $1.3 Million

$148.9 Million of U.S. Exports Documented



*TDP training grants of approximately $1.3 million were provided for this project. Ex-Im bank financed a portion of the U.S. export value. Geographic distribution includes the U.S. companies that have been involved in both the training and implementation stages.

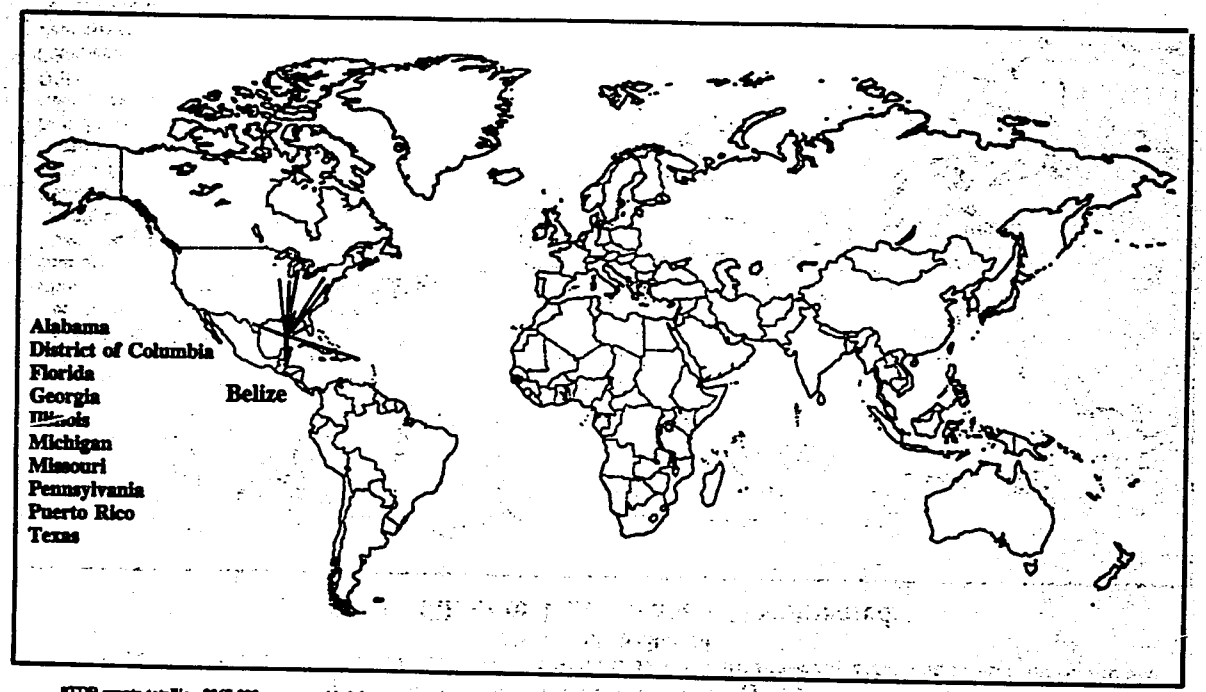
Belize Electric Transmission Project*

Illustration V

Geographic Distribution of U.S. Businesses Associated with the TDP Funded Feasibility Study and Project Implementation

TDP Grants: $267,000

$4.6 Million of U.S. Exports Documented



*TDP grants totalling $267,000 were provided for this project. Geographic distribution includes the U.S. companies that have been involved in the feasibility and implementation stages.

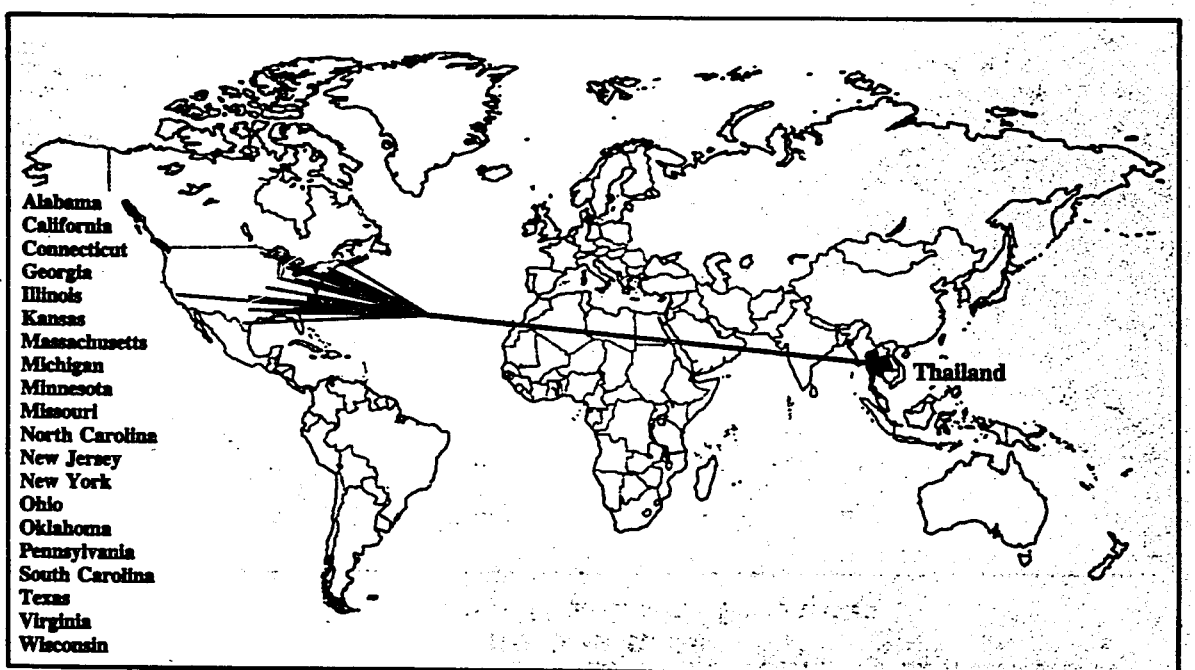
Bang Pakong Power Plant Project*

Illustration VI

Geographic Distribution of U.S. Businesses Associated with the TDP Funded Feasibility Study and Project Implementation

TDP Grant: $350,000

$210 Million of U.S. Exports Documented



*TDP feasibility study grant of $350,000 provided to Thailand. Geographic distribution includes the U.S. companies that have been involved in both the feasibility study and implementation stages.

VI. TDP ADMINISTRATION

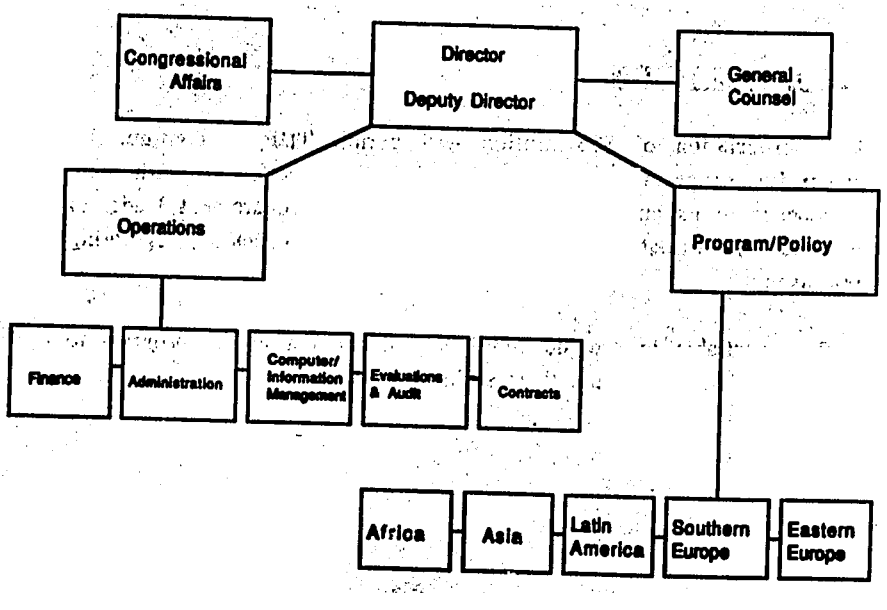
TDP's program is carried out by a Washington-based staff. The Agency's staffing ceiling is twenty-eight.

Regional officers are responsible for project identification, appraisal, execution, oversight, and follow-up. An operations staff handles contracting matters and evaluation of the TDP program.

Chart III shows the organization structure of TDP.

CHART III
U.S. TRADE AND DEVELOPMENT PROGRAM

Organization Chart



TDP activities are conducted in close coordination with the Department of State, the Department of Commerce, the Export-Import Bank, the Agency for International Development, the Overseas Private Investment Corporation, and the Department of the Treasury, as well as other specialized government agencies such as the Transportation Department, the Department of Energy, and the Environmental Protection Agency. The Department of Commerce's Foreign Commercial Service and the State Department's economic officers at U.S. Embassies provide critical local support for TDP's program.

