

AGENCY FOR INTERNATIONAL DEVELOPMENT



Congressional Presentation Fiscal Year 1983

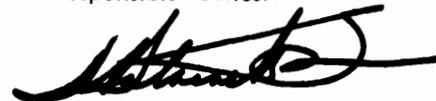
ANNEX IV

Near East

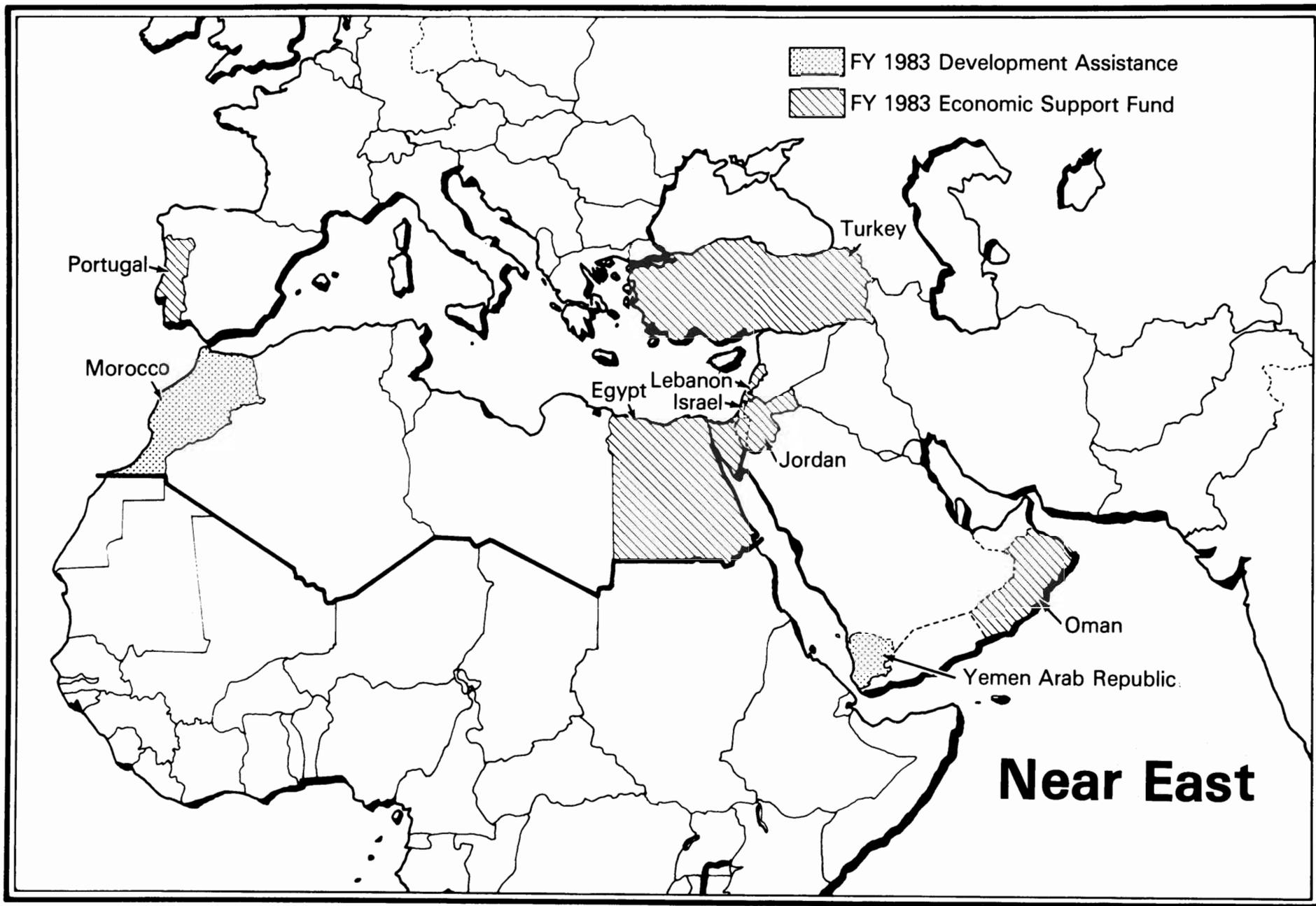
BEST AVAILABLE

NEAR EAST

Responsible Officer:

A handwritten signature in black ink, appearing to read 'W. Antoinette Ford', written over a horizontal line.

W. ANTOINETTE FORD
Assistant Administrator
Bureau for Near East



ANNEX IV

Annex IV presents to the Congress all the Economic Support Fund (ESF) and Development Assistance (DA) programs for the Near East for which A.I.D. is requesting funds for FY 1983.

The annex begins with a summary table which provides a breakout by country and appropriation account of Near East funding from FY 1980 to FY 1983 for both ESF and DA. There is also a regional summary table showing economic and social data for countries that receive A.I.D. DA and ESF. Immediately following these tables is an overview of ESF programs followed, in alphabetical order, by country narratives which describe the total A.I.D. program, including the projects for which funds are being requested in the eight countries and one regional program for FY 1983. The narratives are followed by planned project summary sheets which present in detail requests for proposed new projects in FY 83.

The next section of Annex IV presents an overview of the DA program, along with country narratives and planned project summary sheets for the two countries, plus the regional project which receive only DA. Note that the regional projects presented in this Annex are different from centrally funded activities, which are described in Annex V.

Annex IV concludes with tables summarizing terminating programs and additional program requirements, also known as "shelf projects." These include projects and activities not detailed in the proposal to Congress but which represent valid development requirements. To the extent that additional funds become available, such projects are candidates for funding in FY 1983. A.I.D. recognizes that inclusion of a project or activity as a "shelf" item does not constitute justification to the Congress for purposes of notification of program changes as required under the current appropriations act.

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

CP-83-01

REGION: BUREAU FOR NEAR EAST

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS

CYPRUS								
1980	15,000	---	---	---	---	---	15,000	---
1981	14,000	---	---	---	---	---	14,000	---
1982	15,000	---	---	---	---	---	15,000	---
1983	---	---	---	---	---	---	---	---
EGYPT								
1980	865,000	---	---	---	---	---	865,000	---
1981	829,000	---	---	---	---	---	829,000	---
1982	771,000	---	---	---	---	---	771,000	---
1983	750,000	---	---	---	---	---	750,000	---
ISRAEL								
1980	785,000	---	---	---	---	---	785,000	---
1981	764,000	---	---	---	---	---	764,000	---
1982	806,000	---	---	---	---	---	806,000	---
1983	785,000	---	---	---	---	---	785,000	---
ITALY								
1980	---	---	---	---	---	---	---	---
1981	4,035	---	---	---	---	---	---	4,035
1982	55,365	---	---	---	---	---	---	55,365
1983	---	---	---	---	---	---	---	---
JORDAN								
1980	69,000	---	---	---	---	---	69,000	---
1981	10,000	---	---	---	---	---	10,000	---
1982	15,000	---	---	---	---	---	15,000	---
1983	20,000	---	---	---	---	---	20,000	---
LEBANON								
1980	500	---	---	---	---	---	500	---
1981	4,000	---	---	---	---	---	4,000	---
1982	6,000	---	---	---	---	---	6,000	---
1983	8,000	---	---	---	---	---	8,000	---
MOROCCO								
1980	9,072	2,800	2,920	100	2,272	1,200	---	---
1981	12,008	4,864	2,500	925	3,580	199	---	---
1982	10,771	6,025	1,700	1,000	1,780	100	---	---
1983	13,500	6,708	1,900	1,700	2,305	387	---	---
OMAN								
1980	5,000	---	---	---	---	---	5,000	---
1981	---	---	---	---	---	---	---	---
1982	15,000	---	---	---	---	---	15,000	---
1983	15,000	---	---	---	---	---	15,000	---

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

CP-83-01

REGION: BUREAU FOR NEAR EAST

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS

POLAND								
1980	---	---	---	---	---	---	---	---
1981	---	---	---	---	---	---	---	---
1982	5,000	---	---	---	---	---	5,000	---
1983	---	---	---	---	---	---	---	---
PORTUGAL								
1980	40,000	---	---	---	---	---	40,000	---
1981	25,000	---	---	---	---	---	25,000	---
1982	20,000	---	---	---	---	---	20,000	---
1983	20,000	---	---	---	---	---	20,000	---
TUNISIA								
1980	10,979	6,495	1,615	2,195	---	674	---	---
1981	29,325	17,030	1,825	3,630	---	2,840	---	---
1982	5,000	---	---	---	---	---	5,000	---
1983	---	---	---	---	---	---	---	---
TURKEY								
1980	198,000	---	---	---	---	---	198,000	---
1981	200,000	---	---	---	---	---	200,000	---
1982	300,000	---	---	---	---	---	300,000	---
1983	350,000	---	---	---	---	---	350,000	---
YEMEN								
1980	11,656	5,542	---	3,264	2,850	---	---	---
1981	19,384	7,459	---	6,300	5,615	---	---	---
1982	24,879	13,879	---	4,300	6,700	---	---	---
1983	27,500	14,717	---	1,406	11,377	---	---	---
NEAR EAST REGIONAL - UA								
1980	2,615	175	---	42	2,129	270	---	---
1981	4,374	140	37	90	4,007	100	---	---
1982	3,500	125	50	150	3,075	100	---	---
1983	4,400	200	900	100	3,100	100	---	---
NEAR EAST REGIONAL - ESP								
1980	3,717	---	---	---	---	---	3,717	---
1981	7,150	---	---	---	---	---	7,150	---
1982	11,000	---	---	---	---	---	11,000	---
1983	15,000	---	---	---	---	---	15,000	---
TOTAL								
1980	2,815,560	14,812	4,535	5,601	7,251	2,144	1,981,217	---
1981	1,918,950	29,505	4,362	10,945	13,202	3,139	1,853,150	4,635
1982	2,055,415	20,029	1,750	5,510	11,561	200	1,969,000	55,365
1983	2,008,400	21,625	2,800	3,206	17,262	487	1,963,000	---

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: NEAR EAST

COUNTRY	ECONOMY		EDUCATION		POPULATION				HEALTH		
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
NEAR EAST ECONOMIC SUPPORT FUND RECIPIENTS											
EGYPT	480	44	43,444	3.0	3,751	112	44	50	1,193	54.8	90
ISRAEL	4,150	88	3,987	2.7	861	491	87	7	359	72.0	16
JORDAN	1,180	70	3,248	3.3	561	85	53	21	3,128	55.6	97
LEBANON	1,070	68	3,086	2.6	1,999	799	60	12	1,097	65.1	65
OMAN	2,970	20	923	3.1	239	11	20	63	1,911	47.0	142
PORTUGAL	2,180	70	10,045	1.1	635	282	26	25	815	69.2	39
SPAIN	4,380	90	37,732	.8	312	193	70	15	557	72.8	13
TURKEY	1,330	60	46,033	2.2	215	152	45	54	1,747	61.0	119
NEAR EAST ECONOMIC SUPPORT FUND RECIPIENT SUMMARY (1)	1,991	65	148,498	2.1	391	140	51	38	938	62.9	74
REGIONAL SUMMARY (1)	1,790	58	175,116	2.2	377	134	48	41	1,090	61.4	84

(1) THE TOTAL POPULATION FOR THE GROUP IS GIVEN;
OTHER SUMMARY FIGURES ARE POPULATION WEIGHTED ARITHMETIC OR HARMONIC MEANS, AS APPROPRIATE

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: NEAR EAST

COUNTRY	ECONOMY	EDUCATION	POPULATION					HEALTH			
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DUCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
NEAR EAST DEVELOPMENT ASSISTANCE RECIPIENTS											
MOROCCO	740	28	20,562	3.0	262	119	38	53	11,101	55.4	133
YEMEN ARAB REPUBLIC	420	13	6,056	2.3	1,046	80	9	76	14,740	44.8	160
NEAR EAST DEVELOPMENT ASSISTANCE RECIPIENT SUMMARY (1)	667	25	26,618	2.8	317	107	31	58	11,761	53.0	139

(1) THE TOTAL POPULATION FOR THE GROUP IS GIVEN;
OTHER SUMMARY FIGURES ARE POPULATION WEIGHTED ARITHMETIC OR HARMONIC MEANS, AS APPROPRIATE

NEAR EAST

ECONOMIC SUPPORT FUND PROGRAM

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OVERVIEW OF NEAR EAST
ECONOMIC SUPPORT FUND PROGRAM

ECONOMIC SUPPORT FUND OVERVIEW

CP 83-07 (11-81)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1981 Actual	FY 1982 Estimated	FY 1983 Proposed
<u>MIDDLE EAST</u>			
Israel	764	806	785
Egypt	730.125	771	750
Peace Program	98.875*	-	-
Jordan	10	15	20
Oman	-	15	15
Lebanon	4	6	8
Regional Activities	6.95	11	15
Regional Cooperation	(4.17)	(4)	(8)
West Bank/Gaza	(2.5)	(6)	(6.5)
Project Development & Support	(0.28)	(1)	(0.5)
Tunisia	-	5	-
TOTAL	1,613.95	1,629	1,593
<u>EUROPE</u>			
Turkey	200	300	350
Portugal	25	20	20
Cyprus	14	15	-
Poland	-	5	-
TOTAL	239	340	370
NEAR EAST TOTAL	1,852.95	1,969	1,963

For FY 1983, A.I.D. is requesting \$1,963 million in Economic Support Funds (ESF) for bilateral and regional aid activities in the Middle East and Europe. As in past years, the overriding objective of our assistance is to help bring peace to the Middle East and help resolve some of the economic problems the countries in the area face. By supporting social and economic development, we help governments there meet the reasonable expectations of their people that peace will bring

* Appropriated under the "Special International Security Assistance Act of 1979, Middle East Peace Settlement."

prosperity and an improved quality of life. Recent events, particularly the death of President Sadat, dramatically underscore the urgent need to continue our resource flow to promote security and peace in the Middle East. Our assistance to these countries contributes to the stability, peace, and longer term economic development of the region, as well as meeting the basic human needs of the people in this crisis-torn area.

Economic Support Fund assistance is requested for the following Middle East countries: Israel, Egypt, Jordan, Lebanon, and Oman. Funds are also requested for activities in the West Bank and Gaza Strip, and for other regional programs. The Middle East portion of the request is \$1,593 million, i.e. 81% of the total Near East ESF request. In addition, \$370 million is requested for urgently needed balance of payments support to Turkey, and for economic assistance to Portugal (the Azores) related to our military facility arrangement there.

In FY 1983, a \$785 million cash transfer is again requested for balance of payments support for Israel to help ensure continued political and economic stability. These funds directly support Israel's civilian economy and help Israel manage its large current account balance of payments deficit. This cash assistance is provided upon Israeli Government assurances that Israel will continue to import from the United States an amount of civilian goods at least equal to our level of economic assistance, that U.S. exporters will continue to enjoy equal access to Israeli markets, and that Israel will follow procedures worked out in cooperation with the U.S. Government for bulk shipments of grain on dry bulk carriers.

For Egypt, A.I.D. requests \$750 million in ESF and an estimated \$270 million in PL 480 Titles I, II, and III in FY 1983. Two hundred and fifty million dollars is requested for balance of payments support through the

ECONOMIC SUPPORT FUND OVERVIEW

CP 81-07 (8-79)

Commodity Import Program. Five hundred million dollars is requested for projects as follow: \$154 million for infrastructure projects including major sewerage, transportation, and housing in urban areas; \$98 million for village and neighborhood development activities, \$85 million for industrial development and expansion of the private sector; \$50 million for various health activities including family planning; \$50 million for basic education and linkages with U.S. universities; \$35 million to increase agriculture production and productivity; \$15 million for energy; and \$13 million for project development and other concerns.

For Jordan \$20 million is requested, primarily to develop adequate and safe water distribution and waste water treatment systems, to assist in the development of a national water authority to conserve and manage water, and for training of selected government of Jordan personnel in key economic and social development fields.

In Oman, \$5 million is requested in grants and \$10 million in loans in FY 1983 for the activities of the Omani-American Joint Commission. The Commission is undertaking a variety of technical assistance and capital investment projects. Early projects now in the design and development stage include a small dam and water recharge project, fisheries development, participant and vocational training, and design and construction of a potable water dam for the capital area.

For Lebanon, \$8 million is requested to help the Government of Lebanon rebuild this strife-torn country. The FY 1983 program will expand efforts to strengthen the capacity of Lebanese government institutions to deliver vital public services as reconstruction progresses. Funds will also be used for on-going private voluntary efforts in credit and vocational training, and in reconstruction.

An additional \$15 million is requested for regional ESF activities, including small scale development projects conducted by private voluntary organizations in the West Bank and Gaza Strip, technical and other forms of cooperative programs involving Israel and its Arab neighbors, and activities related to the design, development, and support of ESF projects.

For Turkey, A.I.D. is requesting \$350 million in FY 1983 to continue critically needed balance of payments support. Turkey is a close and valued NATO ally which is undergoing serious economic problems. It is making a vigorous effort to restore economic stability and growth. It is making good progress, but needs continued economic support from its allies in the Organization for Economic Cooperation and Development (OECD) to complete the structural reform program that is underway. AID's assistance will continue to be provided as part of a multi donor assistance effort.

In FY 1983, A.I.D. requests \$20 million for Portugal. This is in accordance with the Exchange of Notes in June 1979 between the United States and Portugal concerning the use of the Lajes Air Base in the Azores. These funds represent the fourth and final tranche of assistance under this agreement. The Government of Portugal has used earlier funds to support development programs in the Azores, a comparatively under-developed region of the country.

ECONOMIC AND SOCIAL DATA

COUNTRY: EGYPT

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981)	43,444
PER CAPITA GNP..... (DOLLARS, 1979)	480
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79)	3.4%
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	3.5% (1970-79) 8.0%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1975)	5.1%
LIFE EXPECTANCY AT BIRTH, IN YEARS	
(1978) TOTAL 54.8 MALE 53.0 FEMALE 56.1	
(1968) TOTAL 47.9 MALE 46.7 FEMALE 51.1	
ADULT LITERACY RATE (1976) TOTAL 44% MALE 57% FEMALE 29%	
(1960) TOTAL 26% MALE 40% FEMALE 12%	

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1980)	-0.5%
AGRICULTURAL PRODUCTION AS % OF GDP..... (1979)	23%
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981)	3,750
LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.	
MAJOR CROP(S)	ARABLE LAND YEAR
SUBSISTENCE: CORN WHEAT SORGHUM	54% (1980)
CASH: COTTON RICE VEGETABLES	24% (1980)
MAJOR AGRICULTURAL EXPORTS:(1980) COTTON POTATOES	
MAJOR AGRICULTURAL IMPORTS:(1980) WHEAT SUGAR VEG. OIL	
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979)	50%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.) (1977)	3,390 (78)	3,846 (79)	4,939
TOTAL EXPENDITURES (\$ MILLIONS, U.S.) (1977)	6,307 (78)	7,829 (79)	7,857
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.) (1977)	-2,917 (78)	-3,983 (79)	-2,918
DEFENSE EXPENDITURES, AS % OF TOTAL EXPENDITURES.. (1977)	25.1% (78) 23.1% (79) 25.2%		
AS % OF GNP..... (1977)	14.2% (78) 14.4% (79) 11.9%		
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$MILLIONS, U.S.) (1978)	596 (79)	633 (80)	1,149
EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1979)			

FOREIGN TRADE

MAJOR EXPORTS... (1979)	CRUDE OIL	COTTON	TEXTILES
EXPORTS TO U.S. (\$ MILLIONS, US, FOB) (1978)	95	(1979)	63 (1980) 443
AS % OF TOTAL EXPORTS (1978)	5%	(1979)	3% (1980) N.A.
MAJOR IMPORTS... (1979)	FOODSTUFFS	MACHINERY	FERTILIZERS
IMPORTS FROM U.S. (\$ MILLIONS, US, CIF) (1978)	1100	(1979)	684* (1980) 2001
AS % OF TOTAL IMPORTS (1978)	16%	(1979)	18% (1980) N.A.
TRADE BALANCE(\$ MILLIONS, U.S.) (1977)	-3,108 (78)	-4,990 (79)	-1,997
MAIN TRADING PARTNERS: UNITED STATES ITALY GERMANY, FED			
EXTERNAL PUBLIC DEBT AS % OF GNP (1979)	60.4%		
SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... (1979)	41		
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979)	15.8%		

SOCIAL DATA

POPULATION GROWTH RATE... (1970)	2.2%	(1975)	2.2%	(1980)	3.0%
POPULATION IN URBAN AREAS..... (1969)	42%	(1977)	44%		
LIVE BIRTHS PER 1,000 POPULATION..... (1970)	37	(1981)	41		
MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978)	20%				
POPULATION (1978) IN AGE GROUP: (0-14YRS) 40.2% (15-64YRS) 56.3% (65+ YRS) 3.5%					
INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1975)	90				
PEOPLE PER PHYSICIAN..... (1970)	1,193				
MAJOR CAUSES OF DISEASE (1977) HEPATITIS TYPHOID FEVER MEASLES DEATH.. (1977) GASTROINTESTINAL SENILITY RESPIRATORY					
PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	109%				
POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975)	60%				
TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP: PRIMARY..... (1978) TOTAL 74.0% MALE 88.0% FEMALE 56.0%					
SECONDARY..... (1978) TOTAL 47.0% MALE 60.0% FEMALE 33.0%					
HIGHER SECONDARY.. (1976) TOTAL 14.5% MALE 19.8% FEMALE 8.7%					
ENERGY PRODUCTION AS % OF CONSUMPTION..... (1979)	20%				

*FIGURES FOR U.S. EXPORTS AND IMPORTS ARE PROVIDED BY THE INTERNATIONAL MONETARY FUND. THE 1979 FIGURE FOR IMPORTS FROM THE U.S. IS CLEARLY WRONG, INCONSISTENT WITH OTHER IMF DATA. IT IS LESS THAN HALF WHAT IT SHOULD BE.

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	EGYPT	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80
		TQ	1977	1978	1979	1980			
		PROGRAM							
I. ECONOMIC ASSISTANCE -- TOTAL									
	Loans	443.0	796.8	797.1	480.7	565.3	4310.1	517.9	3792.2
	Grants	108.9	110.9	145.9	607.4	601.1	2063.1	-	2063.1
a. A.I.D. and Predecessor Agencies									
	Loans	429.0	600.0	617.4	250.0	280.0	2711.7	128.1	2583.6
	Grants	107.8	99.2	133.5	585.0	585.0	1753.6	-	1753.6
	(Economic Support Fund)	536.8	699.3	750.8	835.0	865.0	4465.3	128.1	4337.2
b. Food for Peace (PL 480)									
	Loans	15.7	208.5	192.2	253.1	301.4	1696.7	379.1	1517.6
	Grants	14.6	196.8	179.7	230.7	285.3	1587.7	379.1	1208.6
	Grants	1.1	11.7	12.5	22.4	16.1	309.0	-	309.0
	Title I - Total Sales Agreements	14.6	196.8	179.7	230.7	285.3	1623.6	379.1	1244.5
	Repayable in U.S. Dollars - Loans	14.6	196.8	179.7	230.7	285.3	1128.8	103.7	1025.1
	Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	494.8	275.4	219.4
	Title II - Total Grants	1.1	11.7	12.5	22.4	16.1	273.1	-	273.1
	Emerg. Relief, Econ. Develop. & World Food Program	*	5.1	3.3	6.8	3.3	51.3	-	51.3
	Voluntary Relief Agencies	1.1	6.6	9.2	15.6	12.8	221.8	-	221.8
c. Other Economic Assistance									
	Loans	-	-	0.1	-	-	11.2	10.7	0.5
	Grants	-	-	-	-	-	10.7	10.7	-
	Peace Corps	-	-	0.1	-	-	0.5	-	0.5
	Narcotics	-	-	-	-	-	-	-	-
	Other	-	-	0.1	-	-	0.1	-	0.1
	Other	-	-	-	-	-	0.4	-	0.4
II. MILITARY ASSISTANCE -- TOTAL									
	Credits or Loans	-	-	0.2	1500.4	0.8	1501.4	27.7	1473.7
	Grants	-	-	-	1500.0	-	1500.0	27.7	1472.3
	Grants	-	-	0.2	0.4	0.6	1.4	-	1.4
a. MAP Grants									
b. Credit Financing - FMS									
c. Military Assistance Service-Funded (MASF) Grants									
d. Transfers from Excess Stocks									
e. Other Grants									
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE									
	Loans	443.0	796.8	797.1	1980.7	565.3	5810.1	545.6	5264.5
	Grants	108.9	110.9	146.1	607.8	601.9	2064.5	-	2064.5
Other U.S. Government Loans and Grants									
	a. Export-Import Bank Loans	-	-	1.2	91.4	9.5	521.5	248.7	72.8
	b. All Other Loans	-	-	-	91.4	9.5	185.8	91.7	94.1
		-	-	1.2	-	-	135.7	157.0	21.3

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES -- COMMITMENTS

	FY 1979	FY 1980	FY 1981	FY 1946-81
TOTAL	352.6	521.8	381.9	2549.4
IBRD	188.0	206.0	153.0	1275.2
IFC	7.5	32.5	5.3	74.5
IDA	134.5	215.0	197.6	979.3
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDR	9.7	0.0	19.4	44.1
INDP	8.5	3.3	2.3	86.3
OTHER-UN	4.4	0.0	3.3	25.0
FEC	0.0	65.0	0.0	65.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1979	CY 1980	CY 1976-80
TOTAL	1056.8	1227.8	4288.6
U.S.	648.0	861.0	2849.0
Germany	132.0	111.7	509.5
Japan	132.7	123.4	472.3
France	59.7	34.6	139.8
Canada	10.9	31.1	58.0
Other	73.5	66.0	260.0

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

	CY 1979	CY 1980	CY 1976-80
TOTAL	43.1	24.6	2480.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1979	CY 1980	CY 1954-80
TOTAL	-	395	2,855
USSR	-	-	1,440
Eastern Europe	-	300	1,225
China	-	95	190

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1981 Actual	FY 1982 Estimated	FY 1983 Proposed
Grants	759	771	500
Loans	70	--	250
Total	829	771	750

Executive Summary

The recent assassination of President Sadat reemphasizes the central importance of Egypt to U.S. foreign policy objectives in the Middle East. A continued high level of bilateral economic assistance to reinforce both near-term stability and longer-term economic growth is central to U.S. efforts to secure a just and lasting peace in the region.

