

AGENCY FOR INTERNATIONAL DEVELOPMENT

**Fiscal Year 1975
Submission to the Congress**

**Supplemental Program Request
for
Emergency Vietnam Relief and Resettlement**

EMERGENCY VIETNAM RELIEF AND RESETTLEMENT

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PROGRAM SUMMARY (in millions of dollars)			
	FY 1974 Actual	FY 1975	
		Regular Program	Proposed Supple- mental
Indochina Postwar Reconstruction	462.9*	398.3*	250.0
South Vietnam	333.4	264.7	250.0
Cambodia	92.9	98.0**	-
Laos	33.0	25.6	-
Regional Development	2.0	3.0	-
Multilateral Agencies	1.6	7.0	-

*Shipping differential and operating expenses are not included for FY 1974 and the regular 1975 program. These costs will be presented to Congress in the FY 1976 "Inter-regional Congressional Presentation Book". The proposed FY 1975 Supplemental includes operating expenses.

**Obligations to date total \$82.2 million.

EMERGENCY VIETNAM RELIEF AND RESETTLEMENT, FY 1975

In mid-March the forces of North Vietnam began rolling southward over large areas of South Vietnam. It cannot be predicted with any certainty what will happen in South Vietnam during the next year; but it is clear that the people are in great need.

The people of South Vietnam, a generation of whom have never known lasting tranquility, have again been faced with a disruptive cataclysm of enormous human proportions. These events are familiar to all. In the face of an assault by North Vietnamese divisions in direct violation of the Paris Peace accords, millions of refugees motivated by a mixture of conviction, allegiance, hope and fear fled the northern and central portions of South Vietnam. They left their villages and towns; they left their friends and sometimes their families; they left their belongings; and they left the

soil from which they earned a living or the work in which they were otherwise employed. In this exodus, many died and not all--or even most--escaped.

Current Situation

The first actions of the U.S. Government were to assist those who sought refuge in the territory still controlled by the Government of South Vietnam. The U.S. dispatched ships to augment the 40-odd craft made available for this purpose by the Government of South Vietnam and the mercy vessels furnished by other nations. Events moved too rapidly, and the efforts were only partially successful; but through these efforts about 150,000 people were brought to safety. Others, roughly estimated at 850,000, moved and are still moving by their own efforts on rivers and by land to the refugee sites that are under the control of the Government of South Vietnam. As of April 17 over 650,000 refugees were officially registered by the Ministry of Social Welfare in provincial areas, as follows:

<u>MR-III</u> (Vicinity Surrounding Saigon and port city of Vung Tau)		<u>MR IV</u> (Delta areas)	
Binh Tuy	38,743	Vinh Binh	61,569
Binh Duong	30,120	Vinh Long	34,454
Bien Hoa	88,460	Phu Quoc	43,344
Vung Tau	75,130	An Xuyen	2,914
Phuoc Tuy	34,675	Chu Doc	23,537
Tay Ninh	53,148	Kien Giang	48,380
Hau Nghia	19,045	Kien Phong	9,425
Long An	6,381	Kien Tuong	29,992
Gia Dinh	27,928	Phong Dinh	866
Long Khanh	30,000	An Gaing	5,000
	<u>403,630</u>	Bac Lieu	400
			<u>259,881</u>

Grand Total (MR II and MR III) - 663,511

The process of counting by registration lags behind the reality of displaced human beings, both because of the time involved in assembling data and because the movement of persons still continues. The current best estimate is that the Government of South Vietnam will shortly face the responsibility of caring for approximately 1,000,000 new refugees.

To assist in that effort A.I.D. has allotted to its Saigon Mission almost all of the limited Foreign Assistance Act resources allocated for South Vietnam after the FY 1975 appropriation was enacted. In addition, 100,000 tons of rice and an additional 13,500 tons of high protein food supplements have been made available on a grant basis under Public Law 480 to be distributed by both voluntary agencies and through South Vietnamese Government channels to those most desperately in need.