TDP also maintains close contact with multilateral and regional development lending institutions, such as the World Bank, the Inter-American Development Bank, and the Asian and African Development Banks. This affords an exchange of important project information and keeps TDP apprised of critical opportunities for U.S. companies.

VII. CONCLUSION

An appropriation of $35 million will permit TDP to continue its successful programs around the globe, to experiment with new approaches to expand its efforts to disseminate procurement leads, to enhance its evaluation capability, and to meet necessary operating expenses.

TDP is available to provide additional information on its program to Members of Congress and their staffs.

APPENDIX A

TDP PROJECTS OBLIGATED
FY 1990

The following is the key to abbreviations used in Appendix A to identify the types of projects TDP has funded.

DM	Definitional Mission (analysis undertaken on a project prior to TDP financing of a feasibility study)
FS	Feasibility Study
IAP	Investment Assistance Program
OT	Other Activities
OV	Orientation Visit (trips to the U.S. by foreign officials to acquaint them with U.S. technology and equipment; sometimes referred to as "reverse trade missions)
T	Training Grants
TS	Technical Symposia

DP PROJECTS OBLIGATED IN FY 1990

Africa

COUNTRY	PROJECT TITLE	DOLLAR AMOUNT
Botswana	Coal Fired Electric Power Plant FS	250,000
	Total for Botswana	$250,000
Cameroon	Aluminum Extrusion Plant FS	80,000
	Total for Cameroon	$80,000
Congo	Gas Condensate FS	330,000
	Total for Congo	$330,000
Cote d'Ivoire	Hotel Ivoire Renovation FS	280,000
	Total for Cote d'Ivoire	$280,000
Egypt	Bucketwheel Dredge Training Program T	90,000
	Total for Egypt	$90,000
Gabon	Owendo Container Port FS	275,000
	Total for Gabon	$275,000
Ghana	Dove Agriplex (Soybean Production/Processing) FS	300,000
	Dove Agriplex Bid Evaluation OT	9,530
	Saltpond Cogeneration Power DM	24,000
	Total for Ghana	$333,530
Kenya	Geothermal Power OT	34,533
	Total for Kenya	$34,533
Nigeria	Lagos Aircraft Maintenance Facility FS	463,000
	Cement Plant Modernization DM	1,000
	Total for Nigeria	$464,000
Regional	Francophone Trade Conference TS	290,000
	Regional Earth Station (SATCC) DM	24,500
	Total for Africa Regional	$314,500
Uganda	Food Processing Survey OT	48,700
	Total for Uganda	$48,700
Zambia	Lusaka Water Supply DM	10,998
	Total for Zambia	$10,998
	TOTAL FOR AFRICA	$2,511,261

TDP PROJECTS OBLIGATED IN FY 1990

Asia

COUNTRY	PROJECT TITLE	DOLLAR AMOUNT
Bangladesh	Inland Water Development Plan OT	20,000
	Civil Aviation FS	350,000
	Total for Bangladesh	$370,000
China Peoples Republic of	Shanghai Metro Signalling T	400,000
	Total for China People's Republic of	$400,000
Hong Kong	Procurement Official OV	1,500
	Technical Training Programs DM	23,320
	Total for Hong Kong	$24,820
India	Assam Petrochemical Complex DM	11,362
	Engineering Plastics Expansion FS	290,000
	Bailadila Iron Ore Slurry Pipeline FS	270,000
	Iron Pelletization Plant OT	955
	Iron Pelletization Plant FS	300,000
	Energy Conservation/Photovoltaic IAP	115,000
	Two Alumina Projects DM	11,884
	Vocational Education Officials OV	62,000
	RCL Calcined Petroleum Coke DM	12,300
	Coastal Waterways DM	10,801
	Total for India	$1,084,302
Indonesia	Civil Air Audit FS	1,500,000
	Cilicap Refinery Debottlenecking DM	1,000
	Cilicap Refinery Debottlenecking FS	350,000
	PERUMTEL Telecommunications Operations Management Assistance OT	400,000
	Total for Indonesia	$2,251,000
Malaysia	Telecommunications Network FS	400,000
	MHA Highway Telecommunications System (Director General) OV	15,000
	Sultan Iskander Power Plant DM	7,778
	Total for Malaysia	$422,778
Marshall Islands	Majuro Fish Transshipment DM	1,015
	Majuro Fish Transshipment FS	$158,668
	Ocean Thermal Energy Conversion Assessment (OTEC) DM	16,960
	Total for Marshall Islands	$174,643

TDP PROJECTS OBLIGATED IN FY 1990

Asia (cont.)

COUNTRY	PROJECT TITLE	DOLLAR AMOUNT
Micronesia		
	YAP Waste-to-Energy Technologies DM	12,103
	Total for Micronesia	$12,103
Pakistan		
	Indus River Navigation FS	500,000
	RBR International/Beef Production IAP	153,000
	Karachi Transport Study (WB) FS	500,000
	PSPP Coal-Fired Plant: Coal Analysis FS	50,000
	Total for Pakistan	$1,203,000
Philippines		
	WB Industry Standards OT	65,000
	Small Cities Telecommunications Network OT	1,000
	NSC Roundout Steel Production FS	700,000
	Total for Philippines	$766,000
Asia Regional		
	Northwestern University Market Access OV	488,000
	Coal Equipment Workshop DM	25,000
	IIEC Energy Conservation TS	85,000
	Thailand/Korea Gas Technology OV	28,694
	Total for Asia Regional	$626,694
Singapore		
	CAD/CAM Polytechnic OT/Assistance Phase II OT	1,000
	Total for Singapore	$1,000
Thailand		
	Wiang Haeng Coal Deposit (EGAT) FS	100,000
	Provincial Electric Supply FS	49,300
	North Bangkok Power Plant (EGAT) FS	150,000
	Petroleum Aromatics Complex FS	66,000
	Sabayoi Coal Mine DM	2,828
	Sabayoi Coal Mine (EGAT) FS	700,000
	Satellite Telecommunications DM	13,730
	PTT Master Plan for Offshore Gas Pipeline FS	650,000
	EGAT Mining Training Assessment OT	9,538
	Mae Moh Expansion Project Training (EGAT) T	200,000
	Review of Oil Sector Prospects OT	6,224
	Waste Management Technology OV	86,000
	TIA Telecommunications Officials OV	76,450
	600 MW Thermal Power Plant FS	98,000
	300 MW Combined Cycle Power Plant FS	313,000
	Total for Thailand	$2,521,070
	TOTAL FOR ASIA	$9,857,410

TDP PROJECTS OBLIGATED IN FY 1990

Eastern Europe

COUNTRY	PROJECT TITLE	DOLLAR AMOUNT
Czechoslovakia		
	Trade with the USA Symposium DM	6,111
	Trade with the USA Symposium TS	151,859
	Hazardous Waste Cleanup DM	6,920
	Metallurgical Industry DM	21,675
	Telecommunications Projects DM	24,322
	Total for Czechoslovakia	$214,887
Hungary		
	Telecommunications Master Plan DM	19,954
	Telecommunications Master Plan OV	19,950
	Telecommunications Master Plan FS	525,000
	National Electrical Power Grid Control System DM	18,100
	National Electrical Power Grid Control System FS	300,000
	Civil Aviation DM	11,500
	Solid and Hazardous Waste DM	13,258
	Total for Hungary	$907,762
Poland		
	Digital Telecommunications DM	16,517
	Digital Telecommunications FS	800,000
	Cellular Telephone Bid Evaluation OT	40,000
	Illinois Poland Trade Initiative OT	100,000
	Solid and Hazardous Waste DM	20,776
	Solid and Hazardous Waste FS	700,000
	Air Traffic Control DM	10,607
	Air Traffic Control FS	770,000
	Szezcin Seaport and Industrial Processing Zone DM	25,000
	Power Plant Modernization/Rehabilitation DM	16,459
	Power Plant Modernization/Rehabilitation FS	800,000
	Total for Poland	$3,299,359
Eastern Europe Regional		
	Eastern Europe Telecommunications Training OT	300,000
	Poland/Hungary Railroad Officials OV	79,700
	Water Pollution Control Federation Conference OV	
	Total for Eastern Europe Regional	$379,700
Yugoslavia		
	Kosovo Power Plant FS	40,000
	Kastela Bay Pollution Control DM	8,199
	Total for Yugoslavia	$48,199
	TOTAL FOR EASTERN EUROPE	$4,849,907

TDP PROJECTS OBLIGATED IN FY 1990

Latin America

COUNTRY	PROJECT TITLE	DOLLAR AMOUNT
Argentina	Agribusiness/Fruit Processing DM	15,530
	Total for Argentina	$15,530
Brazil	Computer-Based Interactive Video DM	500
	Computer-Based Interactive Video FS	350,000
	Total for Brazil	$350,500
Chile	Satellite Project T	750,000
	San Antonio Port Development DM	9,894
	Aluminum Smelter DM	6,500
	ATC Radar Coverage DM	9,285
	Environmental Technical Affairs OV	1,112
	Health Services Improvement DM	13,906
	Total for Chile	$790,697
Ecuador	Heavy Oil Reserves DM	9,475
	Heavy Oil Reserves FS	750,000
	Hydroelectric Project DM	13,905
	Hydroelectric Project FS	500,000
	Total for Ecuador	$1,273,380
El Salvador	Acajutla Port Container Terminal DM	11,138
	Total for El Salvador	$11,138
Guatemala	Telecommunications Projects DM	808
	Rural Telephone Expansion FS	200,000
	Total for Guatemala	$200,808
Honduras	Airport Expansion/Toll Road Construction DM	2,000
	Airport Expansion/Toll Road Construction FS	350,000
	Total for Honduras	$352,000
Jamaica	Prison Construction DM	7,863
	Total for Jamaica	$7,863

TDP PROJECTS OBLIGATED IN FY 1990

Latin America (cont.)