At the time of the resumption of U.S. economic assistance in 1975, Egypt was in serious economic disarray and faced an imminent balance of payments crisis. Since then, the nation, under President Sadat's leadership and with substantial U.S. assistance, stabilized its economy and rebuilt much of the war-torn capital and social infrastructure base. Egypt entered a period of relatively strong economic performance with growth rates averaging eight to nine % a year fueled by foreign assistance, increased petroleum exports,

FY 83 PROGRAM HIGHLIGHTS

A total of \$750 million is requested, to be allocated as follows:

	(\$ million)
Commodity Imports	250
Infrastructure	154
Decentralization	98
Industry	85
Health and Population	50
Education	50
Agriculture	35
Other Priority Concerns	28

expatriate worker earnings, tourism, and Suez Canal receipts.

However, continued strong economic performance in the 1980s may be adversely affected by a potential leveling off or drop in foreign exchange earnings, particularly as oil reserves decline in the future, and by rapidly increasing rates of domestic consumption caused by unrealistically low energy prices and subsidized food.

Sustained stability and economic growth in the post-Sadat era will depend to an important degree on Egypt's being able to meet its consumption requirements while maintaining a level of investment sufficient to generate increased employment and income growth. This is likely to come about only through improved industrial performance as other sources of investment decline or level off. Industrial growth will depend heavily on improving the efficiency with which Egypt uses its human and financial resources as well as expanding the capital

CP 83-06 (8-81)

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	452,810	352,843	281,289
Grants	270,356	493,961	658,863
Total AID	723,166	846,804	940,152
P.L. 480**			
Title I	275,000	275,000	250,000
(of which Title III is)	(14,900)	(15,000)	(25,000)
Title II	28,949	26,711	21,344
Total P.L. 480	303,949	301,711	271,344
Total AID and P.L. 480	1,027,115	1,148,515	1,211,496

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

CP 83-14 (8-81)

Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	1,500	275,000	1,500	275,000	1,275	250,000
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ... (of which Title III is)	/	275,000 (14,900)	/	275,000 (15,000)	/	250,000 (25,000)
Title II						
Voluntary Agencies	/	22,524	/	17,719	/	9,945
World Food Programs	/	6,425	/	8,992	/	11,399
Govt.-to-Gov't. ...	/	-	/	-	/	-
Title II Total ...	/	28,949	/	26,711	/	21,344
Total P.L. 480	/	303,949	/	301,711	/	271,344

CP 83-17 (8-81)

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel^a			
Direct Hire ^b	134	135	136
PASA ^c	7	8	8
Contract	29	36	36
Total	170	179	180
Participants^d			
Noncontract	463	469	447
Contract	326	418	552
Total	789	887	999

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1982 and FY 1983 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

plant and supporting infrastructure.

The A.I.D. program, designed to help Egypt meet the demands of the 1980s, is built around three central objectives: stability, productivity, and equity.

The Commodity Import Program and Food for Peace assistance remain the principal vehicles for direct support of near-term economic stability. Longer-term project assistance has been invested in infrastructure, industry, management, agriculture, decentralization, health and population, education, and science and technology. These investments aim at promotion of overall productivity and employment gains through rehabilitation and expansion of Egypt's social and industrial infrastructure.

As it completes its sixth year since resumption of U.S. assistance, the A.I.D. program has attained considerable momentum. Total FY 1981 program disbursements were

\$1,027.1 million, nearly equalling obligations (\$1,132.9 million). The most impressive FY 1981 gains were in project disbursements, which at \$350 million were up 75% over FY 1980. Higher disbursements resulted from a variety of factors, including the increased use of quicker-disbursing program implementation modes, the maturation of a number of large capital projects, and greater attention to implementation by the Government of Egypt.

A.I.D. program results are increasingly visible in such areas as electric power generation and distribution, village infrastructure, telecommunications, port capacity, commercial transport, urban water and sanitation systems, and an expanded population program which is building on accelerating acceptor rates in both urban and rural areas.

For FY 1983, \$750 million in Economic Support Funds is requested, to be allocated as follows: commodity imports (\$250 million), industry and finance (\$85 million), infrastructure (\$154 million), development decentralization (\$98 million), agriculture (\$35 million), health and population (\$50 million), education (\$50 million), and other priority concerns (\$28 million). Two-thirds of the \$750 million in ESF will be grants and one-third will be loans. An additional \$271 million is requested for PL-480 Food for Peace assistance under Titles I, II and III.

DEVELOPMENT OVERVIEW

Egypt today shares many traditional characteristics of other developing countries. It has a low per capita income (\$480), a rapidly growing population and a limited land base. Nearly 50% of the labor force is engaged in agriculture. It has a relatively low literacy rate, high infant mortality and high fertility, inadequate housing and high inflation. Yet in many other respects, Egypt is atypical. It is highly urbanized and industrialized. It is comparatively sophisti-

cated technologically and scientifically. Its agricultural productivity rates are high. It has a large network of hospitals, clinics, schools and social centers dedicated to the needs of its poor - a system which it pioneered a full quarter of a century before most other developing nations. Finally, Egyptian foreign exchange earnings, fueled by petroleum exports, expatriate worker earnings, Suez Canal revenues, tourism and significant levels of foreign assistance, grew rapidly over the six years prior to 1981.

Egypt's current economic and social condition is traceable in large part to forces put in motion by the revolution of 1952. Those coming to power at that time perceived that Egypt had been exploited not only by foreign interests, but also by the concentration of land and capital in the hands of a conservative local aristocracy. With the revolution the stage was set for a series of far-reaching structural changes in Egypt's economy aimed at dramatically reducing the gap between rich and poor. A succession of land reforms in the 1950s and early 1960s moved Egypt's land tenure system from one of large estates to one in which owner-operators working small one to five acre farms became the norm. The socialist decrees of the 1960s laid the foundation for an equally dramatic transfer of urban and industrial wealth. This same period witnessed an extraordinary investment of financial and human capital in the extension of social services to both the rural and urban poor. An enormous infrastructure was created to bring public education and public health to most Egyptians. By the mid-1960s Egypt stood in the vanguard of developing countries in terms of equity, social services and physical quality of life indices.

The growth of the welfare system in Egypt had its costs, however. The largely private sector industrial and commercial economy of small and medium sized enterprises which had operated at considerable efficiency was overshadowed, and in many instances replaced altogether, by large-scale, state-owned heavy industry. Production, with little regard for efficiency, was the watchword.

Investment decisions were made with scant attention to Egypt's comparative advantage. By the early 1970's the Egyptian economy was saddled with enormous social welfare charges on the national budget. The inefficient state industries were an equally costly budget client. A further diversion of resources to defense expenditures left social and industrial infrastructure inadequately developed and with huge deferred maintenance needs.

With the articulation of the "open door" policies of the late President Sadat, as well as the move towards regional peace, and the ensuing measures intended to liberalize the Egyptian economy, Egypt has moved into a period of economic transition. The key elements of this transition involve a movement toward market-oriented systems for the allocation of resources and establishment of prices, the physical rehabilitation and/or replacement of Egypt's depreciated and war-damaged infrastructure and capital plant, an increased role for the private sector, and an effort to develop policies and programs which ensure productive employment and improved living standards for all Egyptians. Historic commitments to equity and social welfare remain strong, but the nation's policymakers are increasingly cognizant of the fact that social welfare has to be financed out of economic growth and that economic growth in turn is contingent on improving the efficiency with which Egypt uses its human and financial resources.

TOTAL RESOURCES

The past six years witnessed unprecedented shifts in the sources and magnitudes of total resources available to finance Egyptian development.

In 1975, upon the resumption of U.S. assistance, the economic scene in Egypt was grim. The economy was slowly emerging from an extended period when growth (at about 3%) was no more than keeping pace with population growth. The ouster of the Soviets had virtually cut off that traditional avenue of financial support. The substantial costs of the October War with Israel had

drawn budgetary resources away from needed investments to maintain and improve infrastructure. Egypt's external account was deeply in debt -- much of it short-term. Its international credit rating had plummeted and a balance of payments crisis of serious proportions was imminent.

Since the mid-1970s, rising oil prices, worker remittances, tourism and Suez Canal earnings, massive donor assistance (including Arab contributions) and enhanced confidence stemming from the new open door policies all coincided to stem and reverse the resource crisis in Egypt. Worker remittances and oil revenues rose substantially to levels of around \$2 - 3 billion by 1980. Earnings from tourism (\$776 million in 1980) and the Suez Canal (\$664 million in 1980 and estimated at \$900 million for 1981) also increased dramatically. Revenues from foreign aid burgeoned, led by U.S. bilateral assistance levels, which averaged around one billion dollars yearly on a commitment basis and major additional commitments from the World Bank, Western Europe, Japan, and other donors. In response to these favorable developments, the real growth rates between 1975 and 1980 in gross national product and private consumption averaged an estimated eight to nine percent annually. Domestic private investment during this period grew at an average annual rate of 40% (although from a very low base). Annual investment reached about 26% of GNP in 1980. Correspondingly, gross national savings as a percent of GNP rose from about 5% in 1974 to 19% in 1977 and 23% in 1980.

Largely in response to the sharp rise in oil prices in 1979 and enhanced production levels, the balance of payments deficit on goods and services declined from \$1.6 billion in 1979 to less than \$600 million in 1980. In 1980 the overall balance of payments showed a small surplus of \$500 million, enabling foreign exchange reserves to rise from \$596 million to about \$1100 million. These reserves were, however, only equal to about two months' of imports at 1980 levels. These and continuing improvements in the overall status of Egypt's

economy were major factors behind visible gains in the day-to-day quality of life for the Egyptian people.

United States direct bilateral assistance over the period since 1975 totalled more than \$6.6 billion. Gross official development assistance from all donors peaked in 1977 (the last year of Arab aid to Egypt) and have remained under \$2 billion since then. Thus, while bilateral and multilateral donor resources have been substantial in absolute terms, they have declined in size relative to other foreign exchange flows.

Prospects over the next five years for maintaining recent favorable economic trends are in serious doubt. They are clouded by an unexpected tapering off of the recent sharp growth rates in foreign exchange revenues that have fueled growth in investment, consumption and employment. Two potential developments could adversely affect the balance of payments and resource availabilities for the next few years. The first relates to oil earnings. Egypt's proven oil reserves are modest. If current explorations are unsuccessful on a large scale, a potential drop in oil exports can be anticipated as the exportable surplus declines because of rapidly increasing domestic consumption, stimulated by unrealistically low domestic energy prices. The recent softening in external oil prices and demand further clouds the outlook. In short, real foreign exchange earnings from petroleum may begin to decline. At the same time, workers' remittances can be expected to grow at a more modest rate in the next five years.

A critical test for the 1980s, therefore, is how rapidly Egypt can begin to generate major earnings of foreign exchange other than petroleum and workers' remittances. While some limited gains can be expected in the agriculture sector, major gains in exports, employment and production can only be realized in the industrial and industrially related services sectors. Industrial gains will require a fundamental overhaul of the production process in many industries, significant changes in manpower and pricing policies, and a rapid movement from

inefficient tariff-protected and import-substitution industries to competitive export industries. Short-term political and economic costs in turning industry around will be unavoidable, but the potential future gains are substantial.

UNITED STATES INTERESTS AND OBJECTIVES

The overriding objectives of the United States in the post-Sadat era continue to be to achieve regional peace, stability, and security, broaden the base of the present Egyptian-Israeli peace agreement, and bring all of the principal parties of the Arab-Israeli dispute into a comprehensive peace settlement.

Egypt is the most populous Arab nation and remains central to the future of the Middle East. A stable Egypt with a vigorous and growing economy is important both to the short-term concern with restoring momentum to the peace negotiations and to the long-term concern of regional security and stability. An additional period of substantial U.S. economic assistance to Egypt to support stability and growth is anticipated. This is particularly important, in the aftermath of the death of President Sadat, to help the nation maintain stability during the readjustment period and continue progress toward sustained high levels of economic development and growth.

A.I.D. ASSISTANCE STRATEGY

The U.S. strategy is to provide direct support for economic stability in the near term while building the base for improved economic productivity and equity upon which long-term stability will depend. The A.I.D. program is designed to accomplish three mutually supportive objectives: stability, productivity, and equity.

Economic Stability

Food for Peace assistance and the Commodity Import Program (CIP) remain the principal tools for the direct

support of near-term economic stability. Both play an important role in helping Egypt's foreign exchange reserves and balance of payments accounts.

While A.I.D. strategy has been effective over the past six years in supporting short-term economic stability, the United States and the Government of Egypt share a growing concern for ensuring that fundamental structural changes take place within the national economy which will support growth and stability over the longer term. Two elements of this process of structural reform stand out in United States development strategy in Egypt: productivity and equity.

Increasing Production and Productivity

Egypt is not getting an adequate overall return on its substantial capital plant or on its large and well-trained pool of human capital.

Overly centralized state management of the economy, statutory rigidities in the financial system, inadequate support to the private sector, "pricing by fiat" rather than market prices, and an unbalanced approach to welfare and economic objectives all contribute to low levels of productivity within the Egyptian economy.

A.I.D.'s strategy to promote gains in productivity operates along a number of simultaneous fronts. A.I.D. investments finance rehabilitation and expansion of Egypt's existing social and industrial infrastructure. They promote private-sector investment in new productive facilities. Funding is provided for modernization of the infrastructure critical to increased private industrial investment. Through these programs A.I.D. promotes the overall liberalization of the economy and a more balanced mix between the public and private sectors. A.I.D. is also concerned with the need for macro-economic policy reforms aimed at rationalizing factor and commodity prices, particularly the cost of capital to both public and private investors. There has been some progress -- for example, in interest and

exchange rate adjustments -- but the move to price rationalization remains disappointingly slow.

Particular attention is also being given to the issues of employment and capital savings technology. Both are intimately related to the macro-economic policy concerns. Egypt's labor force is distributed among three broad sectors: agriculture, services, and industry. The agricultural employment level has reached a natural peak and is expected to contribute little in new direct gains although modernization of some elements of agriculture could lead to new jobs in processing and marketing. Egypt has reached the stage where more than half of farm family income comes from off-farm sources and this trend can be expected to increase. While the service sector has already expanded employment greatly, potential growth is still significant. The private component of this sector (consisting of small commercial establishments, retail and micro-retail operations, etc.) is fueled by the process of urbanization and the concomitant demand for urban services. However, in both public and private industry there are fundamental employment problems. Public industries, like public services organizations, are marked by redundant labor which undermines their effectiveness. Private industry has less redundant labor, but is encouraged to substitute capital for labor by a combination of underpriced investment capital and inflexible labor laws.

The employment challenge for the future lies not simply with "job creation", as is done at present, but to provide employment opportunities which genuinely reflect an economic demand for labor and Egyptian comparative advantage.

A.I.D. and the Government of Egypt look to private elements of the service and industrial sectors to provide the new employment. If new productive jobs are to be created at modest cost they must be associated with technologies which are low in demands for capital.

However, efforts at employment generation will be inade-

quate unless fundamental changes in factor and output prices occur. Underpriced capital and drastically underpriced energy are intrinsically opposed to efficient employment generation and capital conservation. Consequently, A.I.D. strategy in employment and capital saving technology is both project-oriented, to put new activities in the field, and policy-oriented, aimed at supporting those fundamental macro-policy changes which determine the costs of new jobs, the appropriateness of technological choices, and the efficiency with which capital is used.

Sustaining Equity

The 1980s pose hard choices for Egypt in its efforts to reinforce equity considerations. Continuing subsidization of public enterprises and services as well as unrestricted consumer demand risk recurring and growing financial shortfalls impairing the nation's ability to promote effective employment. This inevitably impacts most heavily on the poor.

In tandem with economic reforms and economic liberalization in the productive sectors, Egypt will have to find welfare policy instruments better targeted toward disadvantaged groups. Studies and discussions during 1981 suggest progress may be made in this area during 1982, but substantial political misgivings on the effects of change remain and are a key determinant of the types, extent and pace of changes in the subsidies system.

Capital saving technology in public services is another promising avenue, and A.I.D. strategy in the social services is to identify low-capital interventions which improve the productivity of the existing capital plant.

U.S. investments in health programs must meet the test of providing cost effective ways to improve the physical quality of life. More effective training and use of local paramedics will ensure that health clients, particularly the most vulnerable maternal-child groups, are treated at an appropriate level of the health system.

This means shifting from a high-cost curative approach to a more cost-effective, preventative one.

In education the strategy leads to an investment in new primary school capacity in areas where enrollments, particularly for females, are lowest. This is the least-costly way to promoting universal basic education and increasing literacy.

Population remains a central concern of A.I.D.'s assistance strategy. Neither short-term investments in economic stability nor longer-term investments in increased productivity and equity will succeed if population gains continue to erode economic progress. A.I.D.'s population strategy has three elements. The first is to accentuate the awareness of Egypt's leadership and the general public that greater emphasis on family planning is essential to the future economic and social well-being of the nation. The second involves the restructuring and revitalizing of delivery services through: planning, education, and training; more active private sector participation; improved management; and increased accessibility to family planning supplies, including household delivery by community health workers. There is evidence of far stronger support for family planning at the local level than in the central ministries. Consequently, the third element of our strategy is increased emphasis on private community-based delivery of contraceptives services, particularly in urban areas.

A.I.D. PROGRAM (FY 1975-1982)

Since the resumption of U.S. assistance in 1975 approximately \$6.6 billion has been obligated in support of the overall U.S. program objectives of stability, productivity and equity.

Balance of Payment Support

Of this level, about \$3.7 billion, or 56%, has been provided under the Commodity Import Program (CIP) and

Public Law 480 (PL-480). These programs have helped primarily to promote stability by furnishing balance of payments support and insuring adequate stocks of needed equipment and supplies. The CIP, in addition, has served effectively as an instrument for achieving development objectives.

Some 8.5 million metric tons (MT) of wheat or wheat flour equivalent, 1.1 million MT of corn and 102,000 MT of other grains have been provided under the PL-480 program. Wheat under this program presently supplies an estimated one out of every three loaves of bread sold in the nation's urban markets. In FY 1981 \$304 million was provided under PL-480 programs and \$300.2 million is planned for FY 1982.

The CIP finances raw materials, spare parts for industry and commerce, consumables and some capital equipment such as trucks, construction equipment, and plant machinery. A partial listing of purchases under the CIP since 1975 includes:

Raw Materials

-- 102,000 MT of tinsplate, 1.2 million MT of coking coal, 581,000 MT of tallow, 72,000 MT of wood pulp, 7,000 MT of short staple cotton, 40,000 MT of industrial chemicals (e.g. caustic soda, sulfur ore), and 22,000 MT of scrap iron.

Consumables:

-- 38,000 MT of frozen chicken and 162,000 MT of cotton seed oil to help offset Egypt's food deficit requirements.

Capital Equipment and Spare Parts

-- 135 fully-equipped ambulances, 1,677 buses, 1,200 pick-up trucks, 315 medium and 399 heavy duty truck/trailors, and 138 garbage trucks.

-- 1,127 railway freight cars including 15 refrigerated cars; 250 rebuilt diesel locomotive engines, and a new signalling system for the Egyptian Railway Service.

-- 2,400 tractors assembled in Egypt and distributed to farmers and farm organizations throughout Egypt.

-- Firefighting equipment provided for civilian airports at Luxor, Abu Simbel, El Arish, Aswan and St. Catherine.

-- 247 marine diesel engines to help improve Nile cargo transport.

For the most part, CIP activities require little design and/or engineering. However, in some limited instances, more extensive systems have been financed to achieve relatively quick gains in productivity. Examples include a Vessel Traffic Management System for the Suez Canal, which is now operational; the Greater Cairo Microwave Telecommunications system; and a package of transmitting equipment and a 2,000 line telephone exchange to extend radio service to the Western Desert area.

In FY 1981 \$300 million was provided for CIP activities including \$15 million in funds set-aside for basic educational materials, \$35 million for private sector activities, and \$25 million for a newly established Trade Financing Facility (TFF). The TFF is a special CIP set-aside to encourage Egyptian purchasers to utilize U.S. suppliers through matching of concessional lending terms offered by non-U.S. suppliers for international tenders in situations where the U.S. suppliers are otherwise the lowest bidders. In FY 1982 another \$300 million is planned for additional CIP activities including selective set-asides and replenishment of the TFF.

Project Assistance (1975-1982)

Since 1975, basic investments have been made through

project assistance in infrastructure, industry, management, agriculture, decentralization, health and population, education, and science and technology.

In infrastructure, A.I.D. has obligated just under \$1.4 billion to rehabilitate, modernize and expand Egypt's capital and social infrastructure base.

More than \$615 million (including \$86 million in CIP funds) has been committed to four electric power generation facilities, extensive distribution lines and a computerized national control and load-sharing center. Two gas turbine power plants - at Helwan and Talkha - are complete and have added 300 megawatts to the national power grid. A third plant, a steam power facility at Ismailia is nearing completion and will add another 450 megawatts. A fourth plant, the 900 megawatt Shoubrah Thermal Power Plant, is being co-funded by a group of donors including A.I.D., the World Bank, EEC and Japan. Civil works construction on this five-year project has just begun. When completed, annual megawatt output of this plant plus the other A.I.D.-financed facilities will about equal that of the Aswan High Dam. Construction of the National Energy Control Center is well advanced, and the Center should be operational in mid-1982.

In telecommunications, \$200 million in project and \$65.5 million in CIP funds have been committed to replace selected obsolete telephone exchanges in Cairo and Alexandria with modern electronic switching equipment. A major award for approximately \$85 million in switching equipment was recently made.

Other capital infrastructure investments include \$86.3 million for grain, tallow and fats storage and distribution facilities in Cairo, Alexandria and the Red Sea Port of Safaga, and \$61 million for port improvements and equipment at Alexandria and Suez.

In social infrastructure \$358.4 million has been committed to help finance programs planned by the

Egyptian Government to rehabilitate and expand the water and sewerage systems of Cairo, Alexandria and key provincial cities. \$80 million has been obligated for a low-cost housing project eventually to encompass 150,000 persons, principally in the industrial center of Helwan, south of Cairo.

In FY 1982, \$175 million is planned for the following infrastructure projects: \$10 million to develop and test cost-effective water and wastewater disposal systems in low-income neighborhoods of Cairo; \$60 million to replace the essential parts of twelve turbines at the Aswan High Dam; \$60 million to cover expansion of the Safaga grain silos project, and \$25 million for telecommunications.