Requirements for Additional Assistance

It is clear that the assistance already provided and the funds remaining available will not be sufficient to relieve the starvation, sickness, and human misery facing the people of South Vietnam. While assistance is being provided by other nations, international organizations and voluntary agencies, the United States should commit itself to ensure that adequate resources are available to do whatever is possible, under the circumstances, to relieve the human suffering. Therefore, authorization is requested for an additional \$73,000,000 for humanitarian assistance which, taken together with the \$177,000,000 previously authorized but not yet appropriated for assistance to Indochina, will make available \$250,000,000 to lighten the burdens and to ease the suffering of the refugees, the war victims, and the destitute of South Vietnam. At the same time it is requested that present funding ceilings and legislative allocations on FY 1975 Indochina funds under the Foreign Assistance Act of 1974 be removed.

These funds are not requested for long-term projects. Rather, this request reflects the best available estimate

of the initial relief costs for the refugees and of the on-going and elemental requirement, for a period of six months. The foreign assistance dollars provided will perform double duty. Current estimates are that about 80% of the funds will be used to finance local (piastre) costs of the relief effort. The dollars will be used by the Government of Vietnam to finance imports of essential commodities needed to keep the South Vietnamese economy in balance, by matching with imported goods the increased money supply generated by the relief program. The purpose of this procedure is to require that the dollars be spent in the United States under the Commodity Import Program to the extent consistent with the primary humanitarian objective of providing prompt financing for relief efforts and avoiding the general human suffering which can be caused by hyper-inflation.

Based on the best current information available, projections of aggregate requirements have been made for the next six-month period and for the following period of nearly fifteen months up to the end of CY 1976. Necessarily, these figures are not fixed allocations, and the descriptions below of the activities to be funded illustrates the types of actions that must be taken to meet the expected needs. Flexibility within these illustrative requirements will be essential to meet unforeseeable future requirements resulting from the rapidly changing situation. The funds will be used for the ultimate objective of assisting the Government of South Vietnam to heal the human wounds of war by evacuating families, assisting them during a difficult transition period, resettling them in new homes and bringing them back into the productive economy.

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Summary Estimates for Relief Programs

<u>April 1975 - October 15, 1975</u>		(Millions)
1. Emergency Transport		\$ 10.0
2. Temporary Emergency Relief		202.0
3. Phu Quoc Resettlement		28.0
4. Emergency Urban Relief		<u>10.0</u>
	Subtotal	<u>\$ 250.0</u>

October 15, 1975 - December 31, 1976

Remaining Requirements for Resettlement and Urban Relief

1. Construction and domiciling nine resettlement sites		
2. Rice and food allowances and household commodities		
3. Other camp costs for operations and overhead		
4. Resettlement village infrastructure, roads, classrooms		
5. Integrated relief and resettlement Voluntary Agency Teams		
6. Urban relief		
	Subtotal	<u>\$ 500.0</u>
	GRAND TOTAL	<u>\$ 750.0</u>

1. Emergency Transportation. An estimated \$10 million is required to pay the costs of ship and air transport to move refugees to temporary and resettlement sites within South Vietnam.

2. Emergency Relief. There are four broad categories of expenses with respect to the temporary care of refugees:

Temporary Refugee Sites must be developed and constructed. At present, there is a need for nine sites

on the mainland to accommodate about 100,000 people each, and one on the Island of Phu Quoc. The locations of the nine other sites have not been determined as yet, but they are expected to be sited on good agricultural land in the Delta. A site must be cleared, roads and shelters constructed, drainage ditches dug, water supplies and sanitary facilities set up and medical, educational and administrative facilities provided. These items, and many others related to providing essential goods and services, are expected to cost roughly \$10 million per site, or \$100 million in total.

Refugee Relief Allowances and Camp Operation Costs of roughly \$10 per person per month must be provided. This will enable the refugees to buy food with which to supplement their rice ration of 500 grams per day, charcoal with which to cook, and cloth with which to clothe themselves. Additionally, these funds would pay for food handling and storage, transport and related costs. The total cost for this for six months will be \$60 million.