COUNTRY	PROJECT TITLE	DOLLAR AMOUNT
Mexico	Monterrey IV Water Supply DM	11,207
	Monterrey IV Water Supply OV	40,000
	Guadalajara Environmental Master Plan DM	14,066
	Baja California Hydroelectric DM	12,518
	Mexico City Air Pollution FS	625,000
	MICARE Coal Mining Training DM	9,081
	Tijuana Light Rail DM	16,174
	Collective Transportation Officials OV	6,000
	Total for Mexico	$734,046
Panama	Railroad Rehabilitation DM	17,946
	Cellular Telephone DM	10,976
	Panama-Colon Toll Road DM	9,398
	Tourism Development DM	14,968
	Government Sugar Mills DM	11,650
	Sugar Mill Cogeneration FS	250,000
	Electric Power Dispatch Center DM	12,413
	IDAAN Water Resource Optimization DM	10,976
	IDAAN Water Resource Optimization FS	210,000
	INTEL Central Data Systems DM	1,000
	INTEL Central Data Systems FS	100,000
	Total for Panama	$649,327
Peru	Gas Project DM	10,073
	Centromin Minerals Project DM	13,500
	Total for Peru	$23,573
Latin America Regional	Aviation Equipment and Technology Workshop TS	55,600
	Water Project Management Training T	245,000
	Railroad Officials Visit OV	125,168
	Colombia-Costa Rica Fiber Optic DM	13,169
	INTERCOM Telecommunications Conference OV	10,151
	Houston Energy Forum OV	75,200
	Santiago EXPOMIN Mining Exhibition TS	77,352
	Interamerican Petroleum Technology Conference TS	150,000
	Total for Latin America Regional	$751,640
Uruguay	Martin Garcia Canals FS	1,000,000
	Total for Uruguay	$1,000,000

TDP PROJECTS OBLIGATED IN FY 1990

Latin America (cont.)

COUNTRY	PROJECT TITLE	DOLLAR AMOUNT
Venezuela	Telecommunications Privatization DM	16,007
	Telecommunications Delegation OV	49,000
	Petrochemical DM	8,854
	Carbon Anodes DM	5,990
	Carbon Anodes FS	550,000
	ELECAR Generation Expansion DM	9,084
	Crude Oil Refinery DM	10,000
	Eastern Venezuela Refinery Alternatives FS	400,000
	Jose Antonio Petrochemical Complex DM	4,600
	Jose Antonio Petrochemical Complex FS	350,000
	Tourism TS	162,000
	Tachira Phosphate Fertilizer DM	13,169
	Product Standards and Laboratories DM	8,500
	Total for Venezuela	$1,587,184
	TOTAL FOR LATIN AMERICA	$7,747,686

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TDP PROJECTS OBLIGATED IN FY 1990

Southern Europe

COUNTRY	PROJECT TITLE	DOLLAR AMOUNT
Portugal	Petrogal Refinery Expansion FS	600,000
	Total for Portugal	$600,000
Turkey	Istanbul Sludge and Waste FS	750,000
	Istanbul Solid Waste Disposal FS	750,000
	Computer-Aided Education OT	24,856
	Computer-Aided Education FS/OV	629,300
	Coalbed Methane DM	12,409
	Health Technical Needs Assessment DM	20,300
	Health Technical Needs Assessment FS	800,000
	Total for Turkey	$2,786,867
	TOTAL FOR SOUTHERN EUROPE	$3,386,867

TDP PROJECTS OBLIGATED IN FY 1990

Multi-Regional

COUNTRY	PROJECT TITLE	DOLLAR AMOUNT
Multi-Regional	Wisconsin Database Needs Assessment OT	
	Goodwill Games Trade Exposition TS	302,000
	North Carolina World Trade Association Matchmaker TS	140,504
	Earth Technology Fair TS	41,000
	International Gas Competitive Strategy Study OT	5,000
	World Water Summit TS	1,000
	Pennsylvania MEDTAP Export Development OT	120,000
	WEATS III Wind Energy Symposium TS	250,000
	International Geothermal Energy TS	144,000
	Ghana/Hungary Petroleum Refinery Conversion DM	29,694
	EMENA World Bank Trust Fund OT	15,584
	TOTAL FOR MULTI-REGIONAL	280,000
		$1,328,782
	GRAND TOTAL OBLIGATED IN FY 199 (ALL REGIONS)	$29,681,913

APPENDIX B

APPENDIX B

Summary of Documented and Possible U.S. Exports of Projects Supported by the U.S. Trade and Development Program By Region December 1990 ($ in Millions)

Region	Documented Exports	Possible Exports	Total Exports
Africa	$351.1	$1,811.5	$2,162.6
Asia	2,410.7	12,016.3	14,427.0
Eastern Europe	2.3	167.5	169.8
Latin America	370.9	2,038.7	2,409.6
Middle East	1.3	59.8	61.1
Southern Europe	63.7	1,355.8	1,419.5
Worldwide	45.1	704.4	749.5
Total	$3,245.1	$18,154.0	$21,399.1

Project-by-Project Assessment
of Documented Exports & Possible Exports
Related to TDP-Assisted Projects
December 1990 (in millions of dollars) *

Country	TDP No.	Project	Documented Exports	Possible Exports
Africa				
Congo	85009	NRECA/Utility Pole RGA	3.1	30.0
Congo	83004	Phosphates (UNDP) FS	0.4	10.0
Cote d'Ivoire	86001	Satellite Telecommunications FS	4.0	80.0
Gabon	83005	Minerals Port FS	35.0	30.0
Gabon	85007	Strategic Minerals DM	0.0	147.4
Kenya	88015	GeothermalPwrAssessmtTradeMissn OT	50.0	250.0
Kenya	89009	Kisumu Molasses to Alcohol Plant FS	0.0	16.5
Kenya	81004	Mombassa Port Development FS	0.0	113.0
Kenya	86021	Nzoia Sugar Factory FS	23.9	100.0
Kenya	89012	Sugar Ind. Exp. (Siaya & Nzoia) FS	52.0	0.0
Malawi	83001	Kapachira Falls Hydro FS	0.0	40.5
Mozambique	86014	Tenneco-Incomati Irrigation RGA	0.0	6.5
Nigeria	No #	Agribusiness Development FS	97.5	0.0
Nigeria	00280	Immigration Training FS	0.2	0.0
Nigeria	86012	Labor Training OT	0.0	9.0
Nigeria	87006	Power Authority MIS (WB) DM	0.0	20.0
Nigeria	00178	Rural Development FS	0.8	0.0
Nigeria	No #	Tuna Fisheries FS	0.5	0.0
Region-Africa	86007	African Dev Bank FS Fund	0.0	350.0
Region-Africa	90002	Regional Earth Station (SATCC) DM	2.0	8.0
Region-Africa	86016	WB-AFDB and Orientation OV	0.0	45.0
Senegal	87002	Minerals: Titanium DM	0.0	20.0
Sierra Leone	87004	Sierra Rutile/Agribus. RGA	0.0	6.1
Togo	88017	Telecommunication OV	0.6	4.0
Uganda	89013	Kinyala Sugar Factory Rehab. FS	5.0	14.0
Zimbabwe	82005	Chisumbanje Sugar/Ethanol FS	0.0	30.0
Zimbabwe	86011	Hwange Power 7 & 8 FS	10.0	300.0
Subtotal			285.0	1639.0
Asia				
Bangladesh	89340	Civil Aviation DM	0.0	55.0
Bangladesh	89321	Inland Water Development Plan OT	0.0	60.0
Bangladesh	No #	Minerals Exploration FS	2.8	4.3
China	86334	Ansai Oil Field FS	4.0	1.0
China	87312	Baoshan Steel Mgmt Info Syst FS	0.0	38.0
China	87375	Beilun Terminal	1.0	35.0
China	88360	Bohai Offshore Oil FS	0.0	263.0
China	88371	Coal Miners' Training OT	0.0	12.5