In industry, A.I.D. has obligated \$657.1 million (including \$136 million in CIP funds for the private sector) to increase overall production and productivity in both the public and private sectors through rehabilitation and expansion of existing ventures and establishment of new ones. The latter are primarily in the private sector. One hundred ninety-five million dollars of this is for two cement plants which, when completed, will produce about 2.4 million MT annually, raising national production by 40 percent. One of these, the Suez Cement Company, is nearing completion and should be operational by late 1982. The \$96 million A.I.D.-financed Mehalla Textile Plant rehabilitation and modernization program is virtually complete. Under the Industrial Production Project, a \$145 million fund to rehabilitate public sector companies and provide them with access to technology, technical assistance and improved environmental conditions has been established. Rehabilitation activities are presently under way or planned in ten plants.

Private sector growth is being encouraged through a \$306 million package of both short and longer term credit arrangements and technical assistance (including private sector CIP) either exclusively or substantially targeted at private sector ventures. FY 1982 planned activities

total \$145 million including a first tranche of \$50 million for a private sector production credit program, \$60 million for a joint venture company to raise national output of flat glass for household and industrial use by 100,000 MT a year, and an initial amount of \$35 million to support an integrated package of both public and private sector investment activities.

In an effort to maximize gains from a wide range of investments in industry and infrastructure and to firm up the institutional base for Egypt's public and private sector companies, A.I.D. has fielded a range of specific management training and upgrading projects worth \$70.5 million including the recently expanded \$39 million Industrial Productivity Improvement project.

Since 1975 A.I.D. has obligated \$304.4 million for a package of agricultural projects centering on research and development, training, and technology transfer. An additional \$117.5 million was committed for construction of facilities to store grain and other agricultural commodities and for irrigation canal dredging equipment. Research and development projects have been directed at improving small farmer output and income through better management of water, easier access to improved technologies and research results on rice and other major cereals, timely credit availabilities, cooperative activities, aquaculture development and poultry production. Activities such as irrigation pipe production, provision of canal dredging and irrigation pumping equipment, and the newly funded Irrigation Management Systems project (263-0132) are aimed at improving the efficiency of specific elements of the infrastructure base supporting agriculture.

A.I.D. is fully committed to the Egyptian Government's program of decentralization which is attempting to shift administrative and programmatic decisions from central government to local jurisdictions. A.I.D. activity in this area began only recently. However, considerable accomplishments have already been realized in nine governorates throughout Egypt.

The first project of this kind, Development Decentralization I, established a loan program to allow village councils to engage in small income-producing ventures. This was followed by the Basic Village Services project (263-0103), which funds small-scale infrastructure in rural areas; the Decentralization Support project (263-0143), which provides essential equipment to governorates; and the Urban Neighborhood Services project (263-0153) which finances neighborhood level infrastructure improvements in urban areas. These four projects presently total \$166.2 million plus \$45 million of a planned five-year, \$75 million Food for Development Title III agreement. In FY 1982 A.I.D. plans to obligate an additional \$75 million for decentralization activities, including \$30 million and \$25 million replenishments for the Basic Village Services and Decentralization Support projects respectively.

In health A.I.D. has provided \$73.8 million, and \$28 million is planned for FY 1982 obligation. A.I.D.'s two basic objectives in this sector are a reduced fertility rate and a reduction in infant mortality. A.I.D. resources are concentrated in efforts to improve the delivery of services in rural and urban areas, particularly to the most vulnerable maternal and child groups. In FY 1982 A.I.D. plans to add \$18 million to two existing projects, one in rural health and one in medical education for rural areas, and \$10 million for a new training project to improve the outreach of basic health care to communities through training of paraprofessionals and continuing education for rural doctors.

A population program was begun in 1977 and \$45 million has been obligated to date. This program is designed to improve the administration, supply and outreach of Egypt's family planning programs through training of medical and paramedical personnel, increased availability of contraceptives, an expanded awareness campaign, construction of an obstetrics and gynecological training center, and testing of new approaches to providing services. In the last three years, the population program has gained considerable momentum. Aware-

ness and user rates have risen and an effective delivery methodology has been adopted blending elements of several successful approaches. There is growing cooperation between the Government and Egyptian private voluntary agencies to promote subsidized commercial sales of contraceptives and information on their use throughout the country. A.I.D. intends to obligate another \$25 million in FY 1982 for population activities.

In education, A.I.D. funding is directed at improving access to primary schooling, particularly for females in rural areas, at upgrading professional training through Peace Fellowships, and at vocational education. To date \$101.5 million has been obligated including \$39 million for construction of new elementary schools in areas with lower access than the national average, \$54 million for the Peace Fellowships program, and \$8.5 million for two vocational training projects.

A.I.D. funding for programs in science and technology relates the work of Egyptian scientists and researchers to development issues confronting the nation and to a free flow of information between Egyptian professionals and their American counterparts. \$88.4 million for four projects has been obligated to date, including \$15.8 million for a major effort to establish a development-oriented research capacity within Cairo University under a collaborative arrangement with the Massachusetts Institute of Technology; \$24.4 million for the Applied Sciences and Technology Research project to fund research by Egyptian counterpart organizations working with the United States National Academy of Science and the National Science Foundation; \$27.5 million in the University Linkages project which promotes additional collaborative work between Egyptian and United States universities on identified development problems; and \$20.7 million for a mineral, petroleum and groundwater assessment of Egypt's natural resources. For FY 1982 A.I.D. plans to fund two activities previously scheduled for FY 1981, \$15 million for a multi-sector science and technology research project, and \$33 million for an energy policy and renewables project.

Implementation Progress and Problems

During FY 1981, total program disbursements including PL-480 and the Commodity Import Program (CIP), were \$1,027.1 million nearly equalling obligations (\$1,112.3 million) for the first time since aid resumed in FY 1975. The PL-480 and CIP programs continued to disburse quickly, the latter at an average rate of over one million dollars a day. The most impressive gains, however, were in project disbursements. FY 1981 project disbursements were \$350 million, up 75 percent over the FY 1980 total. Increased disbursements were brought about by a variety of factors, including the increased use of quicker-disbursing program implementation modes, the maturation of a number of large capital projects and increased attention to implementation by the Government of Egypt. In this connection a special government coordination unit was set up during FY 1981 to troubleshoot problem areas in the present program, and to assist the A.I.D. Mission increase future implementation efficiency through the broader use of innovative management and disbursement techniques.

In addition to the improved rate of disbursements, the impact of U.S. assistance is becoming increasingly widespread and visible to the average Egyptian, a factor which strongly complements the considerable balance of payments contributions that the program has made in recent years. Achievements to date include:

-- Two A.I.D.-funded power stations at Helwan and Talkha are completed and are generating 300 megawatts of electricity annually.

-- Over \$30 million worth of A.I.D.-financed electric power distribution lines and equipment, and \$14 million of road-building equipment to rehabilitate the war-damaged cities of Suez, Ismailia and Port Said have helped restore and expand economic activity in Egypt's Suez Canal Zone.

-- Nearly all of the \$96 million of A.I.D.-financed

equipment for the Mehalla El Kubra Misr Spinning and Weaving Company is in operation and has had a major impact on quality control and output.

-- U.S.-supplied remote sensing equipment is being used by the Academy of Scientific Research and Technology to survey agricultural opportunities and natural resource availabilities.

-- \$31 million worth of cargo handling and related equipment and 96 portable grain unloaders provided by A.I.D. for the Port of Alexandria have had a major impact on permitting increased tonnage to be handled with reduced ship waiting time.

-- Some 550 pieces of A.I.D.-financed equipment worth \$31.2 million to rehabilitate Egypt's myriad irrigation canals arrived in 1981 and are now being put into operation.

-- Three plants to produce irrigation drainage pipe (\$31 million) have been completed in Beni Suef, Assuit and Qena to help restore land that suffers from water logging and salinity.

-- 8,000 feddans were devoted to demonstration trials of high yield varieties of wheat in the 1980-1981 crop year with yields of 2.3 metric tons per feddan rather than the national average of 1.45.

-- A \$7 million hydrographic survey and mapping of the approaches to the Suez Canal has been completed. More recently, a \$19 million state-of-the-art computerized system, to control ship traffic on the Canal, began operations at the end of September 1981.

-- In a five-year basic village services program begun in late FY 1980, more than 1,000 village infrastructure sub-projects in nine rural governorates have been financed. Most are already completed. This rural development project will be expanded in FY 1982 to six more governorates. A parallel project for urban areas

was authorized late in FY 1981.

-- In another successful rural development effort, begun in 1978, over 230 loans have been made to village councils for small income-producing ventures (e.g. poultry production, cattle fattening). To date there has not been a single loan default.

-- Since 1975 over 2,000 Egyptians have returned home from A.I.D.-financed professional training in the United States. Thousands more have benefitted from in-country training. More than 350 professionals have either completed Peace Fellowships or are in the United States at the present time.

-- A family planning program characterized by increased availability and more effective delivery of contraceptives, including expanded sales through private sector facilities, has resulted in rising user rate gains. U.S.A.I.D. estimates a user rate of 28% in 1981 versus 25% in 1980 and 20% in 1978.

Despite the quickening pace of program implementation and the increasingly visible impact of U.S. assistance, a number of program and management concerns persist.

In FY 1982 expenditures will exceed obligations by an anticipated \$150 million. The overall pipeline, however, remains substantial -- \$2.5 billion at the beginning of FY 1982. While the pipeline largely represents reservations of funds for contracted costs of capital projects now in implementation and on schedule, the pipeline also reflects the existence of some projects experiencing delays in final design or in execution. These latter projects are the subject of intensive dialogue and investigation by our mission in collaboration with the aid coordination unit of the Ministry of Economy and the technical ministries.

Our concern with the pipeline also recognizes that demonstrating the benefits of peace to the Egyptian populace by improving their quality of life is an urgent

matter. Thus we have been attempting to design projects which are relatively quick disbursing. The Basic Village Services and Urban Neighborhood Services projects are examples of this approach. Both the Egyptian and the United States Governments are anxious to expand the use of quick disbursing assistance where appropriate and active consideration is being given to alternatives in this regard.

Lastly with regard to the pipeline, systems for portfolio management and reporting are being strengthened. A system of quarterly portfolio reviews has been instituted and will involve participation by responsible Egyptian officials. Additionally, the Mission's project management information system has been substantially revised and computerized. The revised system provides both more timely and more appropriate information to management.

A second set of concerns relate to Egyptian economic policies. As indicated earlier, some progress has been achieved, for example, in adjusting interest rates and improving farm gate prices for agricultural outputs. However, economic distortions remain pervasive throughout the economy. Appropriate adjustments can be made neither quickly nor easily. Yet the future health of the Egyptian economy and the future welfare of the Egyptian people will be significantly determined by the pace and quality of economic policy decisions. During his first few months in office, President Mubarak has directed considerable attention to review of the Egyptian economy. We shall be prepared to target our economic assistance to the maximum extent to support such economic structural adjustments as the Government may pursue.

PROGRAM EVALUATION

An extensive system of evaluations is undertaken as an integral component of U.S. assistance to Egypt to assist in the refinement of program direction and in the improvement of project implementation. Included are

evaluations at the sector, sub-sector and project level. Examples of recent and current evaluations include the following:

-- An evaluation of Egypt's research and extension systems, undertaken in conjunction with the Board for International Food and Agricultural Development, concluded that significant amounts of new research findings are beginning to result from A.I.D.-assisted and other research efforts in Egypt but that the dissemination of research findings to farmers will be hampered by inadequate extension mechanisms. The evaluation recommends, inter alia, that the Ministry of Agriculture's research and extension systems be reorganized under a single directorate, that extension personnel be provided appropriate training and that the extension service be provided appropriate materials and equipment.

-- A comprehensive review of the opportunities for agricultural growth in Egypt is currently underway. This evaluation will significantly update and extend the "Constraints to Agricultural Development" study prepared in 1976 upon which U.S. assistance to Egyptian agriculture has to date been substantially based. The current evaluation is being conducted by experts from the U.S. Department of Agriculture, universities and consulting firms.

-- Sector assessments in health and population are also underway, including evaluations of the various activities A.I.D. has funded to date in each of these sectors. Preliminary findings include indications (a) that vehicles and improved communications are less instrumental in improving rural health status in Egypt than are training for clinical workers and the provision of basic supplies and commodities, and (b) that contraceptives acceptor rates are higher in villages participating in the population and development program than in non-participating villages.

-- An evaluation of A.I.D. assistance to the Development Industrial Bank revealed that the effective rate of

interest to sub-borrowers was substantially higher than the explicit interest rate as a result of commitment fees and other charges. The effective rate of 19% is in line with international levels. The evaluation also revealed a general preference of sub-borrowers for loans drawn on other than A.I.D. funds because of the higher costs of shipping goods from the United States, especially if shipping is required to be made on U.S. bottoms. This has been a major factor in the slower than planned utilization of the A.I.D. loan.

-- An evaluation of Egypt's industrial sector has concluded that Egypt has the potential to substantially expand its industrial production for export, and will need to do so to absorb a significant portion of future growth of the labor force, but that such expansion can only be accomplished if the policy environment is altered to favor labor intensive industries and reduce current disincentives to exporting.

-- Evaluations during FY 81 of the two initial decentralization activities -- Development Decentralization I and Basic Village Services -- have confirmed the appropriateness of the original project designs, that the funds are being administered effectively, and that the local populace is being significantly benefited by these activities.

REQUESTED YEAR PROGRAM

The PL-480 and ESF program funding requested for FY 1983 supports a package of activities reflecting a careful mix in support of A.I.D.'s three primary objectives: stability, productivity and equity. The ESF request of \$750 million includes financing and technical assistance for the commodity import program and infrastructural, industrial, decentralization, agricultural and social services projects needed to further energize the Egyptian economy, reduce inefficiencies and cost/price distortions and improve longer-term growth and employment opportunities.

An estimated \$250 million in PL-480 Title I Food for Peace commodities (with \$25 million of this designated for Title III purposes) is requested to provide up to 1.4 million MT of wheat and wheat flour equivalent against an estimated import requirement of five million MT. In addition \$10 million is requested for Title II commodities to continue support of private voluntary agency activities. These are increasingly being integrated with development objectives or are being phased down.

Of the \$750 million requested in Economic Support Funds, \$435 million is for new activities (including the CIP), and \$315 million is to continue activities already underway, as follows:

CIP funding of \$250 million is requested to provide continuing balance of payments support and financing for the import of raw materials, spare parts, light/medium capital goods, some consumer items, and replenishment of the Trade Financing Facility.

Project funds of \$500 million are requested for the following activities. In the infrastructure sector, \$154 million is requested to provide additional funding for two ongoing projects -- \$25 million for Cairo Sewerage and \$79 million for Alexandria Sewerage, and \$50 million for a new project, Urban Land Development, intended to expand the role of the private sector in meeting housing demands in urban areas.

In the industrial sector, \$85 million is requested to add \$25 million to the Private Sector Production Credit project and \$10 million to the Investment Sector Support project, and to provide an initial \$50 million for an Industrial Structural Adjustment project intended to assist the Egyptian Government in its efforts to reorient its public sector industries more toward free market conditions.

Ninety-eight million dollars are requested as replenishment for a package of ongoing decentralization projects

as follows: \$30 million for Basic Village Services, \$25 million for Decentralization Support, and \$43 million for Neighborhood Urban Services.

Thirty-five million is requested for a new project in agriculture to support a range of selected activities. The design of this project will draw heavily from the findings of the 1981 evaluation of Egypt's research and extension system and the current review of Egypt's agricultural growth opportunities.

Fifty million dollars are requested for new health and population activities, \$25 million for a Health Sector Support project to flow from a FY 1982 health sector assessment, and \$25 million for a new Family Planning project to follow on the current project and the health sector assessment.

Fifty million dollars are requested for replenishment of two existing projects in education, \$35 million for Basic Education, and \$15 million for University Linkages.

Finally, \$28 million are requested for other priority concerns. Fifteen million dollars are requested to complete funding of the third component of the Energy Sector Support project, Utility Management and \$7 million in training funds for the Workforce Planning and Development project. Six million dollars is requested to replenish the Technology Transfer and Feasibilities Studies project.

MISSION DIRECTOR: DONALD S. BROWN

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

CP 83-02

PROGRAM: EGYPT

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C U N T
ECONOMIC SUPPORT FUND											
COMMODITY IMPORT PROGRAM III	L 263-K029	76	76	100,000	100,000	100,000	99,672	---	328	---	---
COMMODITY IMPORT PROGRAM IV	L 263-K030	76	76	150,000	150,000	149,999	146,173	---	3,827	---	---
COMMODITY IMPORT PROGRAM V	L 263-K036	76	76	65,000	65,000	65,000	62,541	---	2,459	---	---
COMMODITY IMPORT PROGRAM VI	L 263-K038	77	77	440,000	440,000	440,000	391,930	---	40,000	---	8,070
COMMODITY IMPORT PROGRAM VII	L 263-K045	78	78	300,000	300,000	300,000	280,176	---	19,824	---	---
COMMODITY IMPORT PROGRAM VIII	L 263-K052	79	79	250,000	250,000	250,000	221,795	---	20,000	---	8,205
COMMODITY IMPORT PROGRAM IX	L 263-K053	80	80	30,000	30,000	30,000	14,971	---	10,000	---	5,029
COMMODITY IMPORT PROGRAM XI	L 263-K054	80	80	250,000	250,000	250,000	183,902	---	40,000	---	20,000
COMMODITY IMPORT PROGRAM XII	L 263-K055	81	81	70,000	70,000	70,000	---	---	50,000	---	20,000
COMMODITY IMPORT PROGRAM	G 263-K601	79	79	85,000	85,000	85,000	63,103	---	5,000	---	1,754
COMMODITY IMPORT PROGRAM	G 263-K602	80	80	55,000	55,000	55,000	38,758	---	10,000	---	6,242
COMMODITY IMPORT PROGRAM	G 263-K603	81	81	230,000	230,000	230,000	---	---	80,000	---	100,000
COMMODITY IMPORT PROGRAM	G 263-K604	82	82	---	300,000	---	---	300,000	70,000	---	100,000
COMMODITY IMPORT PROGRAM	* G 263-K605	83	83	---	50,000	---	---	---	---	50,000	---
COMMODITY IMPORT PROGRAM	* L 263-K605	83	83	---	200,000	---	---	---	---	200,000	84,000
GAS TURBINE GENERATORS	L 263-0008	76	77	69,000	69,000	69,000	67,344	---	1,656	---	---
ISMAILIA ELECTRIC POWER PLANT	G 263-0009	76	77	141,000	141,000	141,000	88,129	---	9,574	---	12,000
MAHALLA TEXTILE PLANT REHABILITATION	L 263-0010	76	76	96,000	96,000	96,000	80,456	---	13,220	---	2,324
SUEZ CEMENT PLANT	G 263-0012	76	80	100,000	100,000	100,000	89,921	---	7,760	---	2,319
CARGO HANDLING EQUIPMENT (PORT OF ALEX)	L 263-0014	76	76	31,000	31,000	31,000	30,845	---	155	---	---
STRENGTHENING RURAL HEALTH DELIVERY	G 263-0015	76	82	7,800	13,800	7,800	3,263	6,000	2,420	---	5,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

PROGRAM: EGYPT

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY81- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY82- OBLIG ATIONS	EXPENDI TURES	FY83- OBLIG ATIONS	EXPENDI TURES	C O N T
APPLIED SCIENCE AND TECHNOLOGY RESEARCH	G 263-0016	77	80	24,400	24,400	24,400	5,987	---	3,140	---	5,500		
WATER USE AND MANAGEMENT	G 263-0017	76	81	13,000	13,000	13,000	6,155	---	2,052	---	4,793		
DEVELOPMENT INDUSTRIAL BANK I	L 263-0018	76	76	32,000	32,000	32,000	17,139	---	6,000	---	8,861		
PVC PIPE DRAINAGE	L 263-0019	76	76	31,000	31,000	31,000	14,105	---	24	---	6,500		
INTEGRATED SOCIAL WORK TRAINING CENTERS	G 263-0020	76	79	4,000	4,000	4,000	1,767	---	100	---	1,500		
DEVELOPMENT DECENTRALIZATION	G 263-0021	78	81	26,200	26,200	26,200	8,742	---	3,352	---	5,600		
NATIONAL ENERGY CONTROL CENTER	G 263-0023	76	80	2,500	2,500	2,500	---	---	700	---	900		
NATIONAL ENERGY CONTROL CENTER	L 263-0023	76	80	41,000	41,000	41,000	30,464	---	8,536	---	2,000		
TECHNICAL AND FEASIBILITY STUDIES III	G 263-0025	77	77	18,000	18,000	18,000	17,343	---	657	---	---		
TECHNOLOGY TRANSFER AND MANPOWER DEV II	G 263-0026	77	81	29,500	29,500	29,500	15,729	---	4,000	---	6,000		
RICE RESEARCH AND TRAINING	G 263-0027	77	81	21,767	21,767	21,767	775	---	2,030	---	5,500		
GRAIN STORAGE FACILITIES	L 263-0028	75	75	44,275	44,275	44,275	33,496	---	8,977	---	1,802		
FAMILY PLANNING	G 263-0029	77	82	45,000	70,000	45,000	17,574	25,000	11,790	---	13,750		
SHOUBRA THERMAL POWER PLANT	G 263-0030	79	81	190,000	190,000	190,000	10,965	---	18,000	---	34,080		
AGRICULTURAL MECHANIZATION	G 263-0031	79	80	40,000	40,000	40,000	1,206	---	5,690	---	10,200		
URBAN ELECTRIC DISTRIBUTION SYSTEM	G 263-0033	77	80	10,000	10,000	10,000	---	---	2,250	---	4,000		
URBAN ELECTRIC DISTRIBUTION SYSTEM	L 263-0033	77	80	46,012	46,012	46,012	8,323	---	21,788	---	15,901		
CANAL DREDGING EQUIPMENT	G 263-0035	77	79	5,200	5,200	5,200	5,142	---	58	---	---		
CANAL DREDGING EQUIPMENT	L 263-0035	77	79	26,000	26,000	26,000	24,719	---	1,281	---	---		

*Refers to the planned project summary sheet
C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized data. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

PROGRAM: EGYPT

CP 83-92

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C U N T
FOOD GRAIN/VEG OIL STORAGE AND DIST FAC	G 263-0037	77	82	---	50,000	---	---	50,000	---	---	13,000
FOOD GRAIN/VEG OIL STORAGE AND DIST FAC	L 263-0037	77	82	42,000	42,000	42,000	9,801	---	20,200	---	11,999
CAIRO WATER SYSTEM	G 263-0038	77	81	31,000	31,000	31,000	---	---	---	---	4,500
CAIRO WATER SYSTEM	L 263-0038	77	81	30,000	30,000	30,000	3,897	---	7,160	---	10,000
IRRIGATION EQUIPMENT	G 263-0040	77	80	8,000	8,000	8,000	105	---	5,641	---	2,000
IRRIGATION EQUIPMENT	L 263-0040	77	80	11,000	11,000	11,000	7,689	---	3,311	---	---
AGRICULTURAL DEVELOPMENT SYSTEMS	G 263-0041	77	79	12,900	12,900	12,900	4,540	---	3,000	---	4,000
TECHNICAL AND FEASIBILITY STUDIES IV	G 263-0042	78	81	31,000	31,000	31,000	12,422	---	4,100	---	6,000
DEVELOPMENT INDUSTRIAL BANK II	G 263-0045	78	78	2,000	2,000	2,000	471	---	779	---	750
SUEZ CANAL PORT DEVELOPMENT	L 263-0047	78	78	30,000	30,000	30,000	487	---	4,350	---	5,300
CANAL CITIES WATER AND SEWAGE SYSTEM	G 263-0048	78	79	36,000	36,000	36,000	---	---	---	---	---
CANAL CITIES WATER AND SEWAGE SYSTEM	L 263-0048	78	78	60,000	60,000	60,000	14,600	---	28,100	---	17,000
QUATTAMIA CEMENT PLANT	L 263-0052	78	78	95,000	95,000	95,000	13,636	---	20,547	---	22,500
FLAT GLASS	G 263-0053	82	82	---	50,000	---	---	50,000	---	---	2,200
TELECOMMUNICATION EQUIPMENT	L 263-0054	78	78	40,000	40,000	40,000	12,439	---	10,450	---	13,200
POULTRY IMPROVEMENT	G 263-0060	77	81	12,542	12,542	12,542	1,854	---	2,150	---	4,100
DEVELOPMENT PLANNING STUDIES	G 263-0061	78	80	15,800	15,800	15,800	6,187	---	3,440	---	4,300
AQUACULTURE DEVELOPMENT	G 263-0064	78	80	27,500	27,500	27,500	1,966	---	4,740	---	6,500
URBAN LOW COST HEALTH DELIVERY	G 263-0065	79	81	37,253	37,253	37,253	2,417	---	5,480	---	6,500
LOW INCOME HOUSING/COMMUNITY UPGRADING	G 263-0066	78	81	80,000	80,000	80,000	3,817	---	10,020	---	12,400