Work Programs to employ the refugees must also be developed, in order to permit at least one family member to supplement the family's meager income. Past experience indicates that some 200,000 people would be so employed if given the opportunity at \$1 per day (i.e., \$30 million). These refugees will provide the bulk of non-skilled labor needed in the construction of refugee camp facilities. They will also provide the non-skilled labor required to maintain minimal standards for sanitary facilities in the camps and maintain in good repair drainage ditches, roads, fencing, water facilities and other camp infrastructure.

Integrated Relief and Resettlement Support Teams. The Voluntary Agencies are ready to assist in the refugee relief and resettlement program when the security situation stabilizes sufficiently to allow staff to operate with some degree of safety. Their contribution will be the provision of support and advisory teams that would include physicians, nurses, medical assistants and others. Their major responsibility will be to provide advisory

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and other support needed in the relief effort. A total of \$12 million is proposed for these teams.

3. Phu Quoc Resettlement. With respect to the refugees located on the Island of Phu Quoc, circumstances should permit the immediate initiation of resettlement efforts. Temporary camps give only some relief to human misery. Resettlement permits people to move into tolerable and productive lives.

The Phu Quoc resettlement program should move rapidly. The refugees have been given access to 18,000 hectares of land on the island. Clearing the land for agriculture use, grading for roadways and drainage ditches and providing water wells and other structures await the necessary funding. Funds are needed immediately in order to mobilize contractors and procure materials for land preparation, roads, water resources, etc. The onset of the rainy season in June and July of 1976 is the critical target period for gaining access to the land if a December 1976 harvest is to be realized.

The Norwegian Government has recently grant-financed a fishing project on Phu Quoc which will provide boats and fishing gear for 4,000 families (some 20,000 persons). Experts estimate this is the maximum size fishing enterprise that should be undertaken at this time. Estimated cost data has not been obtained as yet; but it will be developed in detail as discussions proceed with the Government of Vietnam. As a minimum, the Government will provide teachers for the 250 classrooms planned for the Phu Quoc resettlement program as well as administrative and technical personnel for the refugee and resettlement site. It is proposed that \$28 million be made available for this resettlement program.

4. Emergency Urban Relief. In addition to the enormous problem of refugee relief must be added the weight of an already severe condition of unemployment in the urban areas--a condition created in large measure by the withdrawal of American forces and funds--that with certainty must worsen drastically as the disruption of war takes its

toll on the productive economy. Many will be without work. Any humanitarian effort must be no less concerned for those who suffer deprivation in the cities than for those displaced by the war. Suffering is made no less bearable for being once removed from its cause. It is proposed that \$10 million be made available for programs to provide assistance to the urban destitute and to provide work for the unemployed and underemployed.

The foregoing summarizes A.I.D.'s current planning for an initial program of relief and limited resettlement. Planning in Washington and in Saigon is still actively underway. The Government of South Vietnam possesses the human resources and the all-too-frequently previously tested experience of dealing with relief programs on a large scale. The efforts of the Government are supported by dedicated and experienced personnel of the voluntary agencies, international agencies and A.I.D. who are working in close collaboration with the Government and with one another to attain a common objective.

American voluntary agencies with which A.I.D. has been working in both Cambodia and South Vietnam have given their assurance that they stand ready to respond to human need in any area where they are at liberty to operate. They are prepared to undertake relief and rehabilitation as well as their on-going programs. Although their U.S. personnel have been reduced, those remaining, along with local staffs, are assisting with the refugee problem. And they have highly experienced staff standing on call in nearby countries awaiting the opportunity to assist once the situation stabilizes.

The ultimate objective shared by all the organizations providing humanitarian assistance in South Vietnam is to help heal the wounds of war by reuniting families, assisting them during a difficult transition period, resettling them in new homes and bringing them back into the productive economy. A.I.D. seeks the authority to contribute, to whatever extent is feasible, toward programs to meet these objectives.