Project-by-Project Assessment
of Documented Exports & Possible Exports
Related to TDP-Assisted Projects
December 1990 (in millions of dollars)

Country	TDP No.	Project	Documented Exports	Possible Exports
China	00484	Coal Ministry Delegation OV	2.3	0.0
China	88329	Electronics Seminar TS	0.0	43.8
China	84336	Everbright/Investor FS	7.0	0.0
China	86310	G.M./Automotive RGA	25.0	400.0
China	85308	Huangling No. 1 Coal Mine FS	12.1	750.0
China	82313	Hydropower ACEC Visit OT	2.0	0.0
China	87368	Jiangnan Cement Plant FS	0.0	10.0
China	87371	Kaifeng Graphite Electrodes FS	1.8	50.0
China	86333	Liu Hu Oil Field FS	34.1	0.0
China	89322	MOFERT Computer Training OT	2.0	0.0
China	86306	Metallurgical EnergyConservat. FS	0.0	4.2
China	87366	Phosphate Ammonia Plant Trng. FS	6.0	10.0
China	88410	Pine Plantation Project (WB) OT	0.0	55.8
China	87377	Qinghai Geophysical Analysis FS	0.0	15.0
China	88339	Regional Switching Training OT	4.7	4.0
China	00380	River Developmt/Hydro Pro Engi. FS	0.8	0.0
China	87378	Shanghai Chemical Reagent Works FS	0.0	10.5
China	87379	Shanghai Medical Instruments FS	0.0	55.0
China	No #	Shanghai Metro FS	38.0	180.0
China	86332	Shanghai Needle Coke Project FS	0.0	25.0
China	87304	Shanghai Transportation Planning FS	1.2	18.8
China	84312	Shanjiasi Heavy Oil Reservoir FS	5.6	2.5
China	85314	Shenzhen Airport FS	0.0	46.0
China	88313	Shidongkou Power OT	148.9	100.0
China	88301	Sichuan Chengdu-Chongqing Rd FS	3.5	36.0
China	84322	Silicon Material Plant FS	11.0	0.0
China	86352	Thysson/Building Systems RGA	0.0	18.0
China	87325	Tianjin Economic DevelopmentPlan FS	6.0	100.0
China	82314	Tien Sheng Qiao Hydropower OT	36.9	18.0
China	85328	Wujing Trigeneration FS	0.0	175.0
China	86305	Xinhua Information Processing FS	13.5	10.0
China	89323	Yellow River Modeling TS	2.3	200.0
China	87311	Zhongyuan Pharmaceutical FS	7.8	87.5
India	89350	Bailadila Iron Ore Slurry Pipln OT	13.0	700.0
India	87308	Coal Transport/Coastal Pwr Plnt FS	0.0	1600.0
India	83311	Kaiser Power (Orissa) RGA	0.0	7.5
India	86320	Luz International/Solar RGA	0.0	45.0

Project-by-Project Assessment
of Documented Exports & Possible Exports
Related to TDP-Assisted Projects
December 1990 (in millions of dollars)

Country	TDP No.	Project	Documented Exports	Possible Exports
India	89341	Maharashtra Hazardous Waste Mgmt DM	0.1	35.0
India	89335	Mangalore Downstream Products FS	0.0	70.0
India	88310	Mangalore Refinery FS	10.0	117.0
India	86317	SymbioticTechnologies/Photovolt RGA	0.0	10.0
India	87305	TCIL Data Communications FS	1.7	117.5
India	88341	WB Industry Standards DM	0.0	87.5
India	88332	Waste Water Automation FS	0.0	10.0
Indonesia	88325	Alpha Omega/Food Irradiation RGA	0.0	11.0
Indonesia	88363	BLK Manpower Training Center DM	0.0	12.5
Indonesia	85330	Energy Assessment FS	0.0	10.0
Indonesia	89330	Institute of Gas Tech. Plan OT	0.0	74.3
Indonesia	83317	Investment Survey (OPIC) OT	39.5	0.0
Indonesia	88357	Jakarta Waste Management FS	0.4	40.0
Indonesia	83316	Krakatau Steel Mill FS	20.3	70.0
Indonesia	87339	Manpower Orientation OV	0.5	0.0
Indonesia	83315	Nuclear Reactor Lab OT	6.1	0.0
Indonesia	88351	Paiton Pwr Plnt Boiler Tenders OT	144.0	0.0
Indonesia	88305	Scott/Paper RGA	2.2	0.0
Indonesia	88311	Surabaya Waste Management FS	0.0	65.0
Indonesia	85311	West Java Coal Transport FS	40.0	0.0
Korea	88345	Environmental Symposia DM & TS	0.0	3.0
Korea	88403	Northwest Univ. Market Access OT	114.8	339.5
Malaysia	88408	MHA Highway Telecommunications DM&OV	0.0	14.2
Malaysia	No #	Mini Hydro FS	26.0	0.0
Malaysia	No #	Railway Training FS	0.1	0.0
Malaysia	86313	Terengganu Petrochemical Plan FS	13.0	100.0
Malaysia	85351	Toxic Waste FS	0.0	27.0
Malaysia	88328	Urban/Elevator RGA	0.0	1.4
Malaysia	86330	Vocational Training OV	0.5	73.5
Micronesia	85305	Timber and Wood Products FS	0.0	94.6
Nepal	86308	Arun 6 Hydropower FS	31.0	625.0
Pakistan	84309	Airport Projects Management FS	14.5	12.0
Pakistan	87321	Pyropower/Plant RGA	0.0	160.0
Philippines	81306	Airports/Airways Development FS	0.4	125.0
Philippines	83322	Chromite DM	0.0	15.0
Philippines	87310	EMCON/Vegetable RGA	0.0	3.0
Philippines	83325	Himalian Coal FS	3.5	0.0
Philippines	No #	Illigan Steel FS	290.0	0.0
Philippines	87347	Investment Promotion OT	2.5	200.0
Philippines	No #	Mactan Airport FS	0.7	0.0
Philippines	88343	Mariwasa Cogeneration Plant FS	3.2	29.0
Philippines	87384	NEDA Laguna Lake Toxic Waste FS	0.0	100.0

Project-by-Project Assessment
of Documented Exports & Possible Exports
Related to TDP-Assisted Projects
December 1990 (in millions of dollars)

Country	TDP No.	Project	Documented Exports	Possible Exports
Philippines	87383	NEDA Manila Port Bulk Handling FS	0.0	25.0
Philippines	87343	NEDA Manila Solid Waste Mangmt FS	0.0	50.0
Philippines	83321	Telecommunications FS	1.7	80.0
Philippines	83326	Youth Training OV	0.1	0.0
Region-Asia	88318	Aquaculture Conf Travel Funds TS	0.0	2.0
Region-Asia	88388	Aviation Trade MissionMA/VA/CA OV	1.2	0.0
Region-Asia	88330	Deep Ocean Resources Recovery FS	0.0	17.5
Region-Asia	86302	Pacif. Rim Telecom. Conf. TS	26.1	0.0
Region-Asia	86346	Pacific Basin Housing Conference TS	3.8	8.0
Region-Asia	88375	Pacific Rim Biotechnology Conf. TS	0.3	0.1
Region-Asia	87358	Univ. of Hawaii/Economic Develop TS	0.0	17.5
Singapore	83330	CAD/CAM Tech. Assistance Phase I OT	17.7	0.0
Sri Lanka	No #	Irrigation Systems FS	0.4	0.0
Taiwan	86343	AIT Environmental OT	12.5	1650.0
Taiwan	85332	Rapid Transit FS (85332 and 86311)	478.0	750.0
Thailand	81324	Ao Phai Coal-Fired Power Plant FS	0.2	624.0
Thailand	87363	Bang Pakong Power Plant FS	210.0	117.0
Thailand	85338	Bangkok Solid Waste & Power FS	0.0	40.0
Thailand	84329	Don Muang/Bangkok Airport FS	17.8	13.7
Thailand	83334	EGAT Computer Requirements FS	14.1	20.8
Thailand	84316	EGAT Flood Control Plan FS	0.0	140.0
Thailand	84338	EGAT Mines and Equipment OV	225.0	0.0
Thailand	88358	EGAT Power Plant Training OT	0.0	3.0
Thailand	88350	Electroplate Industry FS	0.5	20.0
Thailand	83337	Fluidized Bed Combustion (Krabi) FS	0.0	25.0
Thailand	86322	Frequency Modulation FS	0.4	10.0
Thailand	89314	Investment Workshop (OPIC) TS	0.0	0.0
Thailand	No #	Lignite Exploration FS	0.5	0.0
Thailand	83333	Loei-Upper Pasak Hydro FS	0.0	21.6
Thailand	88362	MEA Power Management (SCADA) FS	0.6	9.0
Thailand	87330	Mae Moh Lignite Mine Conveyor FS	2.0	16.4
Thailand	No #	Mae Moh Transmission FS	35.2	4.5
Thailand	87364	Mass Transit FS	0.0	62.5
Thailand	87317	N. Bangkok Power Plant FS	0.0	42.5
Thailand	No #	Offshore Natural Gas Pipeline FS	120.0	0.0
Thailand	88352	Petroleum Aromatics Complex FS	2.0	13.5
Thailand	87314	Provincial Electric Supply FS	12.0	104.5
Thailand	87315	SRT Computer Master Plan FS	0.8	3.8
Thailand	83332	Seaboard Fertilizer Plant FS	1.0	0.0
Thailand	88335	Telecommunications Trade Show OV	68.5	66.0
Thailand	83335	Wiang Haeng/Khian Sa Lignite DM	0.0	160.0
Subtotal			2410.7	12016.3