* Refers to the planned project summary sheet

C Level of effort activity

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

PROGRAM: EGYPT

LP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	FY81- EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	C U N T
MAJOR CEREALS	G 263-0070	79	80	47,000	47,000	10,149	---	9,300	---	12,200	
PORT SAID SALINE PRODUCTION PLANT	G 263-0072	77	77	13,000	13,000	2,670	---	6,878	---	3,000	
TELECOMMUNICATIONS II	G 263-0075	79	79	80,000	80,000	---	---	14,500	---	16,000	
SMALL FARMER PRODUCTION	G 263-0079	79	79	25,000	25,000	2,089	---	1,135	---	3,500	
ALEXANDRIA SEWAGE I	L 263-0089	77	77	15,000	15,000	5,756	---	4,650	---	4,500	
INDUSTRIAL PRODUCTIVITY IMPROVEMENT	G 263-0090	80	81	39,000	39,000	---	---	2,000	---	4,550	
CAIRO SEWAGE	G 263-0091	78	83	124,100	129,000	99,100	---	19,200	25,000	19,750	
AGRICULTURE COOPERATIVE DEVELOPMENT	G 263-0095	79	79	5,000	5,000	3,756	---	315	---	670	
SMALL SCALE AGRICULTURE ACTIVITIES	G 263-0096	79	79	1,700	1,700	232	---	510	---	900	
PRIVATE INVESTMENT ENCOURAGEMENT FUND	G 263-0097	79	79	33,000	33,000	786	---	3,645	---	5,500	
ALEXANDRIA SEWAGE SYSTEM EXPANSION II	G 263-0100	79	84	167,000	167,000	87,321	---	4,645	79,000	6,800	
INDUSTRIAL PRODUCTION	G 263-0101	78	81	98,555	98,555	98,555	---	28,752	---	22,500	
INDUSTRIAL PRODUCTION	L 263-0101	78	81	46,445	46,445	---	---	6,000	---	8,000	
TECH TRANSFER AND FEASIBILITY STUDIES	G 263-0102	82	85	---	34,000	---	---	10,000	---	6,000	2,700
BASIC VILLAGE SERVICES I	G 263-0103	80	83	70,000	130,000	70,000	30,617	30,000	31,609	30,000	30,000
MINERAL, PETROLEUM AND GROUNDWATER SURVEY	G 263-0105	80	84	37,200	37,200	20,700	---	---	1,020	---	4,800
DESERT FARMING TECHNOLOGY	G 263-0108	82	82	---	15,000	---	---	15,000	---	---	3,400
PEACE FELLOWSHIPS	G 263-0110	80	81	54,000	54,000	54,000	---	2,899	---	4,375	6,000
PRIVATE SECTOR FEASIBILITY STUDY	G 263-0112	79	79	5,000	5,000	5,000	---	74	---	2,560	1,200
SINAI PLANNING STUDY	G 263-0113	79	80	5,000	5,000	5,000	---	1,225	---	3,594	100

Refers to the planned project summary sheet

C Level of effort activity

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

PROGRAM: EGYPT

CP 83-02

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C U N T
VEHICLE MAINTENANCE TRAINING	G 263-0114	80	80	4,500	4,500	4,500	144	---	2,594	---	1,000
TAX ADMINISTRATION	G 263-0115	80	80	2,100	2,100	2,100	470	---	184	---	400
AGRICULTURAL MANAGEMENT DEVELOPMENT	G 263-0116	80	80	5,000	5,000	5,000	162	---	870	---	1,000
TELECOMMUNICATIONS III	G 263-0117	80	82	80,000	105,000	80,000	---	25,000	---	---	22,500
UNIVERSITY LINKAGES	G 263-0118	80	83	27,500	42,500	27,500	71	---	1,990	15,000	3,900
UTILITY MANAGEMENT AND ENERGY POLICY	G 263-0123	82	83	---	48,000	---	---	33,000	---	15,000	2,200
WORKFORCE PLANNING AND DEVELOPMENT	G 263-0125	82	83	---	17,000	---	---	10,000	---	7,000	2,500
PROVINCIAL CITIES	G 263-0127	81	84	89,000	75,000	20,000	---	---	2,100	---	4,200
URBAN LAND DEVELOPMENT	* G 263-0128	83	85	---	65,000	---	---	---	---	50,000	---
IRRIGATION WATER MANAGEMENT	G 263-0132	81	84	42,000	112,000	38,000	---	---	8,800	---	10,000
TECHNICAL NURSE TRAINING	G 263-0135	82	82	---	10,000	---	---	10,000	---	---	2,300
SUEZ CANAL UNIV - FACULTY OF MEDICINE	G 263-0136	80	82	7,700	14,700	2,700	1,501	12,000	2,286	---	3,000
CONTROL OF DIARRHEAL DISEASES	G 263-0137	81	81	26,000	26,000	26,000	---	---	2,731	---	3,400
BASIC EDUCATION	G 263-0139	81	83	39,000	74,000	39,000	---	---	2,200	35,000	9,555
MULTISECTOR SCIENCE AND TECHNOLOGY	G 263-0140	82	84	---	31,000	---	---	15,000	3,600	---	2,300
AG DATA COLLECTION AND ANALYSIS	G 263-0142	80	80	5,000	5,000	5,000	62	---	635	---	750
DECENTRALIZATION SUPPORT FUND	G 263-0143	80	83	50,000	100,000	50,000	106	25,000	48,185	25,000	40,000
FAMILY PLANNING II	* G 263-0144	83	87	---	125,000	---	---	---	---	25,000	---
COMMUNITY HEALTH SUPPORT	* G 263-0145	83	85	---	50,000	---	---	---	---	25,000	---
PRIVATE SECTOR PRODUCTION CREDIT	G 263-0147	82	83	---	75,000	---	---	50,000	---	25,000	3,200

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized data. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

PROGRAM: EGYPT

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHD	COST PLANNED	-THROUGH FY81-		-ESTIMATED FY82-		-PROPOSED FY83-		C U N T
						OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
SUPPORTING AGRICULTURAL SYSTEMS	* G 263-0152	83	87	---	100,000	---	---	---	---	35,000	---	
URBAN NEIGHBORHOOD SERVICES	G 263-0153	81	85	89,000	89,000	20,000	---	---	5,775	43,000	8,000	
WATER/WASTEWATER SYSTEMS	G 263-0155	82	82	---	10,000	---	---	10,000	---	---	2,100	
INVESTMENT SECTOR SUPPORT	G 263-0159	82	83	---	45,000	---	---	35,000	---	10,000	4,000	
REHABILITATION OF ASWAN TURBINES	G 263-0160	82	82	---	60,000	---	---	60,000	---	---	3,600	
INDUSTRIAL STRUCTURAL ADJUSTMENT	* L 263-0162	83	85	---	100,000	---	---	---	---	50,000	---	
TOTAL FOR ACCOUNT GRANTS				5,054,449	6,773,349	4,786,269	2,258,157	771,000	846,804	750,000	940,152	
TOTAL FOR ACCOUNT LOANS				2,613,717	4,032,617	2,345,538	481,801	771,000	493,961	500,000	658,863	
TOTAL FOR COUNTRY GRANTS				2,440,732	2,740,732	2,440,731	1,776,356	---	352,843	250,000	281,289	
TOTAL FOR COUNTRY LOANS				5,054,449	6,773,349	4,786,269	2,258,157	771,000	846,804	750,000	940,152	
				2,613,717	4,032,617	2,345,538	481,801	771,000	493,961	500,000	658,863	
				2,440,732	2,740,732	2,440,731	1,776,356	---	352,843	250,000	281,289	

* Refers to the planned project summary sheet

^C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

TITLE COMMODITY IMPORT PROGRAM		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-K-605 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 250,000 (200,000 Loan) (50,000 Grant)	LIFE OF PROJECT FUNDING. 250,000
					INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 83	ESTIMATED COMPLETION DATE OF PROJECT FY 86

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

Project Description: Despite significant increases in its foreign exchange earnings and sizeable amounts of assistance from donor countries over the past few years, Egypt continues to face foreign exchange constraints and has requested support in the form of commodity financing. Imports financed by this program encourage greater domestic production and employment and help maintain stable prices for basic consumer items.

Egypt is unable to import with its own foreign exchange all of the goods it needs to revitalize its economy and improve the daily life of its poor. It is expected that the deficit between exports and needed imports will remain around \$1.5 billion in 1983.

In addition to providing balance of payments support, the Commodity Import Program (CIP) has also helped achieve development objectives. For example, some 15% of Egypt's 1980-1981 investment budget of about \$3.5 billion equivalent is for maintenance and replacement of existing capital infrastructure. Significant amounts of CIP funds have been used to support these investments.

FY 1975-81 allocations under prior Commodity Import Programs have centered on:

Industry	\$903	Million
Infrastructure	592	
Basic Human Needs	307	
Agriculture	194	
Private Sector	136	
Other	43	
	<u>\$2,175</u>	Million

The FY 1983 program will finance machinery, equipment, spare parts, raw materials, semi-finished goods and consumables. If necessary, the FY 1983 program will also include replenishment

funding for the Trade Financing Facility (TFF). The TFF is a special CIP set-aside to encourage Egyptian purchasers to utilize U.S. suppliers by matching concessional lending terms offered by non-U.S. suppliers for international tenders in situations where the U.S. suppliers are otherwise the lowest bidders.

Relation of Project to A.I.D. Country Strategy: Through this program, the United States demonstrates continued support of moderate Egyptian leadership, and helps assure domestic stability and development by encouraging greater domestic production, employment, and availability of basic goods at reasonable prices.

Host Country and Other Donors: Arab financing, which constituted a large portion of Egyptian concessional assistance up to the signing of the Camp David accords, largely ended in 1977 and has not been renewed. Commodity loans from Japan, West Germany and France are expected to be extended during FY 1983.

Beneficiaries: The various activities of this program touch directly on the lives of a large percentage of the Egyptian people, either as consumers of imported goods or as users of improved public services. Many Egyptians also benefit as owners, managers or employees of companies that receive capital goods or raw materials under this program.

TITLE URBAN LAND DEVELOPMENT		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)		
NUMBER 263-0128		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 50,000	LIFE OF PROJECT FUNDING: 65,000	
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>				INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 85	ESTIMATED COMPLETION DATE OF PROJECT FY 88
	NEW <input checked="" type="checkbox"/>						
	CONTINUING <input type="checkbox"/>						

Purpose: To bolster private sector participation in housing construction, and to channel urban growth toward contiguous desert areas and away from agricultural land.

Project Description: High overall population growth and even higher rates of urban population growth have accelerated the demand for housing in Egypt's cities. Public housing projects presently being carried out by the Government of Egypt are inadequate to meet even current demand. As a consequence, the majority of recent construction has been by a burgeoning private sector in the form of informal housing (i.e. housing of adequate standards, but built without licenses and in advance of water, sewerage and power lines). At present public sector housing is characterized by substantial subsidization while private sector housing is being built on a cost-recoverable basis. However, this is being done in an unplanned manner and too frequently on land presently under cultivation. Estimates of agricultural land lost in this manner are about 40,000 hectares a year.

In an effort to redirect this growth and contain the loss of arable land, this project will provide for the construction of infrastructure (including streets, sewerage and water systems, and power) on non-agricultural land in order to attract development of low-to-moderate income housing as well as the necessary commercial and industrial properties. In addition, the project will assist the Government of Egypt to develop the institutional framework capable of delivering and servicing such infrastructure over the next twenty years.

Relation of Project to A.I.D. Country Strategy: Although the housing stock is currently expanding faster than population growth, housing remains a serious social problem. More adequate and cost-effective provision of housing will contribute significantly to A.I.D.'s objectives of stability and productivity. Increased private sector involvement in providing low-income shelter will also support and accelerate the Government of Egypt's efforts to decentralize services and delivery, and will enhance private sector involvement in the development process.

Host Country and Other Donors: The Government of Egypt will provide land for development and budget support for the administrative organization.

Beneficiaries: The project is initially targeted at the representative median urban income group (estimated at \$800 equivalent in 1978). Specific efforts will be made to include a large proportion of lower income families.

PROGRAM: EGYPT

PLANNED PROJECT SUMMARY SHEET

CP 83-05 (8-81)

TITLE Family Planning II		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
NUMBER 263-0144 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 25,000	LIFE OF PROJECT FUNDING: 125,000	
NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>					INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To increase the number of Egyptian couples of reproductive age using contraceptives by increasing demand for and use of family planning services and facilities.

Project Description: The Government of Egypt is becoming increasingly sensitive to the dimensions of its population problem. The high birth and population growth rates have seriously affected Egypt's ability to provide sufficient goods and services, which in turn has a direct and detrimental impact on the quality of life of the poor. Individual awareness of the importance of smaller families to family health and welfare has recently heightened appreciably.

A variety of family planning activities has been undertaken with A.I.D. assistance since 1977. These include such approaches as use of paramedical outreach workers, household distribution programs, retail sales of contraceptives, nationwide information services and education, and training of medical and paramedical personnel. During this period, insights have been gained into those service mechanisms which yield the best results. Sub-activities showing the most promising results are being expanded in FYs 1980-82, including the private sector's contraceptive retail sales program and the community integrated social service (with family planning) program. It is now estimated that 22 percent of couples of reproductive age are using contraceptives.

The proposed project for FY 1983 will draw on this experience, and on an evaluation to be carried out early in 1982. The project will emphasize strengthening and broadening the delivery system for family planning services, balanced with supportive information, education, and communication services to promote awareness and stimulate demand. Resource requirements for the five-year program beginning in FY 1983 will increase significantly. A.I.D. will support the comprehensive effort with commodities, training, technical assistance, and local cost support.

Relation of Project to A.I.D. Country Strategy: The present population growth rate seriously constrains Egypt's ability to provide for the basic needs of its population. Part of A.I.D.'s strategy is therefore to place high priority on supporting Egyptian efforts to reduce future growth to a rate commensurate with Egypt's resource limitations. Although family planning support is incorporated in many of A.I.D.'s development activities in Egypt, this project provides a mechanism to fund those activities which specifically and primarily focus on affecting the population growth rate.

Host Country and Other Donors: The Government of Egypt will provide corollary support for this project in a number of areas, including upgrading clinic services and facilities, training physicians (e.g. in IUD insertions), supporting community based and private sector family planning and outreach, distributing contraceptives, and expanding State Information Service programs. Continued UNFPA and World Bank support is expected for family planning programs.

Beneficiaries: As a consequence of the increased availability of family planning information and services, poor families will be able to improve their health and economic well-being by reducing the number of dependents they must provide for, and by lowering the health risks involved with many repeated pregnancies and births. A reduction in fertility will also benefit unborn generations by helping to improve Egypt's economic prospects and ability to achieve its development goals.

PROGRAM: EGYPT

PLANNED PROJECT SUMMARY SHEET

CP 83-05 (8-81)

TITLE COMMUNITY HEALTH SUPPORT		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 263-0145		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 25,000	LIFE OF PROJECT FUNDING: 50,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 85	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To support the development and strengthening of high quality, low cost basic health services.

Project Description: This activity will build upon A.I.D.'s experience, which began in 1976, in the provision of basic low cost health services, and will allow for its expansion. Major pilot and experimental efforts have already been undertaken in strengthening rural health delivery, family planning and urban low cost health delivery. This effort will focus on reducing infant mortality, improving life expectancy, and reducing population growth. A major review of the health sector, to be undertaken in FY 1982, will determine progress to date and will identify the remaining constraints to the most cost-effective means of intervention for improved health services, institutional improvements, and delivery of health services to the rural and urban poor.

The project will focus on mother-child health care services, outreach at the first level of the health delivery pyramid (rural and urban health clinics), screening and retraining of health providers, data systems for management and planning, and logistics and communications. Innovative use of health maintenance organizations financed by health insurance will be developed. This activity will support the Ministry of Health and other agencies focused on reduced infant mortality and closely linked with family planning services. Technical assistance, training, commodity support, possible financing for renovation and construction of health care facilities and other local cost activities of a non-recurring nature will be included.

Relation of Project to A.I.D. Country Strategy: A.I.D.'s strategy in health care is to concentrate on the reduction of infant mortality and population growth. This project will permit the replication of restructured services, improved management, rehabilitation, construction and planning.

Host Country and Other Donors: The Egyptian Government will provide local costs and personnel to support the extension of health services. The World Bank has committed \$30 million for

population and health activities. The Japanese Government and the World Health Organization are also involved in health activities.

Beneficiaries: Approximately 45% of Egypt's population of 43 million are either under six years of age or are women of child-bearing age, the two groups which are the most vulnerable in terms of morbidity and mortality. Of these, a majority cannot afford private medical care and rely on the public health system for services. This latter group is the beneficiary group which will directly profit from improvements in health services and institutions.

TITLE SUPPORTING AGRICULTURAL SYSTEMS		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)		
NUMBER 263-0152		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 35,000	LIFE OF PROJECT FUNDING: 100,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To expand and facilitate the dissemination and adoption of research results, generated by other projects and activities, whereby science and technology can be employed to benefit a broad spectrum of agricultural producers as well as applied to bring about the productivity and output increases needed within the sector generally.

Project Description: At present a number of A.I.D. projects are contributing substantially to research and development and to strengthening the capacity of Egyptian ministries to promote agricultural productivity and increased farmer income. By the initial year of this new activity there will be a number of deliverable research and technology packages in such areas as rice and other major cereals, legumes, water use and management, mechanization, fish culture, credit and cooperative systems. Each of these is supported by existing discrete undertakings with a variety of ministries and agencies and each includes some delivery components. However, there is a need to move beyond the individual projects and implementation units and integrate the delivery system as a whole. The project will fund activities with ministries and other institutions in the agriculture sector to support this purpose, such as:

-- providing direct support for agricultural extension programs. The extension component will be the central method whereby information on improved farming technology will be delivered. This component of the project draws heavily upon the Extension Review carried out by the Board for International Food and Agricultural Development (BIFAD) in 1981. The actual technologies to be employed will be verified in an early 1982 study which will identify the most promising areas of growth and the requirements to achieve growth in the sector;

-- making available technical services to Egyptian ministries during the transition from joint to national management of development activities funded under host country contracts;

-- expanding pilot activities initiated under current A.I.D.-funded projects which are proven and readily replicable.

-- supporting activities initiated under currently funded projects and the effective dissemination of experience gained;

-- identifying and exploiting additional research and extending technology packages;

-- carrying out studies to identify and eliminate cost and price distortions within the sector.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s strategy in agriculture is to increase overall agricultural productivity and improve small farmer income. The provision of resources to replicate results of on-going projects is an important step in bringing this strategy to fruition.

Host Country and Other Donors: The Egyptian Government (GOE) will provide local cost support, personnel and physical resources required to carry out the program activities. The World Bank and UNDP are working closely with the GOE and A.I.D. in the development of the agriculture sector. In addition, there are numerous other-donor bilateral aid projects addressing specific functions or commodities.

Beneficiaries: The support for further research and development of improved technology packages and their dissemination will directly benefit those of Egypt's estimated 20 million farm families who are ready to adopt the new practices and inputs.

TITLE INDUSTRIAL STRUCTURAL ADJUSTMENT		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)		
NUMBER 263-0162		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83	LIFE OF PROJECT FUNDING:	100,000
GRANT <input type="checkbox"/>	LOAN <input checked="" type="checkbox"/>				50,000		
NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>					INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 85	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To support and encourage the Government of Egypt to continue the process of liberalizing public sector manufacturing, and to further modify and improve policies to increase industrial efficiency and free-market orientation in Egypt's public sector.

Project Description: The Egyptian Government has taken some significant strides toward freeing market forces in the industrial sector and liberalizing policies relating both to public and private sector industrial enterprises. A dramatically improved "Companies Law" and a substantially revised business tax law are recent cases in point. The move toward establishing a National Investment Bank which would apply uniform economic criteria to rank-ordering public sector investment options is another important step toward improved investment allocation and efficiency in the industrial sector. An Industrial Structural Adjustment Fund (\$95 million) will be established under this project to support, encourage and extend these fundamental reforms. Planned uses of the Fund include support of specific industrial investment and procurement of capital equipment for sectoral investment purposes. Releases from the Structural Adjustment Fund will be tied to specific government policy actions. These may include additional progress on the areas cited above (companies law, business tax law, National Investment Bank) or new mutually agreed-upon policy initiatives such as:

- introduction of more managerial discretion in output pricing;
- policies which move public manufacturing firms toward greater use of commercial finance and allow greater scope for self-financing through profit retention; and
- improvements in manpower policies which give managers greater discretion over wages and workforce levels.

A specific list of potential structural adjustment procedures or practices will be negotiated with the Egyptian Government prior to authorization of the project. The primary changes sought will relate to candid assessment of industrial needs, of the

constraints to change, and of the likelihood of implementation. In part, this information will be derived from an evaluation in early 1982 of the on-going Industrial Production Project (263-0101) which deals with public sector production investments.

Five million dollars will be provided for technical assistance, in general, to study structural changes needed to assess the policy options and support the adjustments agreed to under the project.

Relationship of Project to A.I.D. Country Strategy: A primary objective of A.I.D. assistance in Egypt is to increase production and productivity. This project will contribute importantly to the related high priority of supporting the transition toward a more market oriented economy by decentralizing authority over investment and pricing.

Host Country and Other Donors: The World Bank has provided over \$700 million to Egyptian industries since 1973. Several European countries, including West Germany and France, are active in this area. Japan is increasing its assistance to industry. The Government of Egypt itself has allocated more than \$700 million equivalent annually over the last few years for industrial investments.

Beneficiaries: A growing percentage of the roughly 800,000 employees in the public sector industries will benefit directly through structural changes and/or capital equipment improvements that make their companies more efficient. Consumers of their industrial products will also benefit from anticipated economies. Improved investment resource allocations to the most efficient users will, in time, benefit most Egyptians.

Israel

ECONOMIC AND SOCIAL DATA

COUNTRY: ISRAEL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 3,987
 PER CAPITA GNP..... (DOLLARS, 1979) 4,150
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79) 4.0%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 6.0% (1970-79) 34.3%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1970) 7.8%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1978) TOTAL 72.0 MALE 70.6 FEMALE 73.4
 (1968) TOTAL 70.2 MALE 68.8 FEMALE 71.7
 ADULT LITERACY RATE (1971) TOTAL 88% MALE 93% FEMALE 83%
 (1961) TOTAL 84% MALE 91% FEMALE 78%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1980) 1.2%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1979) 5%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981) 859
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT 22% (1980)
 CASH: CITRUS FRUIT 9% (1980)
 MAJOR AGRICULTURAL EXPORTS:(1980) CITRUS FRUIT COTTON
 MAJOR AGRICULTURAL IMPORTS:(1980) WHEAT SORGHUM CORN
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979) 7%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1977) 3,682 (78) 5,292 (79) 8,278
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1977) 5,090 (78) 7,138 (79) 11,010
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1977) -1,408 (78) -1,846 (79) -2,732
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 34.8% (78) 32.7% (79) 30.2%
 AS % OF GNP..... (1977) 30.0% (78) 24.1% (79) 18.4%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$ MILLIONS, U.S.) (1978) 2,678 (79) 3,120 (80) 3,405
 EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1979) DIAMONDS FRUITS & NOT TEXTILES
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1978) 688 (1979) 749 (1980) 880
 AS % OF TOTAL EXPORTS (1978) 18% (1979) 16% (1980) 16%
 MAJOR IMPORTS... (1979) MIL. EQUIP DIAMONDS CHEMICALS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 1126 (1979) 1512 (1980) 1548
 AS % OF TOTAL IMPORTS (1978) 15% (1979) 16% (1980) N.A.
 TRADE BALANCE(\$ MILLIONS, U.S.)(1977) -2,694(78) -3,529(79) -4,040
 MAIN TRADING PARTNERS: UNITED STATES GERMANY, FED UNITED KINGDOM
 EXTERNAL PUBLIC DEBT AS % OF GNP (1979) 56.14*
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1979) 856*
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979) 10.3%

SOCIAL DATA

POPULATION GROWTH RATE... (1970) 3.1% (1975) 2.2% (1980) 2.7%
 POPULATION IN URBAN AREAS..... (1969) 82% (1977) 87%
 LIVE BIRTHS PER 1,000 POPULATION..... (1970) 27 (1981) 25
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.
 POPULATION (1978) IN AGE GROUP:
 (0-14YRS) 33.2% (15-64YRS) 58.6% (65+ YRS) 8.0%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1981) 16
 PEOPLE PER PHYSICIAN..... (1973) 359
 MAJOR CAUSES OF
 DISEASE (1976) DYSENTERY
 DEATH.. (1976) HEART DISEASE CEREBROVASCULAR ILL-DEFINED CAUS
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 122%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1970) 100%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1977) TOTAL 97.0% MALE 96.0% FEMALE 97.0%
 SECONDARY..... (1977) TOTAL 68.0% MALE 63.0% FEMALE 73.0%
 POST SECONDARY.. (1977) TOTAL 24.7% MALE 25.8% FEMALE 23.0%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1979) 13

* INCLUSION OF MILITARY DEBT WOULD RAISE THESE FIGURES CONSIDERABLY.