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(MILLIONS)

(computed at \$10/each refugee per month less rice)	\$ 60.0
B. Temporary refugee site development and camp construction (including Phu Quoc)	100.0
C. Integrated relief and resettlement by voluntary agencies (est. ten teams, one for each 100,000 refugees at \$1.2 million/team)	12.0
D. Refugee labor (non-skilled) for camp construction and maintenance (est. 200,000 workers for 150 days at \$1/da)	30.0
3. <u>Phu Quoc Resettlement</u>	
A. Phu Quoc resettlement (est. 110,000 refugees at \$200/each to cover housing, land development, road allowance, tools, etc., thru resettlement)	22.0
B. Phu Quoc resettlement village infrastructure (including classrooms, education materials, markets, access roads, water wells and other inter-hamlet infrastructure)	6.0
4. <u>Emergency Urban Relief</u>	
Emergency urban relief program	<u>10.0</u>
TOTAL	\$250.0

Illustrative
Total Cost Estimate
Care and Resettlement of 1,000,000 Refugees
Plus Urban Relief Support
(Through December 1976)

Assumptions

- a. Refugees will require temporary relief in refugee camps constructed to meet UN and AID standards for an average of one year.
- b. Work on resettlement will begin in July 1975, with initiation of land clearing on Phu Quoc Island.
- c. Actual relocation of families from camp to resettlement site will begin about Sept.-Oct. 1975, following initial land clearance/house construction activities.
- d. Resettlement requirements will include further 12 mos. rice allowance beyond average 1 year in camp allowance. This allows for work case timing of refugees moving onto resettlement land just too late to plant a full crop in the year of resettlement, thus necessitating an entire year of food support. In actuality, rice allowance can be shifted either way between temporary in-camp requirements and resettlement requirement.
- e. Rice allowance will, in general, be distributed in kind to refugees in camps and in cash to refugees upon resettlement.
- f. Refugee camps and resettlement areas will be sufficiently secure from overt hostile action to permit employment of Voluntary Personnel on location, in direct support of GVN MSW and civil authorities responsible for relief and resettlement.

Illustrative Costs

	<u>\$ million</u>
a. Emergency transportation and evacuation costs.	\$ 20.0
b. Temporary refugee site development and construction of ten camps (average capacity 100,000) at an average cost of \$100/refugee (assumes UN/AID minimum standards). Excludes refugee labor costs.	100.0
c. Temporary relief requirements (est. \$10/month/refugee) other than rice allowance.	120.0
d. Temporary relief (in-camp) rice allowances @ 500g/refugee/day.	90.0
e. Resettlement costs and allowance less village/hamlet infrastructure at average cost of \$200/refugee.	200.0
f. Resettlement Village/hamlet infrastructure based on an average of \$1.5 million per 25,000 refugees resettled.	60.0
g. Refugee labor daily hire costs based on one worker per family of 5 working 300 days at \$1.00 per day.	60.0
h. Urban relief	60.0
i. Voluntary Agency Relief and resettlement support teams (urban and refugee).	40.0
	<u>\$ 750.0</u>

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SUMMARY STATUS OF FUNDS
INDOCHINA POSTWAR RECONSTRUCTION

The proposed funds for Emergency Vietnam Relief and Resettlement are supplemental to funds appropriated under the Foreign Assistance Act (FAA) for Indochina Postwar Reconstruction (IPR) programs in Vietnam, Cambodia and Laos.

The table on the following page presents a summary of funds obligated and remaining unexpended (pipeline) and those current FY 1975 amounts remaining unobligated as of March 31, 1975. Footnotes on the table state some of the actions presently underway and limitations on taking further actions under present circumstances. Funds in the pipeline are under close, continuing review to determine whether cutbacks in on-going programs will permit deobligations which will make additional funds available for emergency relief and resettlement assistance. Since most of these funds are for economic stabilization programs, and the future economic, political and security situation remains unpredictable, it is not feasible to plan on availability of such funds for reprogramming.