Project-by-Project Assessment
of Documented Exports & Possible Exports
Related to TDP-Assisted Projects
December 1990 (in millions of dollars)

Country	TDP No.	Project	Documented Exports	Possible Exports
East & Central Europe				
Hungary	89710	Borsod Steel Restructuring FS	0.3	0.0
Yugoslavia	88705	Kosovo Power Plant DM	0.3	52.5
Yugoslavia	86715	Sisak Coke Plant FS	0.4	100.0
Yugoslavia	87707	TTL Power Rehabilitation FS	1.3	15.0
Subtotal			2.3	167.5
Latin America				
Belize	82501	Electric Transmission FS	4.6	0.0
Bolivia	88510	Laurel/Antimony Mining RGA	1.0	1.8
Chile	90514	Global Electro Communications FS	29.0	7.5
Chile	84515	Telecommunications FS	3.5	13.0
Colombia	85520	Airports & Airspace Systems Devt. FS	1.0	223.0
Colombia	84526	Eldorado Radar System FS	0.0	50.0
Colombia	84521	Telecom./Cellular Phone FS	134.0	87.5
Costa Rica	00585	Strawberry FS	1.0	0.0
Costa Rica	85531	Western Ag/Investor RGA	0.0	2.5
Dom. Republic	No #	Kelly Harrison Orchids FS	0.0	3.2
Dom. Republic	85506	Lockwood/Irrigation RGA	3.2	3.5
Dom. Republic	85518	Rosario Dominicana Mining FS	21.0	110.0
Ecuador	87514	Tracker/Fishmeal RGA	0.0	61.8
Guatemala	89508	Chixoy Medio Hydro FS	3.0	45.0
Guatemala	83504	Electric Load Center FS	0.0	35.0
Haiti	86512	CBC/Winter Vegetables RGA	0.0	16.0
Honduras	85514	Hydroelec.Project(ElNaranjito) FS	0.0	19.0
Honduras	86515	Tegucigalpa Water FS	0.5	0.0
Jamaica	No #	Agribusiness Development DM/OV	1.3	0.0
Jamaica	82503	I.S. Joseph Co/Soybeans Prod RGA	0.3	0.0
Jamaica	82511	Taylor-Cross/Rice Prod RGA	2.3	0.0
Mexico	90507	Monterrey Water Supply DM	0.0	50.0
N Antilles	85510	Tourism & Ind. Expansion PFS	1.1	77.0
Peru	82504	Cusco New Airport FS	2.2	13.3
Peru	81512	Port Renovation FS	0.0	5.0
Region-L.A.	84528	COCESNA Air Navigation (FAA) FS	3.3	0.0
Region-L.A.	00681	Carribbean Renewable Energy Exh. FS	0.2	0.0
Region-L.A.	84514	Inter-American Housing Conference TS	49.1	15.7
Region-L.A.	86519	OAS Telecommunications FS	0.0	753.0
Region-L.A.	90505	Railroad Officials OV	0.2	1.5
St. Lucia	83517	Geothermal FS	6.0	15.0
Trinidad	89507	Piarco Airport Development FS	0.0	112.0
Trinidad/Tobago	No. #	Computer Taxes	0.2	0.0

Project-by-Project Assessment
of Documented Exports & Possible Exports
Related to TDP-Assisted Projects
December 1990 (in millions of dollars)

Country	TDP No.	Project	Documented Exports	Possible Exports
Trinidad/Tobago	00780	Medical Complex FS	57.0	0.0
Uruguay	00880	Biomass to Ethenol FS	0.0	0.0
Uruguay	88514	UTU Technical Educ. FS	0.0	3.7
Uruguay	87506	World Tuna RGA	0.0	0.0
Venezuela	89521	ALISA Aluminum Smelter FS	0.0	300.0
Venezuela	No #	Bauxite Mining FS	1.4	0.0
Venezuela	89528	ELECAR Steam Boiler Rehab. FS	7.3	1.7
Venezuela	89526	Hueque II Water Supply FS	0.0	12.0
Venezuela	No #	Solid Waste Mgt. FS	37.2	0.0
Subtotal			370.9	2038.7
Middle East & Europe				
Algeria	85719	SIDER Refractory Production FS	0.0	30.0
Algeria	85718	Western Agri-Mgmt/CenterPivot RGA	34.0	62.5
Greece	89706	Computer Training Software OT	3.1	4.0
Morocco	81718	Civil Aviation Design FS	0.0	30.0
Morocco	86709	Forbes/Fishing RGA	0.0	4.0
Morocco	No #	Oil Shale Symposium TS	13.1	0.0
Oman	85712	Manah Power Plant FS	1.3	47.0
Portugal	89707	Petrogal Refinery Expansion DM & FS	0.0	200.0
Portugal	89709	TEAM Tech/Systems Integration IAP	0.5	0.0
Tunisia	83711	Djellabia Phosphate FS	1.3	45.0
Tunisia	00979	Groundwater FS	6.0	0.0
Tunisia	82711	Land O'Lakes/STUSID Marja Dairy RGA	1.9	0.0
Tunisia	83710	SRA Ouertane Phosphate Mine FS	9.8	0.0
Tunisia	87708	Wind Energy Facilities DM & FS	0.0	10.0
Turkey	82712	Agribusiness Sales Investment OT	21.5	0.0
Turkey	84717	Bechtel/Coal Plant RGA	0.0	350.0
Turkey	89708	Computer-Aided Education DM FS	0.0	43.3
Turkey	87710	Frequency Monitoring & Sys. FS	0.0	68.0
Turkey	No #	Highway Improvement FS	3.2	0.0
Turkey	86707	Istanbul Water FS	0.0	10.5
Turkey	86702	TEK Power OV	2.4	0.0
Turkey	84716	Tube Tunnel - Metro FS	5.0	510.0
Turkey	84711	Vocational Training OV	28.0	170.0
Un.ArabEmirates	88712	Dubai Toxic & Hazardous Waste FS	0.0	1.8
Yemen	88710	MINEXPO Visitors OV	0.0	11.0
Subtotal			131.1	1597.1

Project-by-Project Assessment
of Documented Exports & Possible Exports
Related to TDP-Assisted Projects
December 1990 (in millions of dollars)

Country	TDP No.	Project	Documented Exports	Possible Exports
Worldwide				
Worldwide	88903	ASACI DM's/Marketing OT (85901,85904)	26.0	15.2
Worldwide	88906	IPC Tech Assistance (FY88 & FY89) OT	0.0	27.5
Worldwide	87901	Iowa Food Processing Trade Fair TS	0.7	0.2
Worldwide	89902	Oklahoma Export Database (ST) OT	2.3	300.0
Worldwide	89901	Pacific Rim Summit and Symposia TS	0.2	0.0
Worldwide	88909	Renewable Energy Trade Missions (CA)	12.9	314.0
Worldwide	87905	U.S. Committee on Large Dams Sem TS	2.5	0.0
Worldwide	86902	Vocational Ed. Market Survey TS	0.5	47.5
Subtotal			45.1	704.4
Total			3245.1	18154.0

*Note: This table was prepared by Ruth Ruttenberg & Associates, Inc. under contract with the U.S. Trade and Development Program. The data for the table were assembled from late May 1990 through December 1990. Sources include TDP contractors, companies supplying goods to TDP-assisted projects, international banking officials, and State Department cables. Possible exports include both those expected in the short-run and those expected in the long-run, but the potential for long-run exports has been included only when specific projects and potential contracts could be identified. Possible exports also include those going to the project directly and those that are perceived by sources to be the result of U.S. involvement with TDP-assisted projects.