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	ISRAEL	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY-MENTS AND INTEREST 1946-80	TOTAL LESS REPAY-MENTS AND INTEREST 1946-80
		TQ	1977	1978	1979	1980			
		PROGRAM							
I. ECONOMIC ASSISTANCE — TOTAL									
		78.6	742.0	791.8	790.1	786.0	5985.8	720.1	4865.7
	Loans	28.6	252.0	266.8	265.1	261.0	2079.4	720.1	1359.3
	Grants	50.0	490.0	525.0	525.0	525.0	3506.4	-	3506.4
a. A.I.O. and Predecessor Agencies									
		75.0	735.0	785.0	785.0	785.0	4921.8	292.9	4628.9
	Loans	25.0	245.0	260.0	260.0	260.0	1509.3	292.9	1216.4
	Grants	50.0	490.0	525.0	525.0	525.0	3412.5	-	3412.5
	(Economic Support Fund)	75.0	735.0	785.0	785.0	785.0	4339.5	-	-
b. Food for Peace (PL 480)									
		3.6	7.0	6.8	5.1	1.0	663.9	427.2	236.7
	Loans	3.6	7.0	6.8	5.1	1.0	570.1	427.2	142.9
	Grants	-	-	-	-	-	93.8	-	93.8
	Title I - Total Sales Agreements	3.6	7.0	6.8	5.1	1.0	601.5	427.2	174.3
	Repayable in U.S. Dollars - Loans	3.6	7.0	6.8	5.1	1.0	322.9	171.8	151.1
	Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	278.6	255.4	23.2
	Title II - Total Grants	-	-	-	-	-	62.4	-	62.4
	Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	2.2	-	2.2
	Voluntary Relief Agencies	-	-	-	-	-	60.2	-	60.2
c. Other Economic Assistance									
		-	-	-	-	-	0.1	-	0.1
	Loans	-	-	-	-	-	-	-	-
	Grants	-	-	-	-	-	0.1	-	0.1
	Peace Corps	-	-	-	-	-	-	-	-
	Narcotics	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	0.1	-	0.1
II. MILITARY ASSISTANCE — TOTAL									
		200.0	1000.0	1000.0	4000.0	1000.0	12904.2	1988.4	10915.8
	Credits or Loans	100.0	500.0	500.0	2700.0	500.0	7054.2	1988.4	5665.8
	Grants	100.0	500.0	500.0	1300.0	500.0	5250.0	-	5250.0
a. MAP Grants									
		-	-	-	-	-	-	-	-
b. Credit Financing - FMS									
		100.0	500.0	500.0	2700.0	500.0	7054.2	1988.4	5665.8
c. Military Assistance Service-Funded (MASF) Grants									
		-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks									
		-	-	-	-	-	-	-	-
e. Other Grants									
		100.0	500.0	500.0	1300.0	500.0	5250.0	-	5250.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE									
		278.6	1742.0	1791.8	4790.1	1786.0	18490.0	2708.5	15781.5
	Loans	128.6	752.0	766.8	2965.1	761.0	9733.6	2708.5	7025.1
	Grants	150.0	990.0	1025.0	1825.0	1025.0	8756.4	-	8756.4
Other U.S. Government Loans and Grants									
		12.6	6.9	5.4	68.7	301.4	901.3	569.5	331.8
a. Export-Import Bank Loans									
		12.6	6.9	5.4	68.7	301.4	901.3	569.5	331.8
b. All Other Loans									
		-	-	-	-	-	-	-	-

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS				
TOTAL	FY 1979	FY 1980	FY 1981	FY 1946-81
IBRD	0.0	0.0	0.0	311.3
IFC	0.0	0.0	0.0	284.2
IDA	0.0	0.0	0.0	10.5
IUB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	15.4
OTHER-UN	0.0	0.0	0.0	1.2
EEC	0.0	0.0	0.0	0.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. O.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1979	CY 1980	CY 1976-80	
TOTAL	1237.0	942.3	4637.2	
U.S.	1182.0	804.0	4253.0	
Germany	50.2	156.2	377.8	
Switzerland	0.4	0.4	2.0	
Netherlands	0.4	1.1	2.1	
Japan	0.1	0.1	0.5	
Other	0.2	0.5	1.8	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
TOTAL	CY 1979	CY 1980	CY 1976-80	
	-	-	-	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1979	CY 1980	CY 1954-80	
	-	-	-	

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1981 Actual	FY 1982 Estimated	FY 1983 Proposed
Grants	764	806	525
Loans	-	-	260
Total	<u>764</u>	<u>806</u>	<u>785</u>

FY 83 PROGRAM HIGHLIGHTS
- A \$785 million cash transfer from the Economic Support Fund

Development Overview:

After the 1973 Arab-Israeli War, events converged to threaten Israel's ability to provide for the security and economic well-being of its people. First, the Government's decision to expand and modernize its military forces required a massive diversion of civilian manpower and financial resources to meet these needs, over one-third of GNP and 20-25% of the labor force. Concurrently with upgrading of defense capabilities came the general world inflation, which raised Israel's import bill, and recession in the economies of Israel's traditional trading partners, which adversely affected its ability to export.

The resultant large balance of payments deficit and accelerating inflation became the principal non-military problems facing the government. To deal with them, Israel introduced policies designed to slacken demand, including demand for imports, stimulate exports and restrain monetary expansion.

*Source: Central Bureau of Statistics, Government of Israel.

Initially, these restrictive policies succeeded in reducing the balance of payments deficit. By 1977, the trade deficit dropped to \$2.6 billion, \$1.4 billion less than it had been in 1975. However, the gap increased to \$3.4 billion in 1978 and to \$3.9 billion in 1979.* At the same time, inflation accelerated, reaching 111% in 1979.

Real economic growth, which had averaged about 9% per year during the 1960s, dropped to almost zero in 1976 and 1977. It accelerated to 4.7 % in 1978 as the Government relaxed some of the stringent measures adopted to deal with the economic crisis of the mid-1970s, but fell to 3.6% in 1979.

In late 1979, the Government adopted a broad new program designed to reverse the trend toward accelerating inflation and a growing trade imbalance. In general, this was to be accomplished by further restraining domestic demand -- both public and private -- thereby relieving pressures on the overheated economy. It was expected that Israeli producers would compensate for lost domestic markets by increasing

RESOURCE FLOWS			
(In thousands of dollars)			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans		--	260,000
Grants	769,572	811,000	528,000
Total AID	769,572	811,000	788,000
P.L. 480**			
Title I	()	()	()
(of which Title III is)			
Title II			
Total P.L. 480			
Total AID and P.L. 480	769,572	811,000	788,000

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

Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
	<i>Title I</i>					
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ... (of which Title III is)		()		()		()
<i>Title II</i>						
Voluntary Agencies						
World Food Programs						
Govt.-to-Gov't. ...						
Title II Total ...						
Total P.L. 480		-		-		-

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel ^a			
Direct Hire ^b			
PASA ^c	1	1	1
Contract			
Total	1	1	1
Participants ^d			
Noncontract			
Contract			
Total	-	-	-

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1982 and FY 1983 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

production for export, and the government indicated that it was prepared to facilitate this shift.

In its initial phase, the program proved successful. During the first quarter of 1980, consumption, investment and imports fell sharply while exports grew at an impressive rate. At the same time, the inflation rate dropped below 100% on an annualized basis. While export performance continued strong for the remainder of the year, domestic demand picked up somewhat and governmental efforts to bring its own fiscal accounts into better balance were not wholly successful. This factor, in combination with the oil price shock of 1979-80, frustrated efforts to bring down inflation. For the year as a whole, the cost-of-living index rose 133%. For the same period, the economic growth rate was a modest 2.3 %.

The balance of payments outcome for 1980 was as good as could be expected. By encouraging exports and reducing import demand, Israel was able to keep the trade deficit

ISRAEL

at the 1979 level despite the escalation in oil prices and an increase in deliveries of defense-related goods.

As in the past few years, external financing sources -- including U. S. assistance -- provided sufficient resources to cover Israel's trade deficit and debt service obligations, permitting Israel to increase its level of international reserves.

Early in 1981, the Israeli Government decided on a new program of tax cuts and increased subsidies as a means of stimulating a higher growth rate and reducing inflation. The immediate impact on inflation was positive. For the first eight months of the year, consumer prices rose at an annual rate of 90%. However, more recently, the Government has become increasingly concerned that the longer term impact of these policies may be an increase in inflation. As a result, a new effort is currently underway to reduce government expenditures.

Total Resources:

Israel is attempting to maintain a high level of social welfare services and a modest economic growth rate, while at the same time spending large sums for defense and debt servicing (internal and foreign). Thus, for the Israeli fiscal year ending March 31, 1981, defense outlays accounted for approximately 29% of total budgetary outlays. The latter were almost exactly equal to Israel's Gross National Product. At the same time, social services (education, health, housing and welfare) and servicing the public debt required respectively 23 and 28% of the total budget.

Revenues from taxes, other compulsory payments and other domestic sources have been sufficient to finance only two-thirds to three-quarters of public expenditures for the past several years. The remainder has come from foreign sources, of which U.S. economic and military assistance are the most important components. Perennial deficits in the balance of payments current account have required

financing from abroad in the form of private transfers, borrowing on commercial markets and from private individuals and institutions willing to lend on concessional terms, and official assistance, particularly from the United States. In fact, aside from West Germany, which loans the Israeli Government approximately \$80 million a year on very favorable terms, the United States is Israel's only significant source of official aid.

Israel continues to require concessional foreign exchange resources in order to finance public expenditures and imports at a level consistent with a modest rate of economic growth and maintenance of a strong defense capability. The United States is the principal source of these resources.

U.S. Interests and Objectives:

Israel's political and economic stability are requisites for achieving peace in the Middle East. U.S. assistance programs tangibly reflect U.S. support and help give Israel confidence to take the risks necessary to achieve peace.

A.I.D. Assistance Strategy:

A.I.D. is directly supporting Israel's civilian economy, thereby facilitating maintenance of a modest rate of economic growth and management of Israel's balance of payments problem.

A.I.D. Program: (FYs 1981-1982)

In FY 1981 A.I.D. provided \$764 million and in FY 1982 A.I.D. plans to allocate \$806 million from the Economic Support Fund as a cash transfer to Israel. The FY 1982 amount includes \$21 million to replace the same amount "borrowed" from the FY 1981 program to meet urgent needs elsewhere. A.I.D.'s program permits Israel to meet short-term balance of payments requirements, maintain budgeted foreign exchange expenditures, and import the goods and services it needs to maintain a moderate rate of economic

ISRAEL

growth without resorting to borrowing massive amounts at market terms or drawing down foreign exchange reserves. Provision of assistance in the form of a cash transfer is conditional upon receipt of satisfactory Israeli Government assurances that Israel will import from the United States an amount of non-defense goods at least equal to our level of economic assistance obligations, that U.S. exporters continue to enjoy equal access to Israeli markets, and that Israel will follow procedures worked out in cooperation with the U.S. Government for bulk shipments of grain on dry bulk carriers. Israel has provided these assurances each year since FY 1979 when the commodity import program was terminated and replaced by a cash transfer, and has complied with them. In fact, Israeli imports of non-defense goods from the United States have increased substantially since FY 1979.

Requested Year Program: (FY 1983)

For FY 1983, A.I.D. proposes a \$785 million cash transfer.

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

PROGRAM: ISRAEL

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	FY81- EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C
ECONOMIC SUPPORT FUND											
CASH TRANSFER	G 271-K002	76	C	1,814,000 3,650,000	1,814,000	1,814,000	806,000	806,000	525,000	525,000	C
CASH TRANSFER	L 271-K002	76	C	520,000 1,040,000	520,000	520,000	---	---	260,000	260,000	C
DESALTING PLANT	G 271-0005	75	75	20,000 20,000	20,000	9,687	---	5,000	---	3,000	
TOTAL FOR ACCOUNT GRANTS				2,354,000 4,710,000	2,354,000	2,343,687	806,000	811,000	785,000	788,000	
LOANS				1,834,000 3,670,000	1,834,000	1,823,687	806,000	811,000	525,000	528,000	
TOTAL FOR COUNTRY GRANTS				520,000 1,040,000	520,000	520,000	---	---	260,000	260,000	
LOANS				2,354,000 4,710,000	2,354,000	2,343,687	806,000	811,000	785,000	788,000	
				1,834,000 3,670,000	1,834,000	1,823,687	806,000	811,000	525,000	528,000	
				520,000 1,040,000	520,000	520,000	---	---	260,000	260,000	

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

Jordan

ECONOMIC AND SOCIAL DATA

COUNTRY: JORDAN*

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 3,248
 PER CAPITA GNP..... (DOLLARS, 1979) 1,180
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79) 5.6%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.1% (1970-76) 9.6%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1973) 6.3%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1978) TOTAL 55.6 MALE 54.1 FEMALE 57.2
 (1968) TOTAL 50.7 MALE 49.3 FEMALE 52.2
 ADULT LITERACY RATE (1977) TOTAL N.A. MALE 82% FEMALE 59%
 (1961) TOTAL 32% MALE 50% FEMALE 15%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1980) -3.7%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1979) 8%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981) 562
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT 37% (1979)
 CASH: FRUIT VEGETABLES 16% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1980) TOMATOES GRAPES
 MAJOR AGRICULTURAL IMPORTS:(1980) WHEAT BARLEY APPLES
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979) 21%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1977) 472 (78) 519 (79) 602
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1977) 1,101 (78) 1,084 (79) 1,613
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1977) -629 (78) -565 (79) -1,011
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 25.1% (78) 27.3% (79) 23.7%
 AS % OF GNP..... (1977) 13.3% (78) 12.3% (79) 13.1%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1978) 967 (79) 1,248 (80) 1,243
 EQUIVALENT TO 8.0 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1979) PHOSPHATES CITRUS FRUIT TOMATOES, P
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 1
 AS % OF TOTAL EXPORTS N.A.
 MAJOR IMPORTS... (1979) FOODSTUFFS MACHINERY PETROLEUM
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 110 (1979) 133 (1980) 336
 AS % OF TOTAL IMPORTS (1978) 7% (1979) 7% (1980) N.A.
 TRADE BALANCE(\$ MILLIONS, U.S.) (1977) -1,132(78) -1,202(79) -1,506
 MAIN TRADING PARTNERS: GERMANY, FED SAUDI ARABIA UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (1979) 38.1%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1979) 95
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979) 3.3%

SOCIAL DATA

POPULATION GROWTH RATE... (1970) 3.5% (1975) 3.0% (1980) 3.34
 POPULATION IN URBAN AREAS..... (1961) 44% (1975) 53%
 LIVE BIRTHS PER 1,000 POPULATION..... (1970) 48 (1981) 40
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978) 23%
 POPULATION (1978) IN AGE GROUP:
 (0-14YRS) 46.6% (15-64YRS) 50.7% (65+ YRS) 2.7%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1972) 97
 PEOPLE PER PHYSICIAN..... (1976) 3,126
 MAJOR CAUSES OF DISEASE (1978) MUMPS CHILDHOOD DIS. MEASLES
 DEATH.. (1975) ILL-DEFINED CAUS HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 62%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975) 61%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 63.0% MALE 86.0% FEMALE 80.0%
 SECONDARY..... (1978) TOTAL 56.0% MALE 63.0% FEMALE 49.0%
 POST SECONDARY.. (1977) TOTAL 7.3% MALE 8.7% FEMALE 5.6%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.

*SOME DATA ARE FOR EAST BANK ONLY.

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY **JORDAN**

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80
	TQ	1977	1978	1979	1980			
I. ECONOMIC ASSISTANCE – TOTAL	86.6	83.6	102.9	100.8	72.7	1423.0	29.0	1394.0
Loans	19.0	30.3	54.0	63.1	31.0	309.9	29.0	280.9
Grants	67.6	53.3	48.9	37.7	41.7	1113.1	-	1113.1
a. A.I.D. and Predecessor Agencies	86.2	70.0	93.0	93.0	69.0	1220.9	8.3	1212.6
Loans	19.0	20.5	46.0	58.0	30.0	246.2	8.3	237.9
Grants	67.2	49.5	47.0	35.0	39.0	974.7	-	974.7
(Economic Support Fund)	86.2	70.0	93.0	93.0	69.0	909.7	-	-
b. Food for Peace (PL 480)	0.4	13.6	9.9	7.8	3.7	200.6	20.7	179.9
Loans	-	9.8	6.0	5.1	1.0	63.7	20.7	43.0
Grants	0.4	3.8	3.9	2.7	2.7	136.9	-	136.9
Title I - Total Sales Agreements	-	9.8	6.0	5.1	1.0	63.7	20.7	43.0
Repayable in U.S. Dollars - Loans	-	9.8	6.0	5.1	1.0	60.0	18.1	41.9
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.7	2.6	1.1
Title II - Total Grants	0.4	3.8	3.9	2.7	2.7	136.9	-	136.9
Emerg. Relief, Econ. Develop. & World Food Program	0.2	2.1	1.5	0.8	0.5	91.9	-	91.9
Voluntary Relief Agencies	0.2	1.7	2.4	1.9	2.2	45.0	-	45.0
c. Other Economic Assistance	-	-	-	-	-	1.5	-	1.5
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	1.5	-	1.5
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	0.2	-	0.2
Other	-	-	-	-	-	1.3	-	1.3
II. MILITARY ASSISTANCE – TOTAL	-	150.9	127.4	109.6	79.3	995.0	167.7	827.3
Credits or Loans	-	75.0	71.0	67.0	50.0	442.8	167.7	275.1
Grants	-	75.9	56.4	42.6	29.3	552.2	-	552.2
a. MAP Grants	-	54.4	55.0	41.0	28.3	495.9	-	495.9
b. Credit Financing - FMS	-	75.0	71.0	67.0	50.0	442.8	167.7	275.1
c. Military Assistance Service-Funded (MASF) Grants	-	1.0	1.4	1.6	1.0	10.3	-	10.3
d. Transfers from Excess Stocks	-	0.5	*	-	-	46.0	-	46.0
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	86.6	214.5	230.3	210.4	152.0	2418.0	196.7	2221.3
Loans	19.0	105.3	125.0	130.1	81.0	752.7	196.7	556.0
Grants	67.6	109.2	105.3	80.3	71.0	1665.3	-	1665.3
Other U.S. Government Loans and Grants	-	-	-	63.8	276.3	364.4	26.5	337.9
a. Export-Import Bank Loans	-	-	-	63.8	276.3	359.7	21.1	338.6
b. All Other Loans	-	-	-	-	-	4.7	5.4	0.7-

* LESS THAN \$50,000.

TQ – TRANSITIONAL QUARTER (7/1/76 – 9/30/76)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

TOTAL	FY 1979	FY 1980	FY 1981	FY 1946-81
IBRD	22.3	63.6	33.1	353.7
IFC	15.0	50.0	25.0	125.0
IDA	4.4	0.0	2.5	85.1
IDB	0.0	0.0	0.0	83.8
IUB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	1.0	2.2	1.6	37.9
OTHER-UN	1.3	0.4	0.0	6.9
ECC	0.0	11.0	4.0	15.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1979	CY 1980	CY 1978-80
TOTAL	103.7	104.6	570.6
U.S.	42.0	52.0	347.0
Germany	24.6	27.4	125.6
U.K.	28.9	10.9	58.5
Japan	5.3	5.1	22.0
Switzerland	0.2	0.3	1.6
Other	2.7	8.9	15.9

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

TOTAL	CY 1979	CY 1980	CY 1978-80
TOTAL	882.1	1135.0	2943.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1979	CY 1980	CY 1978-80
TOTAL	-	-	25
USSR	-	-	25

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1981 Actual	FY 1982 Estimated	FY 1983 Proposed
Grants	10	5	5
Loans	-	10	15
Total	10	15	20

FY 83 PROGRAM HIGHLIGHTS
Water is Jordan's major resource and development constraint. \$15 million of the proposed \$20 million FY 1983 development package is for improving water supply/distribution and sewage collection/treatment in two cities. \$2 million will assist in establishing a National Water Authority that will establish policies concerned with more efficient use of water.
The remaining \$3 million will finance <u>training</u> programs for selected individuals involved in Jordan's development.

Development Overview

Unlike most developing countries, Jordan's East Bank population of 2.3 million resides mainly in urban areas. It has a high (over 70%) literacy rate and little unemployment. With per capita income of \$1,180 (1979), Jordan is a middle income developing country and has enjoyed high real growth in Gross Domestic Product (GDP) over the last five years, averaging 9% annually. However, continued socio-economic development in the next decade is not assured. Prospects are dependent upon the following: 1) political stability and peace in the region; 2) development of technical and administrative skills to operate a more complex, diversified economic structure; 3) expanding domestic revenues and foreign exchange earnings; 4) levels of foreign donor assistance; 5) rational, productive use of limited water and land resources; and 6) reduced population growth.

Jordan's new five-year development plan, covering 1981-1985, projects a 10.9% annual growth rate in GDP. Domestic revenues are expected to grow sufficiently to cover all government recurrent expenditures in 1985 while remittances, earnings from tourism, and diversification of exports are to reduce the trade deficit. Sectors receiving priority attention are agriculture, water and irrigation, mining and manufacturing, and energy. Development of industrial infrastructure and public services are intended to meet basic human needs and narrow regional disparities in income and access to opportunities. Total plan investments for the five year period are estimated at \$9.9 billion of which about a third is to come from the private sector. External assistance is to provide another third.

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	36,966	38,745	26,193
Grants	7,090	13,326	9,742
Total AID	44,056	52,071	35,935
P.L. 480**			
Title I	-	-	-
(of which Title III is)	()	()	()
Title II	614	676	256
Total P.L. 480	614	676	256
Total AID and P.L. 480	45,381	52,760	37,156

CP 83-08 (8-81)

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

RESOURCE FLOWS						
<i>(In thousands of dollars)</i>						
Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ... (of which Title III is)		-		-		()
<i>Title II</i>						
Voluntary Agencies ..		527		528		150
World Food Programs		87		148		106
Govt.-to-Gov't.		-		-		-
Title II Total ..		614		676		256
Total P.L. 480.		614		676		256

CP 83-14 (8-81)

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel^a			
Direct Hire ^b	19	17	15
PASA ^c	1	3	2
Contract	2	3	2
Total	22	23	19
Participants^d			
Noncontract	92	89	110
Contract	38	35	9
Total	130	124	119

CP 83-17 (8-81)

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1982 and FY 1983 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

Jordan's economy is dominated by the services sector, representing 62% of Gross Domestic Product in 1980. About 300,000 professional, skilled and semi-skilled Jordanian workers are in Saudi Arabia and the Gulf Oil States. Ironically, as a result of this movement Jordan also now imports some skilled and unskilled labor. The structure of production has changed markedly with the share of mining, manufacturing and construction in Gross Domestic Product doubling during the 1970's to 32% in 1980. Jordan has no known commercially exploitable deposits of crude oil or coal. However, extraction of oil shale is under active investigation. Expansion of phosphate mining makes the mining sector an important source of income and foreign exchange.

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Water remains a major resource and development constraint. Per capita daily consumption, approximately 50 to 60 liters per day, is well below the World Health Organization (WHO) minimum-safe health standard of 80. Supply and distribution must be expanded and use, including reflows, intelligently and conservatively managed. To maintain current consumption levels, Jordan will have to forego planned irrigation of additional arable land in the Jordan Valley unless and until its last available uncontrolled surface water, the Yarmouk River, is harnessed or additional ground-water resources are located. The government plans to establish a national policy and authority to manage, allocate and conserve scarce water resources. Improved management of this scarce and essential resource is central to the country's development.

Improved health is in part a function of water availabilities. Lack of adequate, safe water and of sewerage disposal and treatment contributes directly to some of Jordan's major health problems, the seriousness of which is compounded by the fact that 85% of Jordan's population resides in urban areas. Water-borne enteric diseases and respiratory illnesses are the major killers of children under five. Women frequently die from complications of pregnancy and childbirth. Malnutrition also affects children. Inadequate numbers of auxiliary health staff capable of providing quality primary health care impede the upgrading of nationwide health services.