A.I.D. will continue to manage closely those funds currently available under the Foreign Assistance Act which can be made available for emergency assistance in Vietnam. In the meanwhile, current supplemental funds will clearly be necessary in order to ensure that the necessary resources are available to provide the fullest extent of U.S. Government humanitarian assistance possible under the circumstances to the expected one million refugees and other victims caught in the war.

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INDOCHINA POSTWAR RECONSTRUCTION SUMMARY
PIPELINE ANALYSIS - 3/31/75
(\$ Millions)

FAA Appropriation Funds	<u>Vietnam</u>	<u>Cambodia</u>	<u>Laos</u>	<u>East Asia Regional</u>	<u>Multilateral Agencies(ICRC UNICEF & UNHCR)</u>	<u>Grand Total</u>
<u>Prior Year Funds</u>						
<u>Obligated^{1/} (But unexpended)</u>						
Exchange Support Fund (ESF)	-	-	-	-	-	
Commodity Import Program	26.32 ^{2/}	4.46	-	-	-	
Humanitarian Assistance	3.92	-	-	-	-	
Project Assistance	7.81	.59	5.78	.70	-	
Foreign Exchange Operations Fund	-	-	-	-	-	
	<u>38.05</u>	<u>5.05</u>	<u>5.78</u>	<u>.70</u>	<u>-</u>	49.58
<u>Current Year Funds (FY 1975)</u>						
<u>Unobligated</u>						
Exchange Support Fund (ESF)	-	4.88	-	-	-	
Commodity Import Program	20.00 ^{2/}	.90	-	-	-	
Humanitarian Assistance	39.80	-	-	-	3.50	
Project Assistance	2.25	10.07	.46	1.60	-	
Reserve	5.00	-	-	-	-	
Foreign Exchange Operations Fund	-	-	3.05	-	-	
	<u>67.05</u>	<u>15.85^{3/}</u>	<u>3.51</u>	<u>1.60</u>	<u>3.50</u>	91.51
<u>Obligated^{1/} (But unexpended)</u>						
Exchange Support Fund	-	-	-	-	-	
ICCS	4.10	-	-	-	-	
Commodity Import Program	70.10 ^{2/}	47.68 ^{4/}	-	-	-	
Humanitarian Assistance	15.55	-	-	-	3.50	
Project Assistance	5.88	9.47 ^{5/}	8.99	.72	-	
FEOF	-	-	-	-	-	
	<u>95.63</u>	<u>57.15</u>	<u>8.99</u>	<u>.72</u>	<u>3.50</u>	165.99
<u>Total FAA Funds</u>	<u>200.73</u>	<u>78.05</u>	<u>18.28</u>	<u>3.02</u>	<u>7.00</u>	<u>307.08</u>

- 1/ Obligated funds are needed to liquidate existing contractual obligations of the United States Government.
- 2/ The \$20 million recently allotted to the Vietnam CIP was obligated on April 11. Funds remaining unlicensed for the CIP as of April 11 totalled \$43.5 million. At current licensing rates, we expect these funds will be sufficient to sustain licensing through the first month of FY76. In the past we have carried more substantial amounts into a new fiscal year because of the time required to process new funds at the beginning of a fiscal year. This calculation does not take into consideration \$58.1 million of POL reimbursements, \$54 million of which are in bills which have been presented to A.I.D. by the GVN for payment already, which we have agreed to pay. We have deferred these payments in order to use our cash to pay for immediate emergency relief requirements.
- 3/ Section 655 of the FAA places a dollar ceiling on economic assistance to Cambodia. This ceiling has been reached so that no further obligation of appropriated funds is possible. Because of a recent \$3 million deobligation of ESF funds (which are treated as expended when obligated), \$18.85 million will be carried as unobligated funds once bookkeeping transaction is completed.
- 4/ As of April 15, 1975, approximately \$30 million of these funds will be required to liquidate existing contracts or grants with DOD, private suppliers, USDA, ocean carriers, etc.
- 5/ Of this amount, approximately \$5.4 million is needed to liquidate contracts and grants made with private voluntary agencies and suppliers.