APPENDIX C

Partial List of Companies
Supplying Products and Services
to TDP-Associated Projects
As of December 1990

State	City	Name of Vendor
AL	Birmingham	Altec
AL	Birmingham	Combustion Engineering
AL	Birmingham	Harbert International
AL	Huntsville	Intergraph
AL	Leeds	Anderson
AR	Texarkana	Rockwell International
CA		Comsat
CA		Fluor
CA		Fluor
CA		M.K. Ferguson
CA		Pacific Arepco
CA		Pacific Telesis
CA		Technique
CA		Urban Analysis Group
CA	Anaheim	VERTEQ, INC.
CA	Antioch	T&T Valve & Instrument
CA	Bakersfield	General Electric
CA	Bakersfield	PATRIC, Inc.
CA	Benicia	McJunkin Corporation
CA	Carson	Republic Supply of Calif.
CA	Carson	Royal Wholesale Electric
CA	Chula Vista	Hyspan Precision
CA	Compton	Allied Indl. Distributors
CA	Emeryville	General Electric Supply
CA	Fremont	Gemini Research
CA	Garden Grove	NTD American
CA	Gilroy	Gilroy Foods, Inc.
CA	Los Angeles	Allied Supply
CA	Los Angeles	Century Spring
CA	Los Angeles	Southwestern Engr.
CA	Madera	IKG Industries
CA	Menlo Park	Silicon International Inc
CA	Menlo Park	Windustrial Co.
CA	Montebello	Peerless
CA	Mountain View	Insulectro
CA	Mountain View	Tencor Instruments
CA	Oakland	Pacific Pipe Co.
CA	Palo Alto	Combustion Engineering
CA	Palo Alto	Geometrics
CA	Palo Alto	Raychen
CA	Pleasanton	Assoc. Process Controls
CA	Rancho Cucamonga	Advance Fasteners
CA	Redwood City	Kentex International,Inc.
CA	Redwood City	San Francisco Label
CA	S. San Francisco	Atkinson Dynamics

Partial List of Companies
Supplying Products and Services
to TDP-Associated Projects
As of December 1990

State	City	Name of Vendor
CA	S. San Francisco	Graybar Electric Co.
CA	San Carlos	Harris Corp.
CA	San Francisco	Bechtel
CA	San Francisco	Kaiser
CA	San Francisco	Morrison-Knudsen
CA	San Francisco	Pedley Knowles
CA	San Jose	Electrical Insulation Sup
CA	San Jose	Silicon Valley Grp Intl
CA	San Juan Capistrano	Tanemec Company, Inc
CA	San Mateo	Boliden Allis c/oRushReps
CA	San Mateo	ITT AC Pumps c/oRushReps
CA	Santa Fe Springs	Kelly Pipe
CA	Santa Teresa	IBM
CA	Sunnyvale	Dionex Corporation
CA	Sunnyvale	ILC Technologies
CA	Torrance	Semiconductor Matls. Inc.
CA	Wilmington	Komax Systems, Inc.
CA	Winters	Marisni Nut Co.
CO		Bateman
CO		Hydrotriad
CO	Arvada	Easter-Owens Electric
CO	Arvada	R. Warden Co.
CO	Denver	Boliden Allis
CO	Denver	Business Products Inc.
CO	Denver	Engineered Products, Co.
CO	Denver	JMC Instruments, Inc.
CO	Denver	Materials Handling Equip.
CO	Denver	Ryall Electric
CO	Denver	Ted D.Miller Associates
CO	Denver	The McGee Company
CO	Denver	Wazee Crane
CO	Denver	Winn Marion
CO	Englewood	D.R.Technology c/oTheTagC
CO	Englewood	E & M Sales
CO	Englewood	Eagle Pump & Equipment
CO	Englewood	Entre Computer Center
CO	Englewood	Motorola
CO	Fort Collins	Ionics c/o Proc Cntrl Dyn
CO	Golden	Coors
CO	Golden	SAI
CO	Golden	Xycom c/o Pfister & Assoc
CO	Lakewood	Ore Sorters Inc.
CT		Combustion Engineering
CT		Eastern Seafood Co.
CT	Berlin	Dwight Foote, Inc.

Partial List of Companies
Supplying Products and Services
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As of December 1990

State	City	Name of Vendor
CT	Danbury	Union Carbide
CT	Enfield	Springborn Labs
CT	Greenwich	Skaarup
CT	Norwalk	Nash Engineering Co.
CT	Oxford	Plastic Tooling
CT	Portland	Skotch Inc.
CT	Stamford	Dorr-Oliver
DC	Washington	Coopers & Lybrand
DC	Washington	DeLeuw Cather
DC	Washington	Ernst & Young
DC	Washington	General Railway Signal
DC	Washington	K & M Engineering
DC	Washington	Natl. Rural Electric
DC	Washington	Pannel, Kerr, & Forrester
DC	Washington	Teleconsult
DE	Georgetown	Delaware Tech.
FL		Dairy farmers
FL		Deck
FL	Bradenton	Spectrum Chemical Inc.
FL	Browardale	Broward Community College
FL	FtLauderdale	Unaflex Rubber Corp.
FL	Maimi	Uteco
FL	Miami	Flying Tigers Air
FL	Miami	Inter-Am.Transp.Eqpt.Co.
FL	Miami	Intnt'l Electric Sales
FL	Miami	Leventhal & Howath
FL	Miami	Reco Internat'l Electric
FL	Miami	Southern Rainbow
FL	Pompano	FL. Structural Steel
FL	W.Palm Beach	Mepco
GA		Comsat
GA		Dairy farmers
GA		General Electric
GA	Atlanta	Bell South, Ltd.
GA	Atlanta	Dorr-Oliver, Inc.
GA	Conely	Koppers
GA	Doraville	Purafil
GA	Sandersville	Lapp Insulator Co.
GA	Statesboro	Brooks Instr.(EmersonElec
GA	Toccoa	Patterson Pump Company
HI	Honolulu	Film Services of Hawaii
IA		Funk Seeds International
IA		Lewis Rich
IA		Seed and Grain Co.
IA	Davenport	Cartridge Pack

Partial List of Companies
Supplying Products and Services
to TDP-Associated Projects
As of December 1990

State	City	Name of Vendor
IA	Des Moines	Pioneer Hi-Bred Intl.
IA	Des Moines	Tones
ID	Boise	Morrison-Knudsen Engs.
IL		Caterpillar
IL		D.C. Associates
IL		DeKalb Agresearch
IL		Essex Supply
IL		Interst.Producers Livesto
IL		John Deere
IL		S.A. Healey
IL	Aurora	Henry Pratt
IL	Batavia	Furnas Electric Co.
IL	Carbondale	Southern Illinois Univ.
IL	Chicago	Acres
IL	Chicago	B&K Dynascan
IL	Chicago	EXEL
IL	Chicago	Enerpac
IL	Chicago	Ferranti Sciaky
IL	Chicago	Harza Engineering
IL	Chicago	Howe Corp.
IL	Chicago	J.C. Whitney
IL	Chicago	Mead
IL	Chicago	Mead Fluid Dynamics
IL	Chicago	Sargent & Lundy
IL	Chicago	UOP
IL	Chicago	W.R. Grace
IL	Chicago	Westinghouse
IL	Chicago	X-L Fastener
IL	Crystal Lake	Sun Electric Corp.
IL	Elgin	BW/IP Intl., Inc.
IL	Elmhurst	Val-Matic Valve&Mfg.Corp.
IL	Franklin Pk	Delta-Unibus Corp.
IL	Franklin Pk	Dresser Industries
IL	Glendale Hgt	Chicago Blower
IL	Granville	S&K/AirPowerTool&SupplyCo
IL	Lisle	AT&T
IL	Naperville	Goulds Pumps
IL	Naperville	Pneutech Engineers
IL	Rockford	CAM/CAR
IL	Rockford	Cancer
IL	Rockford	Elco Ind.
IL	Rolling Meadows	Martin Tool Works
IL	Rolling Meadows	Modagraphics
IL	Skokie	Sargent-Welch
IL	Skokie	Wm. Nugent & Company

Partial List of Companies
Supplying Products and Services
to TDP-Associated Projects
As of December 1990