Agriculture's share of GDP fell from 14 % to only 8% during the 1970's, and the sector employed a decreasing share of the labor force (about 21% in 1979). This is because there are better, more reliable opportunities for higher income and employment elsewhere. However, agriculture exports make up about 33% of all domestic exports, reflecting the increasing importance of exports of fruits and vegetables grown in the Jordan Valley, adoption of new production technologies, and expanded

irrigation. At the same time, expanding and diversifying production is inhibited by limited and declining available arable land due to expansion of urban centers and soil erosion, restricted water availability, and inadequate technology. About 60% of the food consumed in Jordan is imported. With good rains, Jordan produces half its wheat requirements; in a bad year, production is less than seed replacement. Yields for vegetable crops under irrigation are one-third of the yields obtained in the United States.

Jordan's comparatively abundant, well-educated, and trained labor force is a major asset. Strong demand for Jordanian workers at home and abroad results in low unemployment rates and some technical skills shortages. An open labor emigration policy prevails, as remittances comprise a major source of foreign exchange (\$710 million in 1980). The government is rapidly expanding and modernizing vocational/technical education and training for both men and women. The government expects 3% of secondary-school students to enter the vocational training stream during 1981-1985.

Jordan's population growth rate is currently estimated at 3.3% per annum. At this rate the population will double by year 2000. Such population growth will greatly constrain Jordan's development efforts. The reasons for such rapid growth include a continuing high birth rate attributable to customary youthful marriages, continuous child bearing throughout a woman's productive years, and continuing desires in the society for large families. The high growth rate, further, is attributable to a halving of the death rate between 1960 and 1978 to 10 per 1000, increasing life expectancy to 56 years, and overall health improvements from which women especially have benefitted. Two waves of immigration from the West Bank in 1948 and 1967 have also contributed to this growth.

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Existing conditions which favor a natural decline in Jordan's population growth rate over time are: higher educational levels for women (49% in secondary schools in 1978), greater participation of women in the labor force (16% in 1980 versus 4% in 1975), and urbanization. A well-defined and implemented official population policy would accelerate the projected decline in population growth. The government is aware of this, but is moving cautiously because of political, social and religious sensitivities to active government involvement in family planning.

For its energy needs, Jordan is totally dependent on imported oil purchased at market prices. Although the use of solar energy units is expanding and the government is in the early stages of exploring the possibilities of exploiting domestic oil shale deposits and geothermal sources, the dependence on foreign oil is unlikely to change significantly in the near term. Jordan's oil bill totalled about \$340 million in 1980, which was 94% of the value of domestic exports. With oil prices likely to remain at high levels, Jordan must conserve energy. Technical and economic feasibility studies of Jordan's shale oil deposits are underway with financing from West Germany and the USSR. The 1981-85 development plan includes concerted efforts in gas and oil exploration.

Total Resources

Jordan's development financing is drawn from domestic revenues and domestic and foreign borrowing. External assistance covered 53% of government spending in 1980. Jordan continued to enjoy an overall balance of payments surplus, with the largest sources of foreign exchange being worker remittances and economic assistance provided under the Baghdad agreements (\$1.1 billion in 1980).

Domestic revenues continued to rely heavily on import duties in 1980 although revenue generated from income

taxes is becoming more important. From 1976-1980 total domestic revenues more than doubled and reached 27% of GDP in 1980. During this same period income tax collections nearly tripled. Presently, income taxes represent 14% of domestic revenues, but they have increased in recent years at a compound annual rate of 20% due to improved tax administration and changes in the tax law. This reflects Jordan's efforts to become less reliant on external grant subsidies.

Exports increased by 28.7% in 1979 and 45.5% in 1980. Jordan's principal exports include phosphates, fruits and vegetables, chemicals and light manufactures. Despite increased exports, Jordan's terms of trade deteriorated as the cost of imports, particularly raw materials, fuel and capital goods, increased significantly. Raw materials and capital goods constitute two-thirds of Jordan's imports. Net receipts from services, transfers and capital movements continued to cover the trade deficit, which rose to \$1.65 billion in 1980. The government's budget deficit fell to \$107 million in 1980 versus \$190 million in 1979. Capital expenditures grew more rapidly than projected in 1980 and represented approximately 40% of all government expenditures compared to 30% in 1976.

New foreign donor project loans to the government totalled \$238 million in 1980, of which A.I.D. contributed 9%. Although A.I.D.'s share of such lending is small, especially in comparison with assistance from Arab Governments, it is a catalyst for mobilizing other donor support for development activities.

The National Planning Council coordinates all foreign assistance. Major donors include Kuwait, Abu Dhabi, Saudi Arabia, Iraq, The Arab Fund for Economic and Social Development, the IBRD, West Germany, the EEC, the UK, Japan and the United

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States. The largest source of assistance is Arab grants made under the 1978 Baghdad agreements, projected to total \$1.2 billion annually. Kuwait and Saudi Arabia remain the two largest bilateral donors.

U.S. Interests and Objectives

Jordan is geographically and politically important. The king and government have followed a generally moderate and constructive course within the Arab World, and Jordan plays an important role in Arab regional affairs. Ties with the United States are long standing, strong and friendly. Despite differences with the United States over the Camp David Accords, King Hussein consistently has favored a negotiated settlement, based on U.N. resolution 242, of Arab-Israeli issues.

Key objectives of the A.I.D. assistance program are: to help Jordan sustain its social and economic development and maintain stability by meeting the basic human needs of its population; to increase Jordan's capability for self-sustaining growth and reduced dependence on foreign aid by strengthening generation of domestic revenues and export earnings; and to assist in developing the technical, managerial and institutional capabilities for coping with Jordan's more complex economic and social structure.

Since 1952 U.S. economic assistance has been an important component of the U.S. presence in Jordan. It has contributed significantly to the formation of both the physical and human infrastructure which helped foster the rapid socio-economic development of recent years. The A.I.D. program has generated a large reservoir of good will toward the United States through the successful realization of A.I.D.-supported activities.

A.I.D. Assistance Strategy

A.I.D. strategy is to finance projects and programs in those areas deemed most crucial to Jordan's economic and social development. A.I.D. plans to assist Jordan in creating the infrastructural and institutional capacity needed: to provide minimum safe water and controlled sewerage services to its people; to help the government decentralize development activities; to fully exploit, conserve, and manage its limited water resources; to double irrigated agricultural productivity per hectare; to address maternal, infant and child health and nutritional problems in a more cost-effective manner; to increase public awareness of Jordan's population problem; to expand Jordan's domestic revenues; and to diversify and increase the supply of technically trained labor, including women, in critical development areas. Loans to Jordan for FY 1983 will be on the intermediate terms of 20 years at 5%.

A.I.D. Program: (FY 1981-82)

During 1980-1981 the Jordan A.I.D. program concentrated its efforts on the water, health, agriculture, and education sectors. The total program level of \$69 million in FY 1980 fell to \$10 million in FY 1981.

In the water sector, on which A.I.D. places primary emphasis, an FY 1981 obligation of \$3.3 million concluded financing of the Ground Water Resources Investigation project (278-0243). This activity assists the GOJ to develop and carry out a systematic, comprehensive investigation of the availability of ground water resources in northern Jordan. The project, begun in FY 1980, along with

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the FY 1978-funded Rift Valley Water Resources study, seeks new sources of water for the most heavily populated areas in Jordan. Three continuing urban water and sewage projects, in Amman, Aqaba and Irbid (278-0220, 278-0206, and 278-0233), will affect about 50% of Jordan's urban population, particularly these cities' poorer residents, by providing increased water for household consumption and by installing sewage collection and treatment services. The Maqarin Dam and Jordan Valley Irrigation System Project (278-0225), to which A.I.D. contributed \$9 million in FY 1980 for design costs, is a key project in A.I.D.'s water sector program due to its broad overall impact on sectoral objectives. Riparian rights issues among Jordan, Syria and Israel remain to be resolved before further commitment of A.I.D. funds, ultimately expected to total \$150 million, can be made.

Ten million of the FY 1982 program will contribute to the development of the Zarqa-Ruseifa Water and Wastewater facilities (278-0234). Zarqa-Ruseifa is Jordan's principal industrial center, with an estimated total population of 285,000 and a severe need for wastewater collection and treatment facilities. A.I.D.'s contribution will finance a portion of the \$75 million total cost, of which \$35 million may be provided by the GOJ and the balance by other donors.

In health, a project for Health Planning and Services Development (278-0208), initiated in FY 1977, is upgrading health planning and training paramedical personnel for the rural health system. A second project, Health Education (278-0245), commenced in FY 1980 and aims at introducing health education into the Ministry of Health's preventive and curative health services delivery system.

U.S. intermediaries support a variety of centrally-funded family planning activities in demography, training of

medical personnel, and provision of family planning services. Family Planning International Assistance assists the Jordan Family Planning and Protection Association to expand and improve its management. The Pathfinder Fund is designing a community development project which is to include a family life education component. A.I.D. also is continuing efforts to inform senior Jordanian policy makers about socio-economic implications of population growth.

Agricultural and other development assistance directed at the Jordan Valley aims at increasing Valley farmers' access to more effective agricultural services and improving the quality of their lives. A Jordan Valley Agricultural Services Project (278-0241) initiated in FY 1981, is developing and institutionalizing a program of applied agricultural research and extension in the Jordan Valley under the auspices of the Ministry of Agriculture. The Jordan Valley Farmers Association continues to receive training for its staff and will receive additional advisory services and commodity support. The Water Management Technology project (278-0192) provides technical assistance to expand use of new irrigation technologies.

The Village Development II and III projects (278-0205 and 278-0221), begun in FY 1978 and FY 1979 respectively, will construct 43 schools, five health clinics, 35 housing units, five administrative buildings, and feeder roads needed to serve Valley

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residents who now number 85,000. Construction of all these facilities is 80% complete. An FY 1981 evaluation of the first such village development activity and other A.I.D. projects in roads and water development in the Jordan Valley concluded that the AID assistance has contributed significantly: to expanded agricultural and other economic opportunities; to increased availability of government services such as education and health care; to rapid increases in school enrollments, averaging 20% per year en toto and nearly twice that rate for girls, and overall, to a significant bettering of the quality of life for valley residents.

In education, A.I.D. is developing human skills in areas key to Jordan's development. Construction is about one-third complete of the A.I.D. financed Amman Trade Training Center (TTC), the first of six such schools being established by the Vocational Training Corporation with assistance from A.I.D. and other donors (278-0238). A.I.D. also contracted with Ohio State University to establish a sister-school relationship with the Amman TTC. Construction of 13 of 14 compulsory cycle (Grades 1-9) schools is well underway, financed with an FY 1980 grant of \$6.7 million. This is the second Schools Construction project (278-0232), and it incorporates lessons learned from evaluating the first activity. Thus, the second project reflects recommended changes in design of school buildings; a focus on the compulsory cycle rather than secondary schools, and an equal allocation of facilities between boys' and girls' schools and between schools located in urban areas and in areas serving combined urban-rural populations.

Participant training is primarily short-term and technical in nature, with academic training limited to master's degree students who cannot be trained

locally due to lack of facilities or courses offered. In FY 1981 under the Development Administration Training II (278-0214) project, 84 participants received training, of whom 67 attended short-term technical courses in such fields as financial management, statistics, agriculture, public administration, education and energy.

Increased mobilization of domestic resources is a key development objective of both Jordan and the United States. In FY 1981, A.I.D. granted \$1 million to improve administration and effectiveness of the income tax system. The project's primary areas of emphasis will be income tax assessment, collections, data processing, and administrative services.

CARE administers a PL 480 Title II feeding program directed at mothers and pre-school children. A pilot nutrition education effort, carried out as part of the Title II program, was evaluated in FY 1981. As a result, A.I.D., CARE and the Ministry of Social Development are working together to design an improved nutrition education program that will have a greater impact. The continuation of the current PL 480 Title II program will depend upon the outcome of this joint effort.

A variety of activities are supported under the Technical Services and Feasibility Studies II (278-0224) project. These include a study of the incidence of pesticide poisoning among Jordan Valley farmers, development of a prevention and control program for schistosomiasis, and introduction of an effective but inexpensive system for treating infant

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diarrhea through oral rehydration therapy at Ministry of Health hospitals. Consultants have also been used to provide advice on improving the MOH's central laboratory facilities. Technical assistance directed at design and feasibility studies, especially in the water sector, continues to be a key component of this project. Technical Services and Feasibility Studies III (278-0224), like two similar predecessor TSFS projects, will finance consultants, feasibility studies and technical experts to assist the GOJ to identify, develop, appraise and execute those priority development projects contained in the new 1981-85 development plan. The GOJ will make particular use of TSFS III resources for determining priorities for using its own and other financial resources available for planned program execution.

Requested Year Program: (FY 1983)

Of the proposed \$20 million FY 1983 program level, \$17 million is slated for the priority water sector. AID proposes \$5 million and \$10 million, respectively, for two projects in Ma'an and Karak (278-0252 and 272-0248), to develop adequate and safe water distribution and waste water treatment systems. Current facilities for water distribution and wastewater collection and treatment are inadequate to meet the requirements and demands of the residents of the two cities. Another \$2 million will assist in development of a national water authority to set national water policy, control and conserve scarce water resources through improved water management, and oversee development of Jordan's water resources. The proposed Water Resources Management project (278-0249), will assist the authority to address such issues as conservation, water supply and distribution, wastewater disposal, allocation of resources and resources investigation.

Development Administration Training III (278-0257) will continue to finance training opportunities in the United States for selected GOJ personnel in the social and economic development areas essential to Jordan's development. A.I.D. proposes \$3 million for this activity.

PL 480 Title II

The magnitude and content of the PL 480 Title II program in FY 1983 depends on the outcome of discussions now underway between A.I.D., CARE and the GOJ. It is expected that a feeding program with a strong nutritional element will be implemented based upon lessons learned from the earlier program.

MISSION DIRECTOR: Walter Bollinger

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

PROGRAM: JORDAN

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C O N T
ECONOMIC SUPPORT FUND											
JORDAN VALLEY FARMERS ASSOCIATION	G 278-0186	77	78	1,161	1,161	1,161	805	---	356	---	---
WATER MANAGEMENT TECHNOLOGY	G 278-0192	77	79	1,320	1,320	1,320	655	---	665	---	---
VILLAGE DEVELOPMENT II	L 278-0205	78	78	8,000	8,000	8,000	5,743	---	2,257	---	---
AQABA SEWERAGE	L 278-0206	79	79	7,500	7,500	7,500	---	---	2,500	---	2,500
HEALTH PLANNING AND SERVICES DEV	G 278-0208	77	80	1,875	1,875	1,875	664	---	500	---	711
RURAL AND URBAN ELECTRIFICATION	L 278-0209	77	77	9,000	9,000	9,000	6,305	---	2,695	---	---
POTASH DESIGN AND CONSTRUCTION	L 278-0210	78	79	38,000	38,000	38,000	28,686	---	9,314	---	---
DEVELOPMENT ADMINISTRATION TRAINING II	G 278-0214	79	80	2,000	2,000	2,000	892	---	400	---	708
AMMAN WATER AND SEWERAGE	L 278-0220	78	79	39,000	39,000	39,000	6,189	---	10,000	---	10,000
VILLAGE DEVELOPMENT III	L 278-0221	79	79	7,000	7,000	7,000	307	---	3,000	---	3,693
TECH SERVICES AND FEASIBILITY STUDIES II	G 278-0224	79	80	5,700	5,700	5,700	2,848	---	2,852	---	---
RIFT VALLEY WATER RESOURCES STUDY	L 278-0229	78	78	5,000	5,000	5,000	3,021	---	1,979	---	---
SCHOOL CONSTRUCTION II	G 278-0232	80	80	6,700	6,700	6,700	1,867	---	3,914	---	919
IRBID WATER AND SEWERAGE	G 278-0233	80	80	2,500	2,500	2,500	---	---	560	---	835
IRBID WATER AND SEWERAGE	L 278-0233	80	80	21,000	21,000	21,000	---	---	7,000	---	9,000
ZARQA RUSEIFA WATER AND WASTEWATER	L 278-0234	82	82	---	10,000	---	---	10,000	---	---	1,000
VOCATIONAL TRAINING	G 278-0238	79	80	2,125	2,125	2,125	629	---	1,050	---	446
JORDAN VALLEY AGRICULTURAL SERVICES	G 278-0241	81	81	5,620	5,620	5,620	---	---	710	---	1,837

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized data. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

PROGRAM: JORDAN

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY81-		-ESTIMATED FY82-		-PROPOSED FY83-		C U N T
				AUTHD	PLANNED	OBLIG	EXPENDI TURES	OBLIG	EXPENDI TURES	OBLIG	EXPENDI TURES	
GROUNDWATER RESOURCES INVESTIGATION	G 278-0243	80	81	5,000	5,000	5,000	---	---	1,408	---	3,498	
HEALTH EDUCATION	G 278-0245	80	80	980	980	980	---	---	360	---	350	
INCOME TAX ASSISTANCE	G 278-0247	81	81	1,000	1,000	1,000	11	---	551	---	438	
KARAK WATER AND SEWERAGE	* L 278-0248	83	83	---	10,000	---	---	---	---	10,000	---	
WATER RESOURCES MANAGEMENT	* G 278-0249	83	83	---	2,000	---	---	---	---	2,000	---	
MA'AN WATER AND SEWERAGE	* L 278-0252	83	83	---	5,000	---	---	---	---	5,000	---	
DEVELOPMENT ADMINISTRATION TRAINING III	* G 278-0257	83	83	---	3,000	---	---	---	---	3,000	---	
TECH SERVICES AND FEASIBILITY STUDIES II	C 278-0250	82	82	---	5,000	---	---	5,000	---	---	---	
TOTAL FOR ACCOUNT				170,481	205,481	170,481	58,622	15,000	52,071	20,000	35,935	
GRANTS				35,981	45,981	35,981	8,371	5,000	13,326	5,000	9,742	
LOANS				134,500	159,500	134,500	50,251	10,000	38,745	15,000	26,193	
TOTAL FOR COUNTRY				170,481	205,481	170,481	58,622	15,000	52,071	20,000	35,935	
GRANTS				35,981	45,981	35,981	8,371	5,000	13,326	5,000	9,742	
LOANS				134,500	159,500	134,500	50,251	10,000	38,745	15,000	26,193	

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

PROGRAM: JORDAN

PLANNED PROJECT SUMMARY SHEET

CP 83-05 (8-81)

TITLE Karak Water and Wastewater		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0248		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 10,000	LIFE OF PROJECT FUNDING: 10,000	
GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 83	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Project Purpose: To improve and extend the water distribution system and to install new wastewater collection and treatment systems in Karak.

Project Description: Karak, with a 1979 population of almost 12,000, is the administrative capital of the Karak Governorate and a regional commercial and agricultural center for part of the arid and comparatively poorer southern region of Jordan. Karak's water source is the Ain Sara spring which appears to be more than sufficient to meet Karak's needs through 1995, when the population is projected to reach 20,000. The present water distribution network, however, covers only the town center, or about one-fourth of the area included in the town plan. Karak has no system of wastewater disposal or treatment, but is totally dependent on individual wastewater disposal cesspools which ultimately drain into and pollute the Ain Sara Spring. Extension of the water distribution network and installation of a wastewater collection and treatment system can play a major role in improving the health status of the people of Karak.

An AID-financed feasibility study was completed in November 1981. A.I.D. may support one or more of the following: expansion of water distribution pipelines; installation of a water treatment facility; construction of a sewage treatment plant; and a waste water collection system. The proposed \$10 million loan will finance engineering and construction services and equipment and materials.

Relationship of Project to A.I.D. Country Strategy: The proposed project in Karak is part of a larger program being implemented by the GOJ to increase the supply of available water and to provide wastewater treatment and disposal services in the nation's urban areas where approximately 85 percent of Jordanians live. The water sector is the primary component of AID's development program, reflecting the serious constraint to development posed by the scarcity of Jordan's water resources, and the contribution of an improved quantity and quality of water to better health.

The Jordanian assistance program focuses on: enhancing domestic water supplies for household uses; improving waste disposal in order to meet urban residents' basic needs for increased quantities of water; improving health standards in Jordan's urban centers, towns and villages; and protecting and managing more effectively this limited but essential resource. Consistent with these goals and in keeping with the GOJ's top priorities, projects to upgrade urban water supply and distribution systems and install or upgrade wastewater treatment and collection facilities are currently underway or in the active planning stage for such major population centers as Amman, Aqaba, Zarqa-Ruseifa, Irbid and Salt. In the new Five-Year Development Plan for 1981-85 the GOJ plans to improve water and wastewater facilities in smaller communities, of which Karak is one.

Host Country and Other Donors: It is anticipated that the host country contribution will be about \$1.7 million. No other donors are currently expected to participate.

Beneficiaries:

The beneficiaries of the project are the 12,000 people who reside in Karak now, and the future residents of the city. 85% of the present population resides in the Old City, where the population density is high, and the sanitary conditions poorest. About 30% of the population has incomes which are below the poverty level of JD 1000 per household per year (\$3,130).

TITLE Water Resources Management		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0249		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 2,000	LIFE OF PROJECT FUNDING: 2,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 1983	ESTIMATED FINAL OBLIGATION FY 1983	ESTIMATED COMPLETION DATE OF PROJECT FY 1987

Project Purpose: To develop the managerial expertise required to make decisions in all aspects of water resources management, including resource investigation, development, allocation and conservation, and wastewater treatment and disposal.

Project Description: Efficient use of water is vital to Jordan's development. Projected future demands for water indicate there may be a serious shortage by the mid-1980's, requiring reduced municipal and/or agricultural allocations in order to ensure adequate supplies for household consumption. Shortages of qualified professional and technical personnel constitute a major constraint to efficient water resource management. Areas lacking managerial expertise include resource investigation and investment decisions, allocation of water resources among competing demands, watershed protection, conservation, and wastewater treatment and disposal.

As the demands on Jordan's water sector have increased, an "ad hoc" approach to water sector policy-making has become increasingly inadequate. The Government of Jordan has recognized the need for a national policy apparatus which can provide for more efficient management of the water sector by eliminating duplication and overlap among sometimes competing public and private entities. Such a central water authority can ensure that water resource development is planned and managed on a comprehensive, coordinated basis. The Government of Jordan has drafted and is currently discussing proposed legislation to create a national water authority.

The proposed project will provide a \$2 million grant for technical assistance to the water authority and its subordinate organization, including training programs and studies, particularly in the following areas of the water sector: 1) resource investigation and development; 2) resource allocation to determine the most economic allocation of water among domestic, agricultural and industrial uses; 3) resource conservation; 4) watershed protection, including catchment area controls and reforestation programs; 5) pricing policies to make more efficient the utilization of water; 6) wastewater treatment and disposal, and 7) staffing requirements to

improve the Government of Jordan's capability to acquire and use more sophisticated management techniques to address the above areas of concern. The proposed project may also provide assistance to Jordan's educational institutions, such as the University of Jordan and Yarmouk University, to enhance their ability to meet requirements for trained personnel in hydrological engineering, water and wastewater treatment and disposal, data acquisition and analysis, and environmental engineering. The Government of Jordan has also expressed interest in establishing a regional water training center. Technical assistance under the proposed project may also support establishment of such a center, including development of curricula in water resources management and the establishment of such a training program.

Relationship of Project to A.I.D. Country Strategy: Water sector development is AID's highest program priority. Central to water development is the establishment of a strong national water policy authority and the development of a training capacity to assure that there exists, at a minimum, a cadre of skilled technicians and managers to operate and maintain the water and wastewater facilities that will be completed in future years, to manage water resources effectively, and to develop future water policy.

Host Country and Other Donors: At this time, it is not anticipated that other donors will participate in the proposed project, although it is possible some activities involving other donors may be coordinated with the proposed project. The Government of Jordan contribution to the project will be approximately \$1,000,000.

Beneficiaries: It is estimated that most of Jordan's population will benefit from the project through improved water resource management.

TITLE Ma'an Water and Wastewater		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 278-0252 GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 5,000	LIFE OF PROJECT FUNDING: 5,000	
						INITIAL OBLIGATION FY 1983	ESTIMATED FINAL OBLIGATION FY 1983	ESTIMATED COMPLETION DATE OF PROJECT FY 1987

Project Purpose: To provide adequate water distribution and wastewater collection and treatment systems for the city of Ma'an.