State	City	Name of Vendor
IL	Springfield	Noverico
IL	Wheeling	Airolite Company
IL	Wheeling	FTI
IL	Wiles	X-L Engineers.
IN		Whirlpool
IN	Connersville	Roots-Dresser
IN	Fort Wayne	Deister Concentrator Co.
IN	Highland	Copperheat, Inc.
IN	Lafayette	Richard Liu (Purdue Univ)
IN	Noblesville	Q.C. Technologies, Inc.
IN	Valpariso	IG Tech.
KS	Abilene	Combustion Engineering
KS	Kansas City	Peerless Conveyors
KS	Lenexa	Aviation Sys. Inc.
KS	Lenexa	Smith Loveless
KS	Olathe	Suburbia System
KS	Wichita	Koch Engineering Co., Inc
LA	Bation Rouge	Omega Ind. Suppliers
LA	Baton Rouge	Acadian Advertising
LA	Baton Rouge	Adsco Manufacturing Co
LA	Baton Rouge	All Supplies
LA	Baton Rouge	Arkel
LA	Baton Rouge	Brady Rubber & Specialty
LA	Baton Rouge	C.F. Steel Co.
LA	Baton Rouge	CRC of Louisiana
LA	Baton Rouge	Capital Building Systems
LA	Baton Rouge	Capital Street
LA	Baton Rouge	Charter Chambers Supply
LA	Baton Rouge	Control Systems Consult.
LA	Baton Rouge	Creole Engineering Sales
LA	Baton Rouge	Crown Environment Systems
LA	Baton Rouge	Electrical Wholesalers
LA	Baton Rouge	Evans Electrical Supply
LA	Baton Rouge	General Electric Supply
LA	Baton Rouge	Goulds Pumps
LA	Baton Rouge	Graybar Electric Co. Inc
LA	Baton Rouge	Hebert Valve & Controls
LA	Baton Rouge	Industrial Prod. & Servic
LA	Baton Rouge	Louisiana Hose & Rubber
LA	Baton Rouge	Magnetrol
LA	Baton Rouge	Means Industries
LA	Baton Rouge	Moody Price, Inc
LA	Baton Rouge	Motion Industries
LA	Baton Rouge	Piping & Equipment, Inc
LA	Baton Rouge	Quality Bolt & Screw Corp

Partial List of Companies
Supplying Products and Services
to TDP-Associated Projects
As of December 1990

State	City	Name of Vendor
LA	Baton Rouge	R.V. Gildersleeve
LA	Baton Rouge	Rapco Associates, Inc.
LA	Baton Rouge	Reiley Electric Supply
LA	Baton Rouge	Right Rotation
LA	Baton Rouge	Templet Weldin
LA	Baton Rouge	Westside Coatings, Inc.
LA	Belle Chase	Point Eight Power, Inc.
LA	FauquierCity	Effort
LA	Geismar	Groth Corp. of Lousiana
LA	Geismar	Tubes, Inc.
LA	Jeanerette	Cameco/Honiron
LA	Krotz Springs	Midwest Cooling Tower Ser
LA	Lafayette	A & B Bolt Supply, Inc.
LA	Lafayette	O'Neal Steel, Inc.
LA	Lafayette	Strat-A-Graph
LA	Metairie	Factory Sales & Engineer
LA	Metairie	Kirkwood
LA	Metairie	Rapco Associates, Inc.
LA	Metairie	Sepco Industries, Inc.
LA	New Iberia	Voorhies Supply Co. Inc
LA	New Orleans	Crane Cochrane, Co.
LA	New Orleans	Dresser-Rand Co.
LA	New Orleans	Factory Sales & Eng.
LA	New Orleans	I.T.T. Standard
LA	New Orleans	Philadelphia Gear Corp.
LA	New Orleans	R.J. Tricon Co. Inc.
LA	Plaquemine	Nadler
LA	Port Allen	International Piping Prod
LA	Thibodaux	Cameco/Honiron
LA	Walker	Cushco
MA		Belico
MA		Deck
MA		Deck
MA		WANG
MA	Agawam	ED Tech Corp.
MA	Boston	Apollo
MA	Cambridge	Arthur D. Little
MA	Cambridge	Bio-Rad Semiconductor
MA	Canton	BLH Electronics
MA	Dalton	Beloit
MA	Gardner	Simplex Time Recorder
MA	Holyoke	Atlas Copco
MA	Maynard	Digital Equipment
MA	N.Attleboro	AtlanticStainlessCo.,Inc.
MA	New Bedford	Alberox

Partial List of Companies Supplying Products and Services to TDP-Associated Projects As of December 1990

State	City	Name of Vendor
MA	Newton	ADE Corporation
MA	Plymouth	Pixley Richards
MA	Salem	Atwood & Morril Co. Inc.
MD		NUS
MD	Baltimore	Eastern Stainless SteelCo
MD	Baltimore	Mach. Craft
MD	Gaithersburg	Hekiman Laboratories
MD	Rockville	Contel
MD	Timonium	Teledyne E. Systems
MI		Asgrow Seed
MI		U.S. Equipment
MI	Auburn Hills	Computer Integrated Weld
MI	Detroit	Parker Hannifin
MI	Detroit	Roper Pump
MI	Durand	Gruendler Crushers
MI	Flint	General Motors
MI	Fraser	I.S.I. Co
MI	Grandville	Harlo Control
MI	Highland	Numatics, Inc.
MI	Richland	Calvert
MI	Temperance	Rolled Alloys, Inc.
MI	Troy	International Machinery
MI	Winn	Morbark
MN		Dairy farmers
MN		Northrup King Co.
MN	Minneapolis	Brownie Tank Mfg.Co.
MN	Minneapolis	Donaldson
MN	Minneapolis	Graham-Lee Electronics
MN	Minneapolis	Hurt Mfg.
MN	Minneapolis	Land O'Lakes
MN	Minneapolis	Mooney
MN	Minneapolis	Snyder General Corp.
MN	Sartell	Dezurik Corporation
MN	St. Paul	Progress Foundries
MN	St.Paul	Johnson Filtration System
MO		Natl.Indl.Servs.Inc.
MO		WmsPatentCrusher&PulvzrCo
MO	Centralia	A.B. Chance
MO	Kansas City	Black & Veatch
MO	Massillon	Controlled Power Corp
MO	O'Fallon	Hitchner Mfg.
MO	St. Louis	Fulton Iron Works
MO	St. Louis	ITT Blackburn
MO	St. Louis	Lemco (Ralph Young)
MO	St. Louis	McDonald Douglas Autom.Co

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State	City	Name of Vendor
MO	St. Louis	McDonald-Douglas
MO	St. Louis	Monsanto
MO	St. Louis	Westinghouse
MS	Meridien	Miner
NC	Apex	The Cooper Group (Weller)
NC	Fayetteville	Westinghouse
NC	Gastonia	Red Valve
NC	Lumberton	Muesco-MuellerSteamSpeclt
NC	Research Triangle Pk	Troxler Electronic
NC	Wilkesboro	Meadow Mills
NH		General Electric
NH	Laconia	Lisega USA, Inc.
NH	Portsmouth	Simplex Wire & Cable
NJ		Lab Volt
NJ	Belleville	Ewol Mfg.
NJ	Boonton	Helicoflex
NJ	Cedar Grove	Unicorn
NJ	Cedar Knolls	Art Wire/Daco
NJ	Cherry Hill	Langston
NJ	Clifton	Atlas Industrial Mfg. Co.
NJ	E. Hanover	Bronner Mfg. & Tool
NJ	E.Rutherford	Insulfab Plastics
NJ	E.Rutherford	Morris Abrams
NJ	East Orange	Louis Berger
NJ	Elmwood Park	PSI
NJ	Fairfield	AW Draghi
NJ	Fairfield	CE Connover
NJ	Fairfield	Koch Engineering Co, Inc.
NJ	Fairfield	Titanium Industries
NJ	Farmingdale	Part Makers
NJ	Hackensack	Union Carbide
NJ	Hillside	Rolex
NJ	Irvington	Foam Pack
NJ	Kenilworth	El Ewertsen
NJ	Kenilworth	Lincoln Die
NJ	Linden	Platronics
NJ	Linden	Short Run Stamping
NJ	LittleFerry	Magna Flux
NJ	Lodi	Bergen Cable Tech.
NJ	Mahwah	E. Fagan
NJ	Mt. Laurel	Johnson & Towers
NJ	NewBrunswick	McMaster-Carr Supply Co.
NJ	Newark	Hudson Tool
NJ	Newark	L&H Screw
NJ	Newark	Martin Ind.

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State	City	Name of Vendor
NJ	Oakland	Silicon Technology Co.
NJ	Port Murray	Zeroflex Corp.
NJ	Ramsey	EKATO Corporation
NJ	S.Hackensack	General Rubber
NJ	South Plainfield	Big Three Industries
NJ	Totowa	Star Stainless Screw
NJ	Union	American Products
NJ	Union	Graver Co.
NJ	Union	Lehigh Prec.
NJ	W.New York	Hillcross
NJ	Wayne	Passaic Rubber
NM	Corrales	Analytec Corporation
NV	Las Vegas	CER
NY		IBM
NY		Intl Sys Servs Corp
NY	Amsterdam	Electrometrics
NY	Bayshore	Plastic Assoc.
NY	Binghamton	Special Products
NY	Buffalo	Derrick Manufacturing Co.
NY	Buffalo	Sopark
NY	Bufffalo	Buffalo Forge Co.
NY	Hudson	Craftech Ind.
NY	LeRoy	Lapp Insulator Co.
NY	N.Hyde Park	RG Precision
NY	New York	Chemtex Fibers, Inc.
NY	New York	China United Trading Corp
NY	New York	Dravo
NY	New York	Pan American
NY	New York	Parsons Brinckerhoff
NY	Olean	AVX
NY	Plainview	Veeco Instruments Inc.
NY	Rochester	General Signal
NY	Rochester	Kayex, of Genl.Signal
NY	Rouses Pt.	Westinghouse
NY	Schenectady	General Electric
NY	Schenectedy	Power Technologies, Inc.
NY	Syracuse	Carrier, United Technolog
NY	Syracuse	United Technologies
NY	Tonawanda	General Motors
NY	Wellesville	Combustion Engineering
NY	Wellsville	Dresser Rand
NY	Westbury	Bilt-Rite Steel Buck Corp
NY	Westbury	Brinkman Instruments
NY	Woodside	Schnoor Noise Disc
OH		Amatrol

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State	City	Name of Vendor
OH	Barberton	Babcock & Wilcox
OH	Bentonville	Midco/Van Leeuwen
OH	Canton	ControlledPowerLmtdPrtnsh
OH	ChagrinFalls	Stock Equipment
OH	Cincinnati	Dover Corp./OPW Division
OH	Cincinnati	REGO Company
OH	Cincinnati	Weldco, Inc.
OH	Cleveland	Brodhead & Garrett
OH	Cleveland	Brush Wellman
OH	Cleveland	Davy McKee
OH	Cleveland	Derrick Co.
OH	Cleveland	Kirkwood Industries
OH	Cleveland	Ore Sorters
OH	Cleveland	RalstonEngineeringSalesCo
OH	Cleveland	W.W.Sly
OH	Colombus	Ohio State University
OH	Dayton	Elliot Company
OH	Geneva	Geneva Rubber
OH	Hamilton	Western States
OH	Hilliard	HDR Power Systems, Inc.
OH	Hyram	Warren Automotive Group
OH	Lancaster	Arvin/Diamond Electronics
OH	Lancaster	Diamond Power
OH	Marietta	Connex Pipe Sys. Inc.
OH	Massilon	Ecodyne
OH	Maumee	Aeroquip
OH	Mentor	Cyberex, Inc.
OH	Orville	Westinghouse/CCD
OH	Sandusky	The Mack Iron Works, Co.
OH	Twinsburg	Robert-James Sales, Inc.
OH	Worthington	SEI Engineers, Inc.
OK	OklahomaCity	Corken InternationalCorp.
OK	Tulsa	Big Chief
OK	Tulsa	Braden Steel
OK	Tulsa	Weamco
OK	Tulsa	Yuba Corp.
OR	Oak Grove	Cranston Machinery
OR	Portland	Coe, Inc.
OR	Portland	ESCO
OR	Portland	FNW Valve Company
OR	Portland	Turco
PA		Hill Manufacturing
PA		McGraw Edison
PA	Bala Cynwyd	Johnson March
PA	Bethlehem	Damper Design

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State	City	Name of Vendor
PA	Bethlehem	Fuller
PA	Boalsburg	HVP Intl. Ltd.
PA	Butler	Heckett
PA	Carlisle	P.R.Hoffman MachineProds.
PA	Carnegie	Brooks Instrument Divisn
PA	Carnegie	Face, Inc.
PA	Carnegie	Transmation, Inc.
PA	Coraopolis	BakerProcessEquip.Co.Inc.
PA	Coraopolis	Fab-Tec Industries, Inc.
PA	Easton	Acopian
PA	Greensburg	Telemechanique, Inc.
PA	Imperial	ProcessDevt&Control,Inc.
PA	Jeanette	Tubing Specialists, Inc.
PA	Kulpsville	BBL Co.
PA	Lake City	Copes-Vulcan
PA	Lancaster	K-D Tool
PA	Lawrence	Spence Engineering Co.
PA	Malvern	General Electric
PA	Monroeville	The Foxboro Company
PA	Monroeville	Yale Industrial Trucks
PA	Montgomeryville	Xnatech
PA	Philadelphia	General Electric
PA	Philadelphia	Philadelphia Gear Corp.
PA	Philipsburg	Ingersoll-Rand
PA	Pittsburgh	ABB Power T & D Co.
PA	Pittsburgh	ADSCO Manufacturing
PA	Pittsburgh	Acme Scale and Supply Co.
PA	Pittsburgh	AlleghenyPipe&SupplyCo.
PA	Pittsburgh	Blaw-Knox
PA	Pittsburgh	Crosby Valve
PA	Pittsburgh	Dezurik Corporation
PA	Pittsburgh	Dravo Wellman
PA	Pittsburgh	EG&G Flow Technology
PA	Pittsburgh	F.R. Magill Company
PA	Pittsburgh	Gantrex Corporation
PA	Pittsburgh	Goulds Pumps, Inc.
PA	Pittsburgh	Graybar Electric Co.
PA	Pittsburgh	H. H. Robertson Company
PA	Pittsburgh	IndustrialValves&Fittings
PA	Pittsburgh	Jerguson Gage and ValveCo
PA	Pittsburgh	Jos.T.Ryerson & Son, Inc.
PA	Pittsburgh	Leslie
PA	Pittsburgh	MS Jacobs and Assoc.,Inc.
PA	Pittsburgh	MSA
PA	Pittsburgh	Masonellan

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State	City	Name of Vendor
PA	Pittsburgh	Meriam Instruments
PA	Pittsburgh	Moody-Tottrup Intl., Inc.
PA	Pittsburgh	O'Brian Corporation
PA	Pittsburgh	PetroliteEquip&Instr.Grp.
PA	Pittsburgh	Pulsafeed Pumps, Inc.
PA	Pittsburgh	RAM
PA	Pittsburgh	USX Engineers and Conslts
PA	Pittsburgh	Wemco
PA	Pittsburgh	Westinghouse
PA	Pittsburgh	Wheelabrator
PA	Reading	Exide
PA	Reading	NGK Metals
PA	Sewickley	Atlas Industrial Mfg. Co.
PA	Shoemakersville	GP Fasteners
PA	Williamsport	Anchor/Darling Valve Co.
PA	York	A.C. Valve
PA	York	Fuller Pump
PR	Isabela	ABB Kent Meters, Inc.
RI	Cranston	Grinnell Corp.
RI	Providence	Ferguson Perforating&Wire
SC	Colombia	Wilbur Smith
SC	Greenville	General Electric
SC	Greenville	S.Eastern Electrical Dist
SC	Greenville	Westinghouse
SC	Laurens	B.F. Shaw
SC	N.Charleston	RM Engineered Prods.,Inc.
SD	Mitchell	Dakota Mfg.
TN	Chattanooga	Combustion Engineering
TN	Chattanooga	Corley
TN	Greenville	Kaydon Corp
TN	Knoxville	ISO Tech
TN	Lauergne	Hennessy Coates
TX	Amarillo	Clymer Labs
TX	Austin	ASOMA
TX	Austin	Lacoste & Romberg
TX	Austin	Radian
TX	Dallas	Lake of Dallas, Inc.
TX	Dallas	Peerless
TX	Deer Park	Flexitalic Gasket Co.
TX	Grand Prairie	Poly-America, Inc.
TX	Houston	A&F International
TX	Houston	All States Steel
TX	Houston	Brown and Root
TX	Houston	Browning Ferris Intntl.
TX	Houston	Crystal Chemical

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State	City	Name of Vendor
TX	Houston	Engineered Processes
TX	Houston	Houston Manuf. Syss.
TX	Houston	Intsel Southwest
TX	Houston	Kranco, Inc.
TX	Houston	L.B. Foster Company
TX	Houston	Marlin Valve Co.
TX	Houston	Mirrless Blackstone
TX	Houston	Port-a-Camp
TX	Longview	Industrial Filter Co.
UT		Logan Manufacturing
UT	Salt Lake C.	Jetway
UT	Salt Lake City	Mark Steel
UT	Salt Lake City	Rocky Mt. Fabrication
UT	Salt Lake City	Simpson Steel
VA		Equatorial
VA		URS
VA	Arlington	Airways Engineering Co.
VA	Bristol	Ingersoll-Rand
VA	Merrifield	Comsat
VA	Salem	General Electric
VT		Management Train'g Instit
VT	Williston	Velan Valve Corp.
WA		Freightliner
WA	Seattle	Racon
WA	Seattle	Robbins
WI		A.O. Smith
WI	Cudahy	Crane Manuf & Service
WI	Madison	Warman International
WI	Milwaukee	Boliden-Allis
WI	Milwaukee	Cleverbrooks
WI	Milwaukee	Deister
WI	Milwaukee	Great Lakes Instruments
WI	Milwaukee	Shadbolt & Bolt Company
WI	Racine	J.I. Case
WI	Waukesha	ENVIREX
WI	Waukesha	Frank N. Woods Co
WI	Waukesha	Waukesha Foundry
WV	Wheeling	WheelingRubberProds.,Inc.