Project Description: Ma'an, a city with a 1979 population of slightly over 11,000, has a water distribution network that is inadequate to meet current demands, and no wastewater collection and treatment system. Ma'an, the administrative capital of Ma'an Governorate is located in the poorest, most arid region of the country. For water supply the city depends on nearby springs and wells, specifically the Al Twaheen wells, managed by the Municipality of Ma'an. However, the present water distribution network covers only part of the city and the residents of the other parts have to purchase water at very high costs. For wastewater collection and disposal, the city is totally dependent on individual cesspools. The present per capita water consumption is only 40 litres per day, or about half of what is considered necessary for human health by the World Health Organization. Present facilities are not adequate to meet the needs of a growing community and are a health hazard as well. The \$5 million proposed for this project will finance the improvement and extension of the Ma'an water distribution system and the installation of a wastewater collection and treatment system. These changes and improvements can play a major role in improving the health status of the people of Ma'an.

An AID-financed feasibility study was completed in November 1981. The proposed \$5 million loan will finance engineering and construction services and equipment and materials.

Relationship of Project to A.I.D. Country Strategy:

This proposed project is one of a series of projects designed to improve and/or provide water distribution, wastewater collection and drainage systems in Jordan's principal urban areas where approximately 85% of Jordanians live. The water sector is the primary component of AID's development program, reflecting the serious constraint to development

posed by the scarcity of Jordan's water resources, and the contribution of an improved quantity and quality of water to better health.

The Jordan assistance program focuses on enhancing domestic water supplies for household uses and on improving waste disposal in order to: meet urban residents' basic needs for increased quantities of water; improve health standards in Jordan's urban centers, towns and villages; and protect and manage more effectively this limited but essential resource. Consistent with this goal, and in keeping with the GOJ's top priorities, projects to upgrade urban water supply and distribution systems and install or upgrade wastewater treatment and collection facilities are currently underway or in the active planning stage for such major population centers as Amman, Aqaba, Zarqa-Ruseifa, Irbid and Salt. In the new Five-Year Development Plan for 1981-85 the GOJ plans to improve water and wastewater facilities in smaller communities, of which Ma'an is one.

Host Country and Other Donors

It is anticipated that the host country will contribute a minimum of \$1,500,000 to the project. No other donors are expected to participate.

Beneficiaries

The beneficiaries of the project are the present 11,000 residents of Ma'an, and the future population of the City. About 50% of the population have incomes below the poverty level of JD 1000 per household per year (\$313,305).

TITLE Development Administration Training III		FUNDING SOURCE: ESP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 278-0257		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 3,000	LIFE OF PROJECT FUNDING: 3,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 1983	ESTIMATED FINAL OBLIGATION FY 1983	ESTIMATED COMPLETION DATE OF PROJECT FY 1987

Project Purpose: To upgrade managerial skills and improve the administrative and technical capabilities of personnel needed to plan and carry out Jordan's development efforts.

Project Description: The number of trained personnel available to deal directly with Jordan's development problems falls considerably short of its needs. Jordan's significant development achievements have created a far more complex and sophisticated economy, requiring adoption and effective utilization of modern technologies and management techniques. Further, Jordan's relatively well-trained human resources and talent remain in demand in neighboring Saudi Arabia and the Gulf Oil States, where a premium is paid for trained personnel with technical, managerial and professional skills. Jordan, accordingly, also serves as a regional source of trained personnel who remit significant foreign exchange earnings, and is a potential regional training center. Training needs are being addressed by the two universities in Jordan and other educational institutions ranging from community colleges and polytechnics to post-junior high school skills training programs. While the efforts of the training infrastructure are judged to be expanding and effective, demands for trained manpower will continue to exceed output in the near future.

AID, with other donors, has been assisting the Government of Jordan to close the gap between the demand and availability of trained personnel. The more than 2300 Jordanians trained under AID auspices have contributed significantly to the success of development efforts in Jordan. Demand for specialized training continues to exist, especially in those technological, administrative and managerial fields in which U.S. training is deemed most appropriate and is highly valued. An evaluation of Development Administration I, conducted in FY 1979, concluded that most participants were successfully utilizing their training in their jobs.

It was originally planned that the Development Administration II (DAT) project would finance 30 long-term and 179 short-term training programs. Training costs have almost doubled in recent years, thus decreasing the number of actual training programs which can be funded under DAT II.

Accordingly, a third development Administration Training project is proposed. The planned activity includes provision for an estimated 24 long-term and 151 short-term training programs in such fields as economics, administration, management, engineering, and planning. Training will be in priority development sectors including, but not limited, to water, health and agriculture.

Relationship of Project to A.I.D. Country Strategy:

Upgrading of practical, technical and professional skills of Jordanians is an integral part of the AID program and a high priority for the Government of Jordan as well. This proposed project complements ongoing efforts and provides additional training that otherwise would not be available.

Host Country and Other Donors:

The Government of Jordan will provide approximately \$1 million in the form of international travel for participants and their salaries during training.

Beneficiaries:

The immediate beneficiaries will be those trained and the various Government of Jordan agencies/offices involved in development activities related to AID development assistance programs. Ultimate beneficiaries will be the large percentage of the Jordanian population that will benefit from improved productivity and development programs.

ECONOMIC AND SOCIAL DATA

COUNTRY: LEBANON

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 3,086
 PER CAPITA GNP..... (DOLLARS, 1975) 1,070
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. N.A.
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.4%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1970) 4.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1978) TOTAL 65.1 MALE 65.2 FEMALE 67.1
 (1968) TOTAL 60.9 MALE 59.0 FEMALE 62.9
 ADULT LITERACY RATE (1972) TOTAL 68% MALE N.A. FEMALE N.A.

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1980) -2.9%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1961) 12%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981) 1,999
 LAND OWNED: (1970) BY TOP 10% 57.0% BY LOWEST 10% 1.0%
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: POTATOES WHEAT POULTRY 24% (1980)
 CASH: APPLES PEARS CHERRIES 10% (1980)
 MAJOR AGRICULTURAL EXPORTS:(1980) CITRUS FRUIT TOBACCO
 MAJOR AGRICULTURAL IMPORTS:(1980) GRAINS SUGAR MEATS
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979) 12%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1977) 359 (78) 504 (79) 651
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1977) 658 (78) 749 (79) 957
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1977) -299 (78) -245 (79) -306
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 16.4% (78) 20.2% (79) 23.8%
 AS % OF GNP..... (1977) 4.2% (78) 5.5% (79) 6.6%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1978) 2,224 (79) 1,921 (80) 1,978
 EQUIVALENT TO 7.0 MONTHS OF IMPORTS (1980)

FOREIGN TRADE

MAJOR EXPORTS... (1979) FOODSTUFFS
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1978) 14 (1979) 14 (1980) 31
 AS % OF TOTAL EXPORTS (1978) 2% (1979) 2% (1980) 4%
 MAJOR IMPORTS... (1979) MANUFACTURES
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 157 (1979) 250 (1980) 333
 AS % OF TOTAL IMPORTS (1978) 8% (1979) 9% (1980) 10%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1978) -1,167(79) -1,927(80) -2,013
 MAIN TRADING PARTNERS: SAUDI ARABIA ITALY FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP (1970) 4.2%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1979) 10
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1978) 0.6%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1975) 2.6% (1980) 2.6%
 POPULATION IN URBAN AREAS..... (1960) 31% (1970) 64%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 40 (1961) 34
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1971) 55%
 POPULATION (1978) IN AGE GROUP:
 (0-14YRS) 40.5% (15-64YRS) 54.6% (65+ YRS) 4.9%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1970) 65
 PEOPLE PER PHYSICIAN..... (1973) 1,097
 MAJOR CAUSES OF
 DISEASE (1975)TUBERCULOSIS DIABETES
 DEATH.. (1975)CIRCULATORY CANCER
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 101%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970) 92%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1970) TOTAL 118.0% MALE 127.0% FEMALE 109.0%
 SECONDARY..... (1970) TOTAL 40.0% MALE 47.0% FEMALE 32.0%
 POST SECONDARY.. (1970) TOTAL 23.6% MALE 35.3% FEMALE 11.3%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1979) 4%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	LEBANON								
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80
		TQ	1977	1978	1979	1980			
I. ECONOMIC ASSISTANCE — TOTAL	-	29.8	32.9	3.4	0.5	184.1	17.8	166.3	
Loans	-	6.8	7.6	-	-	32.8	17.8	15.0	
Grants	-	23.0	25.3	3.4	0.5	151.3	-	151.3	
a. A.I.D. and Prodecessor Agencies	-	19.1	20.9	0.4	0.5	98.2	6.4	91.8	
Loans	-	-	-	-	-	4.9	6.4	1.5-	
Grants	-	19.1	20.9	0.4	0.5	93.3	-	93.3	
(Economic Support Fund)	-	-	20.0	0.4	0.5	20.9	-	-	
b. Food for Peace (PL 480)	-	10.7	12.0	3.0	-	84.2	9.7	74.5	
Loans	-	6.8	7.6	-	-	26.3	9.7	16.6	
Grants	-	3.9	4.4	3.0	-	57.9	-	57.9	
Title I - Total Sales Agreements	-	6.8	7.6	-	-	26.3	9.7	16.6	
Repayable in U.S. Dollars - Loans	-	6.8	7.6	-	-	26.3	9.7	16.6	
Repayable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	
Title II - Total Grants	-	3.9	4.4	3.0	-	57.9	-	57.9	
Emerg. Relief, Econ. Develop. & World Food Program	-	0.7	4.4	0.3	-	46.9	-	46.9	
Voluntary Relief Agencies	-	3.2	-	2.7	-	11.0	-	11.0	
c. Other Economic Assistance	-	-	-	-	-	1.7	1.7	*	
Loans	-	-	-	-	-	1.6	1.7	0.1-	
Grants	-	-	-	-	-	0.1	-	0.1	
Peace Corps	-	-	-	-	-	-	-	-	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	0.1	-	0.1	
II. MILITARY ASSISTANCE — TOTAL	-	25.0	0.6	43.1	22.4	115.6	15.4	100.2	
Credits or Loans	-	25.0	-	42.5	22.0	98.7	15.4	83.3	
Grants	-	*	0.6	0.6	0.4	16.9	-	16.9	
a. MAP Grants	-	-	-	-	-	13.6	-	13.6	
b. Credit Financing - FMS	-	25.0	-	42.5	22.0	98.7	15.4	83.3	
c. Military Assistance Service-Funded (MASF) Grants	-	*	0.6	0.6	0.4	3.0	-	3.0	
d. Transfers from Excess Stocks	-	-	-	-	-	0.3	-	0.3	
a. Other Grants	-	-	-	-	-	-	-	-	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	-	54.8	33.5	46.5	22.9	299.7	33.2	266.5	
Loans	-	31.8	7.6	42.5	22.0	131.5	33.2	98.3	
Grants	-	23.0	25.9	4.0	0.9	168.2	-	168.2	
Other U.S. Government Loans and Grants	-	-	-	-	-	83.2	69.0	14.2	
a. Export-Import Bank Loans	-	-	-	-	-	71.4	55.8	15.6	
b. All Other Loans	-	-	-	-	-	11.8	13.2	1.4-	

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

	FY 1979	FY 1980	FY 1981	FY 1946-81
TOTAL	3.0	27.9	3.5	190.6
IBRD	0.0	0.0	0.0	10.0
IFC	0.0	0.0	0.0	9.3
IUA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	9.2	0.5	33.9
OTHER-UN	0.0	1.7	0.0	8.0
EEC	3.0	17.0	3.0	23.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1979	CY 1980	CY 1976-80
TOTAL	19.6	26.2	114.1
U.S.	13.0	4.0	55.0
Germany	3.3	3.4	16.2
Belgium	0.5	0.2	3.5
Switzerland	0.9	0.5	5.4
Netherlands	0.4	0.2	7.5
Other	1.5	17.9	26.5

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

	CY 1979	CY 1980	CY 1976-80
TOTAL	40.4	242.4	439.2

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1979	CY 1980	CY 1954-80
TOTAL	-	-	10
Eastern Europe	-	-	10

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1981 Actual	FY 1982 Estimated	FY 1983 Proposed
Grants	4.0	6.0	8.0

FY 83 PROGRAM HIGHLIGHTS
-- \$4.5 million for grants to private voluntary organizations
-- \$1.0 million for technical assistance to the Council for Development and Reconstruction
-- \$2.5 million to rehabilitate Lebanon's waste management system.

Development Overview

Lebanon's economic problems are rooted in its persistent political unrest. Rebuilding goes on simultaneously with sporadic outbreaks of violence that sometimes lead to extensive new physical damage. Rapid and full reconstruction will require resolution of underlying tensions, including expansion of legitimate governmental authority and, at a minimum, a modus vivendi among the well-armed internal and external parties to Lebanon's difficulties.

When previous U.S. economic assistance ended in 1962, Lebanon had achieved middle-income developing country status. With a lively free enterprise economy, per capita income surpassed \$1,000 by 1974, the country possessed a relatively well developed infrastructure, the

annual rate of real growth was over 10%, and the development process was well advanced. Average life expectancy exceeded 65 years. Over half the married women of reproductive age practiced some form of birth control. Two-thirds of the population was literate; and primary school enrollment surpassed 90% for both boys and girls. However, the country's political integrity depended on a precarious political balance of sectarian, ethnic and political factions. Existing tensions were gravely aggravated by a large Palestinian influx and the always volatile Middle East situation.

By 1975, the "National Accord," which had bound together Lebanon's diverse groups, dissolved in violence. The civil war destroyed Beirut's commercial district and much of the country's

CP 83-08 (8-81)

RESOURCE FLOWS <i>(in thousands of dollars)</i>			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	-	-	-
Grants	7,657	7,858	6,974
Total AID	7,657	7,858	6,974
P.L. 480**			
Title I	()	()	()
(of which Title III is)			
Title II			
Total P.L. 480	-	-	-
Total AID and P.L. 480	7,657	7,858	6,974

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

CP 83-14 (8-81)

Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ... (of which Title III is)	/	()	/	()	/	()
Title II						
Voluntary Agencies ..	/		/		/	
World Food Programs	/		/		/	
Govt.-to-Gov't.	/		/		/	
Title II Total ...	/		/		/	
Total P.L. 480.	/	-	/	-	/	-

CP 83-17 (8-81)

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel^d			
Direct Hire ^b	3	3	3
PASA ^c	-	-	-
Contract	-	-	-
Total	3	3	3
Participants^d			
Noncontract	1	11	1
Contract	-	-	1
Total	1	11	2

*^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1982 and FY 1983 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.*

industrial plant and equipment. Thousands of people became homeless. Many had to flee their urban apartments or village homes and resume life as displaced people elsewhere in the country. Estimates of the physical destruction range as high as \$7.5 billion. The violence receded after 1976, and by 1977 reconstruction was underway. However, violence erupted again in 1978 with the invasion of South Lebanon and bitter fighting in Beirut. More recently, widespread fighting in 1981 was highlighted by six weeks of heavy shelling in Beirut, the siege of Zahle, and the bombing of Beirut and Southern Lebanon. The latter ended with a ceasefire arranged by Ambassador Habib. Civil lawlessness continues and the potential for renewed violence remains high, thereby inhibiting investment and reconstruction.

Political authority has been effectively fragmented by divisions among Lebanon's communities. The

LEBANON

process of reasserting the government's control and extending central government services is progressing, but it has been slow, unsteady, and incomplete.

Currently, the economic situation remains hobbled. Gross Domestic Product (GDP) reached approximately \$3 billion in 1980, a 25% increase over the previous year, but still only 80% of the 1973 prewar level in real terms. The momentum of these 1980 gains was slowed, however, by the violence of 1981. Dislocations in the economy are notable; steady growth in the construction sector and some services, such as banking, is offset by stagnation in other key sectors, such as manufacturing. Inflation is averaging about 20% a year. With 300,000 workers, or some 40% of the prime-earner labor force, having obtained jobs outside Lebanon since the civil war, mainly in the Arab oil countries, unemployment is not a major problem. Indeed, there is a scarcity of skilled and semi-skilled workers. Equally important, remittance flows from these workers, estimated at close to \$1 billion annually, together with other financial inflows, fund an import level sufficient to maintain adequate living standards for the population as a whole.

Despite continued turbulence, the Government of Lebanon has made headway in implementing an overall reconstruction strategy approved by the Council of Ministers and managed by a high-level Council for Development and Reconstruction (CDR). CDR has channelled approximately \$200 million to the private sector for industrial and housing repair and other credit programs. In the public sector, security dangers have delayed many plans, such as the rebuilding of the devastated central commercial district of Beirut. However, the Beirut port has been partially rebuilt and remains active despite sporadic sniping and shelling. Other important beginnings have been made in airport repair and extension, road rehabilitation, telecommunications, and health and education facilities. In South Lebanon, where tension and danger have rarely subsided, CDR has launched

a major repair program for schools, health services, and potable water supplies, using UNICEF as an implementing agency.

CDR believes that much reconstruction work could safely move ahead more rapidly if more funds were available. Government revenues from taxes and customs duties are only a fraction of what they should be legally. The Government has thus placed heavy dependence on deficit financing and foreign assistance.

Total Resources

There is great uncertainty in Lebanon's resource outlook, particularly for near-term public sector investments. Lebanon possesses substantial foreign exchange reserves: \$1.3 billion in foreign exchange plus 9.2 million Troy ounces of gold worth over \$4 billion. However, Lebanon sees preservation of these reserves as vital for maintaining confidence in the economy and credit-worthiness for extensive Government borrowing from international, regional, and domestic financial institutions. From worker remittances, clandestine payments to political groups, and other inward transfers, an estimated \$1.5 billion flows into Lebanon each year, although because of smuggling, tax evasion, and the Government's general inability to enforce the laws, little of this can be tapped for public sector needs.

Lebanon has received pledges of Arab reconstruction aid of \$2 billion over a five-year period starting in 1980. While Lebanon remains confident that all of these pledges will be honored eventually, only about \$240 million has been received so far, with Kuwait, Iraq, the United Arab Emirates and Saudi Arabia contributing. France and the United States are the other principal bilateral donors. Other traditional donors are the EEC, the UN family, and the World

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Bank. The World Bank lent \$50 million in 1977 for reconstruction. With these funds almost fully committed, Lebanon is hopeful that a new round of negotiations will lead to fresh World Bank lending.

There would thus seem to be adequate resources available to finance a substantial reconstruction effort when confidence in Lebanon's future deepens and the Government becomes strong enough to command and direct these resources equitably between private and public sector requirements. The immediate resource outlook for government needs, however, is shaky. Preliminary figures submitted to the Council of Ministers in September 1981 for the CY 1982 budget show minimum required expenditures of 6 billion Lebanese pounds and reasonably firm revenues, from direct and indirect taxes and Government investments, of 3 billion Lebanese pounds. Of total expenditures, 30% would go for development, compared to 33% in 1981.

U.S. Interests and Objectives

The prime U.S. interest in Lebanon is to strengthen the authority of the Government and to see that its authority is extended over all areas of the country. The United States supports the sovereignty and territorial integrity of the Lebanese state and seeks to promote national reconciliation among Lebanon's communities. It seeks to reduce tensions and to alleviate the hardship endured by Lebanon's people during the years of conflict. With technical and financial assistance from the Economic Support Fund, A.I.D. seeks to build up the capability of the Government of Lebanon to shape and direct the reconstruction process. It supports efforts of both the Government and private groups to restore essential public services and help meet urgent needs of those affected by civil strife.

A.I.D. Assistance Strategy

U.S. economic assistance continues to:

-- seek to enhance central government authority by expanding assistance to the Council for Development and Reconstruction, and by supporting the design and administration of a national waste management system utilizing Arab financing;

-- support national reconciliation with projects which provide economic opportunities and rebuild social institutions to benefit all of Lebanon's communities, relying largely on PVOs and private initiatives which are better able to provide urgently needed services;

-- support efforts to ease individual hardship by helping economically disadvantaged people to obtain credit, skills, or better education or health care.

A.I.D. Program: (FY 1981-82)

Despite worsened security conditions throughout Lebanon in the spring and summer of 1981, A.I.D. was generally able to continue shifting its bilateral program from relief assistance to more direct help for reconstruction and development. A.I.D. disaster assistance was twice provided during the worst violence. In addition, \$1 million in State Department emergency refugee funds were provided to the International Committee of the Red Cross (ICRC) in the spring for urgent humanitarian relief in Lebanon.

The A.I.D. program continues to focus on the Council for Development and Reconstruction (CDR) as Lebanon's primary institution for financing, coordinating and implementing the national reconstruction program. \$300,000 was provided to CDR in FY 1981 for expertise

LEBANON

and data processing equipment to strengthen its capabilities to manage the reconstruction effort, bringing total funding under the Council for Development and Reconstruction project (268-0312) to \$1.3 million. AID-funded management and information specialists contributed importantly to developing the National Waste Management Plan, monitoring rehabilitation in the South, and producing a widely-distributed report on reconstruction progress.

Projects are being implemented through PVOs. Save the Children Federation began in FY 1981 utilizing \$2 million of a new \$6 million project for Agricultural Rehabilitation and Credit Cooperative(268-0317). This builds on an earlier A.I.D.-assisted project which achieved success in the establishment of credit procedures in 75 villages and neighborhoods. Support to the YMCA/Lebanon was also renewed with \$840,000 for the Vocational Training and Building Skills project (268-0318). Over 850 unemployed youth were trained in 1981 in masonry, electricity and other building skills, bringing to 4,200 the number trained since the start of A.I.D. support in 1978. A new component of this successful activity trains selected graduates of the 12-week training in the entrepreneurial skills necessary for setting up their own contracting businesses. An additional \$175,000 was provided to the YMCA/Lebanon (268-0316) to prepare and conduct, on behalf of the Ministry of Education, an experimental program to introduce health education into the curriculum of Lebanon's elementary and intermediate public schools. Finally, \$685,000 was added to an earlier \$5.0 million prior grant to Catholic Relief Services (268-0313) for reconstruction of private institutions damaged or destroyed during the violence. During FY 1981, CRS helped rehabilitate 11 educational, health, or social welfare institutions, with equitable religious and geographic distribution, bringing to 18 the number of benefiting institutions.

Two ongoing projects were completed in FY 1981. All equipment for the Tripoli Hospital has been delivered and this major government hospital was commissioned in November 1981. All of the preparatory work for a program to train handicapped persons in vocational skills was completed, but the opening was delayed because of fighting near the location during most of the summer.

A.I.D.'s planned \$6 million program in FY 1982 will strengthen and expand the capabilities of the Lebanese Government to manage reconstruction and, at the same time, support private organizations that are better able than the government to provide urgently needed services. A.I.D. will provide \$1 million for first-year funding of a new \$3 million technical assistance project to the CDR (268-0319), which will place increasing emphasis on expertise to carry out actual reconstruction projects. The experimental health education project started by the YMCA in FY 1981 will become the responsibility of the Ministry of Education. A.I.D. will provide an additional \$500,000 to enable the Ministry of Education to introduce health education to some 100,00 students in the public school system. This will serve as the basis for incorporating health education into the curriculum for all public and private schools.

PVO projects active in FY 1981 will continue. Save the Children will receive \$2.1 million (268-0317) to work with cooperatives in providing loans from revolving funds to low-income farmers and small businessmen, with the planned participation of the private banking sector. YMCA/Lebanon will receive \$750,000 (268-0318) to continue providing training for young people in the building construction trades. There will be more emphasis on entrepreneurial training for graduates and on shared financial support to institutionalize the program. Catholic Relief Services will be provided \$1,639,000 to complete its efforts to rehabilitate private institutions affected by the war and continuing strife (268-0313).

LEBANON

Requested Year Program: The FY 1983 program will mark an important advance in A.I.D.'s ability to help strengthen the capacity of Lebanese institutions to deliver vital public services as reconstruction progresses. The proposed \$8 million program will be the continuation of assistance to CDR and A.I.D.'s effort to wed U.S. technology with the larger funding Lebanon is able to generate from other donors. The core project for this effort will be an additional \$1 million to finance CDR efforts to turn plans into projects. The first manifestation of efforts to link U.S. expertise with substantial non-U.S. funding will be a new \$6.5 million project to begin the rebuilding of the Lebanese national waste management system. For FY 1983, \$2.5 million is proposed to establish an authority to administer the national waste management program, prepare engineering design studies, and commence the most urgent repairs.

FY 1983 will be the final planned year of financing for two major PVO programs with Save the Children (\$2.06 million) and YMCA/L (\$750,000), which are providing credit services and vocational training, respectively. We anticipate that institutionalization of the lessons of these successful activities will be well underway. While the need to build up the capability and credibility of government institutions is paramount in U.S. strategy, we foresee a continuing important role for PVOs -- particularly those which have the capability to move beyond relief aid into an era of partnership with the government in reconstruction. A new \$5.7 million PVO reconstruction project will begin in FY 1983 which will enable the Government of Lebanon to support and utilize PVO talents and private initiatives more effectively in the overall reconstruction effort.

A.I.D. REPRESENTATIVE: William McIntyre

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

PROGRAM: LEBANON

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	FY81- EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	C U N T
ECONOMIC SUPPORT FUND											
TECHNICAL EDUCATION	G 268-0300	78	78	1,500	1,500	1,500	1,097	---	403	---	---
REHABILITATION IN BOURJ-HAMMOUD	G 268-0303	80	80	1,000	1,000	1,000	750	---	250	---	---
HEALTH SECTOR REHABILITATION	G 268-0305	78	79	4,900	4,900	4,900	2,946	---	1,954	---	---
RURAL POTABLE WATER	G 268-0306	78	78	6,500	6,500	6,500	6,364	---	136	---	---
RESTORATION OF MINISTRY OF AG SERVICES	G 268-0311	78	78	768	768	768	222	---	546	---	---
TECHNICAL ASSISTANCE FOR CDR	G 268-0312	78	81	1,300	1,300	1,300	671	---	629	---	---
RECONSTRUCTION AND REHABILITATION-CRS	G 268-0313	79	82	685	2,324	685	---	1,639	500	---	824
BASIC HEALTH AND WELFARE SERVICES	G 268-0316	81	81	175	175	175	104	---	71	---	---
CREDIT COOPERATIVES	G 268-0317	81	83	1,889	6,060	1,889	---	2,111	2,000	2,060	2,000
VOCATIONAL TRAINING IN BUILDING TRADES	G 268-0318	81	83	840	2,340	840	500	750	750	750	750
TECHNICAL ASSISTANCE FOR CDR	G 268-0319	82	86	---	3,000	---	---	1,000	500	1,000	1,000
HEALTH EDUCATION	G 268-0320	82	82	---	500	---	---	500	100	---	400
WATER MANAGEMENT	* G 268-0321	83	85	---	6,500	---	---	---	---	2,500	1,000
PVO RECONSTRUCTION	* G 268-0322	83	85	---	5,690	---	---	---	---	1,690	1,000
TOTAL FOR ACCOUNT GRANTS				19,557	42,557	19,557	12,654	6,000	7,839	8,000	6,974
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				19,557	42,557	19,557	12,654	6,000	7,839	8,000	6,974
LOANS				---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized data. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

TITLE Waste Management		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 268-0321 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		POPULATION:	EO. & HR:	SEL. ACT.:	FY 83 2,500	LIFE OF PROJECT FUNDING: 6,500	
NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>					INITIAL OBLIGATION FY 1983	ESTIMATED FINAL OBLIGATION FY 1985	ESTIMATED COMPLETION DATE OF PROJECT FY 1986

Project Purpose: To establish an authority to administer rehabilitation of Lebanon's waste management system and to begin urgent repairs and improvements.

Project Description: Lebanon, with a population of 3,000,000, does not have a single functioning wastewater collection and treatment system. Further, solid waste collection and processing plants have been destroyed or are inaccessible because of continued violence which hinders free movement in the country.

Liquid waste is allowed to flow freely and untreated into open drainage systems and then onward into the Mediterranean or into the ground, polluting drinking water and farm irrigation systems. Solid waste is gathered into the open for days on end and then disposed of in a haphazard manner. Industrial waste is largely uncontrolled or is fed into inadequate treatment systems.

The Government of Lebanon (GOL) considers improvement of the waste system a major component of the overall rehabilitation program and a significant means of improving the overall health of the population. A National Waste Management Plan (NWMP) study was started in 1980 under the auspices of the Council for Development and Reconstruction (CDR). This study is expected to be completed in 1982 with \$2.1 million in World Health Organization and \$1.0 million in GOL financing. The prime contractor for the NWMP study is the American firm of Camp, Dresser and McKee.

A preliminary NWMP Master Plan to rehabilitate the national waste system identifies four major areas of needed improvement at a total cost of \$2 billion: \$65 million for an urgent improvements program (UIP); \$600 million for pilot projects (Jounieh, Zahle, Tripoli and Sidon); \$500 million for rehabilitation of the Beirut waste and water system; and the remainder to bring the national system up to acceptable standards.

Under the proposed project, A.I.D. would participate in Phase I of the project by financing the establishment of an institution to administer the program, and engineering services related to the preparation of the individual projects identified in the Master Plan. Phase I is a modest undertaking with the goal of constructing and rehabilitating facilities identified as most urgent under the UIP.

Relationship to Country Strategy: The Waste Management project directly supports A.I.D.'s efforts to improve the capability of the GOL to provide basic needed services to the people. The program represents the first comprehensive effort on the part of the Government to rehabilitate a major sector of the economy on a national scale.

Host Country and Other Donors: The GOL expects to allocate funds for construction work and equipment from Arab pledges or other sources.

Beneficiaries: Phase I will create the institutional basis under which over one million people will ultimately benefit from a healthier environment in communities where the drinking and irrigation water is contaminated by sewage because of war damages.

PROGRAM: LEBANON

PLANNED PROJECT SUMMARY SHEET

CP 83-05 (8-81)

TITLE PVO Reconstruction		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 268-0322		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 1,690	LIFE OF PROJECT FUNDING: 5,690	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 1985	ESTIMATED COMPLETION DATE OF PROJECT FY 1986

Project Purpose: To support PVO initiatives and Government-private sector cooperation in the reconstruction of Lebanon and the creation of effective means to deliver needed services to the Lebanese people.

Project Description: Since resuming activities in Lebanon after the 1975-1976 civil war, A.I.D. has relied heavily on private voluntary organizations to provide needed services. The PVOs have performed well, under difficult and hazardous conditions. During the same period, A.I.D. has also assisted the Government of Lebanon, which was divided and weakened by the war. Although hostilities have continued, some units of the Government are performing with reasonable effectiveness. Among these are the Council for Development and Reconstruction, the small high-level organization created after the war to direct reconstruction financing, planning and implementation.

Under the proposed project, A.I.D. will finance through the CDR, with possible participation of other Government agencies, the costs of PVO activities that contribute to important reconstruction needs in a manner consistent with overall U.S. strategy. Projects would normally be developmental in nature, targeted to war-affected low-income beneficiaries, and entail delivery of services in innovative ways which offer good promise of replication without sustained A.I.D. funding. CDR will add the staff capacity to administer the project in accordance with A.I.D. criteria, engaging other Government units as needed. A broader range of institutions and programs than has been possible under previous arrangements, will be supported over the lifetime of the project, with equitable geographical and sectarian balance.

Relationship to Country Strategy: The project will directly support A.I.D.'s twin objectives of strengthening the authority and capability of the national government to manage reconstruction while utilizing PVOs to carry out specific reconstruction projects that meet the urgent needs of Lebanon's war-affected people rapidly and efficiently.

Host Country and Other Donors: CDR will be responsible for administering the project and for assuring effective coordination of Government reconstruction activities with initiatives undertaken by PVOs. CDR may draw on technical assistance from the U.S. as needed, utilizing our Technical Assistance to CDR Project (268-0319). A.I.D. financing for a given activity would normally be accompanied by shared financing arranged by the PVO itself. On a broader level, it is anticipated that other outside donors may choose to channel funds for voluntary agency work in Lebanon through the structure to be established under this project.

Beneficiaries: Grantees may include PVOs which A.I.D. has supported in the past, such as Catholic Relief Services, the YMCA of Lebanon, Save the Children, and the Armenian General Benevolent Union. Lebanese PVOs would also be eligible. The ultimate beneficiaries will be people from all communities and regions of Lebanon.

ECONOMIC AND SOCIAL DATA

COUNTRY: OMAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 923
 PER CAPITA GNP..... (DOLLARS, 1979) 2,970
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-76) 11.3%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 2.4% (1970-77) 2.4%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 47.0 MALE N.A. FEMALE N.A.
 ADULT LITERACY RATE (1970) TOTAL 20% MALE N.A. FEMALE N.A.

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 N.A.
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1977) 3%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981) 238
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: DATES BANANAS COCONUTS 51% (1978)
 CASH: TOMATOES ALFALFA 25% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1979) LIMES DATES
 MAJOR AGRICULTURAL IMPORTS:(1979) MEATS RICE MILK
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 65%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1977) 1,506 (78) 1,453 (79) 2,003
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1977) 1,549 (78) 1,621 (79) 1,882
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1977) -43 (78) -168 (79) 121
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 44.3% (78) 47.3% (79) 41.4%
 AS % OF GNP..... (1977) 31.6% (78) 34.2% (79) 26.0%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1978) 415 (79) 605 (80) 1,182
 EQUIVALENT TO 6.0 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1979) PETROLEUM
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1978) 228 (1979) 264 (1980) 66
 AS % OF TOTAL EXPORTS (1978) 15% (1979) 13% (1980) 2%
 MAJOR IMPORTS... (1979) FOODSTUFFS MACHINERY TRANSPORT EQ
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 60 (1979) 100 (1980) 104
 AS % OF TOTAL IMPORTS (1978) 6% (1979) 8% (1980) N.A.
 TRADE BALANCE(\$ MILLIONS, U.S.)(1977) 699(78) 555(79) 916
 MAIN TRADING PARTNERS: JAPAN UNITED KINGDOM UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP N.A.
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 107
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 4.4%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.1% (1975) 3.2% (1980) 3.1%
 POPULATION IN URBAN AREAS..... (1960) 4% (1978) 20%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 50 (1981) 49
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.
 POPULATION (1978) IN AGE GROUP:
 (0-14YRS) 45.1% (15-64YRS) 52.0% (65+ YRS) 2.9%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1979) 142
 PEOPLE PER PHYSICIAN..... (1976) 1,911
 MAJOR CAUSES OF
 DISEASE (1979)MALARIA ENTERIC DISEASE RESPIRATORY
 DEATH.. (1979)ENTERIC DISEASE RESPIRATORY ACCIDENTS
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. N.A.
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY N.A.
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 57.0% MALE 76.0% FEMALE 37.0%
 SECONDARY..... (1978) TOTAL 7.0% MALE 11.0% FEMALE 3.0%
 POST SECONDARY.. TOTAL N.A. MALE N.A. FEMALE N.A.
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1979) 96%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80
	OMAN							
	PROGRAM	TQ	1977	1978	1979			
I. ECONOMIC ASSISTANCE — TOTAL	0.1	0.4	0.3	0.5	5.6	7.8	—	7.8
Loans	—	—	—	—	—	—	—	—
Grants	0.1	0.4	0.3	0.5	5.6	7.8	—	7.8
a. A.I.D. and Predecessor Agencies	—	—	—	—	5.0	5.0	—	5.0
Loans	—	—	—	—	—	—	—	—
Grants	—	—	—	—	5.0	5.0	—	5.0
(Economic Support Fund)	—	—	—	—	5.0	5.0	—	5.0
b. Food for Peace (PL 480)	—	—	—	—	—	—	—	—
Loans	—	—	—	—	—	—	—	—
Grants	—	—	—	—	—	—	—	—
Title I - Total Sales Agreements	—	—	—	—	—	—	—	—
Repayable in U.S. Dollars - Loans	—	—	—	—	—	—	—	—
Payable in Foreign Currency - Planned for Country Use	—	—	—	—	—	—	—	—
Title II - Total Grants	—	—	—	—	—	—	—	—
Emerg. Relief, Econ. Develop. & World Food Program	—	—	—	—	—	—	—	—
Voluntary Relief Agencies	—	—	—	—	—	—	—	—
c. Other Economic Assistance	0.1	0.4	0.3	0.5	0.6	2.8	—	2.8
Loans	—	—	—	—	—	—	—	—
Grants	0.1	0.4	0.3	0.5	0.6	2.8	—	2.8
Peace Corps	0.1	0.4	0.3	0.5	0.6	2.8	—	2.8
Narcotics	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
II. MILITARY ASSISTANCE — TOTAL	—	—	—	—	25.0	25.0	—	25.0
Credits or Loans	—	—	—	—	25.0	25.0	—	25.0
Grants	—	—	—	—	*	*	—	*
a. MAP Grants	—	—	—	—	—	—	—	—
b. Credit Financing - FMS	—	—	—	—	25.0	25.0	—	25.0
c. Military Assistance Service-Funded (MASF) Grants	—	—	—	—	*	*	—	*
d. Transfers from Excess Stocks	—	—	—	—	—	—	—	—
e. Other Grants	—	—	—	—	—	—	—	—
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	0.1	0.4	0.3	0.5	30.6	32.8	—	32.8
Loans	—	—	—	—	25.0	25.0	—	25.0
Grants	0.1	0.4	0.3	0.5	5.6	7.8	—	7.8
Other U.S. Government Loans and Grants	—	—	—	—	—	—	—	—
a. Export-Import Bank Loans	—	—	—	—	—	—	—	—
b. All Other Loans	—	—	—	—	—	—	—	—

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

TOTAL	FY 1978	FY 1980	FY 1981	FY 1946-81
TOTAL	2.9	22.0	0.0	52.7
IBRD	0.0	22.0	0.0	40.5
IFC	2.0	0.0	0.0	2.0
IUA	0.0	0.0	0.0	0.0
IUB	0.0	0.0	0.0	0.0
AUB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.5	0.0	0.0	5.7
UTREK-UN	0.0	0.0	0.0	0.5
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1978	CY 1980	CY 1976-80
TOTAL	—	1.8	1.8
U.S.	—	—	—
U.K.	—	0.9	0.9
Japan	—	0.6	0.6
France	—	0.2	0.2
Other	—	—	—

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

TOTAL	CY 1978	CY 1980	CY 1976-80
TOTAL	—	169.5	169.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1978	CY 1980	CY 1954-80
TOTAL	—	—	—

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1981 Actual	FY 1982 Estimated	FY 1983 Proposed
Grants	-	5	5
Loans	-	10	10
Total	-	15	15

FY 83 PROGRAM HIGHLIGHTS

- \$5 million grant funds will continue to support projects in fisheries, education, training and other areas and undertake short-term technical assistance and feasibility studies.
- \$10 million provided by the Joint Commission will assist the Oman government in constructing a dam which will double the water supply for the capital area.

Development Overview

Despite modest oil production that has provided a moderate but growing stream of income for the past decade, Oman remains a very underdeveloped country with a literacy rate of roughly 20%, 2/3 of the indigenous population working in subsistence agriculture and fisheries and a child mortality rate of 142 per 1,000. Great strides are being made in meeting the basic needs of most of the population but much remains to be done to create an economy that will continue to be productive when oil resources are exhausted. Prior to 1970, the government resisted efforts to modernize and kept the country isolated from the rest of the world. Oil production began in 1967, but very little development took place initially. Health, education, and other services were virtually nonexistent and most of the

population was engaged in subsistence agriculture and fishing.

In July 1970, the present Sultan came to power. His policies stimulated a period of rapid change and growth, aided by the oil price rises of the 1970s which greatly increased the resources available for development.

Changes have been impressive. The number of students, for example, jumped from a few hundred to nearly 100,000; health facilities increased from a handful to over 100. These and other services now reach most of the population. Basic infrastructure--roads, ports, airports, etc.--was also a major priority. Much is now in place, although a number of roads are still being built.

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	-	3,000	7,000
Grants	310	5,100	4,000
Total AID	310	8,100	11,000
P.L. 480**			
Title I	()	()	()
(of which Title III is)			
Title II			
Total P.L. 480	-	-	-
Total AID and P.L. 480	310	8,100	11,000

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

Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ... (of which Title III is)		()		()		()
<i>Title II</i>						
Voluntary Agencies ..						
World Food Programs						
Govt.-to-Gov't.						
Title II Total ...						
Total P.L. 480		-		-		-

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel ^a			
Direct Hire ^b	2	3	3
PASA ^c	-	-	-
Contract	-	-	-
Total	2	3	3
Participants ^d			
Noncontract	5	-	-
Contract	-	30	36
Total	5	30	36

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1982 and FY 1983 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

Less progress was made in developing the productive sectors of the economy. A few light industries were developed but agriculture and fishing stagnated, in part because of labor migration from rural areas.

Defense spending remains high following the guerilla warfare in the southern province of Dhofar, where South Yemen supported the insurgents. Although the insurgency was largely extinguished by the mid-1970's, the continued Omani perception of external threats gives defense a top priority.

The Omani economy is based on oil. Over two-thirds of GNP and most government revenues comes from oil production, but the oil industry employs only a small fraction of the labor force. Production peaked in 1976 at about 365,000 barrels per day (bpd) and subsequently fell to 295,000 bpd, but has now risen to over 320,000 bpd because of new discoveries and

OMAN

increased production from marginal field that became profitable with oil price increases. Reserves are now estimated at about 2.5 billion barrels, small by regional standards but enough to sustain current production rates for another 20 years.

The Government of Oman remains committed to a free market economy with as few economic controls as possible. However, the government's substantial oil revenues enable it to take an active role in allocating resources for development and public services.

The development challenge in Oman is to develop sectors that will become productive as oil revenues diminish. The harsh and extremely arid climate, the lack of water, the scarcity of proven resources other than oil and the poorly trained labor force make this task difficult.

In agriculture, Oman is somewhat better endowed than its neighbors, although only about 0.12% of the total land area is cropped. The major crop is dates, but there is some potential for vegetable production for the domestic market (nearly half the food is imported) and for export to other Gulf States. All agriculture is irrigated, however, and lack of water, the total availability of which is still not fully known, is a major constraint to increased production. In addition, the high rate of migration from rural areas has depleted the labor force available for agriculture, and agricultural production has actually declined over the past decade.

The same is true for fisheries, another traditional occupation. The waters around Oman appear to be fairly rich in a variety of fish, but the declining labor supply and lack of knowledge about the extent of fisheries resources has prevented fishing from being fully exploited despite government efforts to develop this sector.

Non-oil minerals may also be a potential income earner, although exploration is just beginning. A copper mine and smelter is being developed and there are indications of deposits of chromite, marble, gypsum, and other minerals.

Oman has tried to encourage industry through tax incentives, concessional loans, and other forms of government support. There have been a few successes, such as a flour mill and a pipe plant. A cement plant is under construction and other industrial projects are being considered.

A major political as well as an economic problem in Oman is the severe indigenous labor shortage. The shortage exists in all parts of the labor market, from professional to unskilled, and has required importing about 70% of the labor force in the modern sector from Egypt, India, Pakistan, and other countries. The high cost of labor will continue to be a problem until more Omani labor can be trained.

The First Five Year Plan (1976-80), emphasizing infrastructure and development of the productive sectors of the economy, was only partially implemented. The Second Five Year Plan (1981-85) places increased emphasis on economic diversification, private enterprise development and development of selected private sector areas such as agriculture, fisheries, mining and handicrafts. Vocational education and water resources are also priorities in this plan.

Total Resources

Oman's financial resources have grown rapidly with the large increases in oil prices. GNP grew to over \$4.7 billion in 1980, raising annual per capita income to over \$5,000. Government revenues have also risen sharply, reaching \$3.6 billion in 1980, including \$3.2

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billion from oil. Although the government budget was in deficit through much of the 1970's, the 1979 price rises at least temporarily put it into a strong surplus position and allowed the creation of a State General Reserve Fund into which 15% of oil revenues are annually invested for future use.

Oman receives both general budget support and project loans from a number of donors, particularly Saudi Arabia, Kuwait, and the United Arab Emirates. These have funded projects such as a gas pipeline and copper smelter which would have been difficult to finance otherwise. In 1980, foreign assistance totaled roughly \$86 million. This source of capital has been ad hoc and varies considerably from year to year.

Other donors, principally the United Kingdom, provide technical and military assistance on a reimbursable basis. The UN and WHO provides a number of experts in various fields, and the World Bank has provided assistance in education, highways, telecommunications, and other areas.

U.S. Interests and Objectives

Oman occupies a strategic location on the Arabian Peninsula, commanding the southern side of the Strait of Hormuz and bordering on major oil producing states. The United States has a vital interest in maintaining free passage through the Strait and ensuring stability among the states in this volatile but crucial region. Oman is providing important support for the expansion of the U.S. military capacity in the Indian Ocean area by agreeing to the use of certain Omani facilities by U.S. forces. Moreover, Oman has generally adopted moderate stances on international issues. It is one of the few states in the region to support the Egypt/Israel Peace Treaty.

In connection with the facilities agreement, the United States and Oman agreed to include an economic development

dimension to the expanded relationship by creating a Joint Commission on Economic and Technical Cooperation. The Commission coordinates and directs economic aid and facilitates access to U.S. technology and trade, thereby responding to the Omani desire for a closer relationship in these areas. The Commission and the development projects it sponsors are intended to provide tangible evidence to the Omani population of the benefits of our expanded relationship.

A.I.D. Development Strategy

The ability of the Government of Oman to continue its constructive policies on regional and international issues depends in part on continued progress in developing the country and meeting the needs of the people. The United States assistance strategy is to support these Omani objectives through a Joint Commission program of technical assistance and modest capital assistance directed to Omani development priorities.

A.I.D. Program (FY 1981-82)

The A.I.D. program consists of grants and loans to the Omani American Joint Commission. Under the terms of the agreements establishing the Joint Commission, the United States will provide, subject to Congressional authorization and appropriation, a grant of \$5 million dollars annually to support the operation and technical assistance activities of the Joint Commission and \$20 million in loan assistance in FY 1982/83 to finance specific development projects.

The Commission was formally established in August, 1980. It is based in Muscat and has as co-chairmen the U.S. Ambassador to Oman and the Omani Under Secretary for Foreign Affairs. An Omani official is

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Senior Executive Officer of the Commission; the AID Representative is his counterpart. The AID staff assigned to the Joint Commission assists in project identification, development and implementation.

The program is concentrating on a few critical areas where technical assistance and support are most needed and is also designed to serve as a catalyst for developing closer economic ties between the United States and Oman. Particular emphasis is given to the transfer of United States technology appropriate to fostering Oman's economic development. As needed, the Commission can draw on the resources of A.I.D, the Export-Import Bank, OPIC, and other U.S. government agencies with international development roles to develop and coordinate development programs and strengthen economic and commercial relations.

The first \$5 million in grant support for the Joint Commission was obligated in September 1980 and the second \$5 million grant will be obligated in FY 1982. These grants will finance some operating costs of the Commission, training activities, project analysis and feasibility studies, and various project costs. A feasibility study and design for a small dams project is being completed, and construction costs will be supported with a planned FY 1982 loan of \$10 million. Projects providing technical assistance and training for fisheries development, vocational education and general participant training are getting underway.

Requested Year Program (FY 1983)

In FY 1983, \$5 million in grants and \$10 million in loans are requested to finance Joint Commission activities. Grant funds will support the operation of the Commission, project studies, and training and technical assistance activities. These are expected to include further support for the fisheries, vocational education, and participant training projects, and possible new projects

in education, health and agriculture. The Commission will also continue to provide short-term consultants and support feasibility studies and other activities that will strengthen the economic, technical and commercial ties between the U.S. and Oman.

A \$10 million loan is planned for a dam and related facilities to store and supply water to the capital area of Muscat.

AID REPRESENTATIVE: Chester Bell

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

PROGRAM: OMAN

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C U N T
ECONOMIC SUPPORT FUND												
US-OMAN JOINT COMMISSION	G 272-0101	80	C	5,000	50,000	5,000	310	5,000	5,100	5,000	4,000	C
WADI AL KHAWA AQUIF ER RECHARGE	L 272-0102	82	82	---	10,000	---	---	10,000	3,000	---	5,000	
WADI DAY QAH DAM	* L 272-0103	83	83	---	10,000	---	---	---	---	10,000	2,000	
TOTAL FOR ACCOUNT GRANTS				5,000	70,000	5,000	310	15,000	8,100	15,000	11,000	
LOANS				5,000	50,000	5,000	310	5,000	5,100	5,000	4,000	
				---	20,000	---	---	10,000	3,000	10,000	7,000	
TOTAL FOR COUNTRY GRANTS				5,000	70,000	5,000	310	15,000	8,100	15,000	11,000	
LOANS				5,000	50,000	5,000	310	5,000	5,100	5,000	4,000	
				---	20,000	---	---	10,000	3,000	10,000	7,000	

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

TITLE Wadi Day Qah Dam		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)		
NUMBER 272-0103 GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 10,000	LIFE OF PROJECT FUNDING: 10,000	
NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>					INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 83	ESTIMATED COMPLETION DATE OF PROJECT FY 86

Project Purpose: To help build an arch dam, pumping station, pipeline, treatment works and roads to supply water to the capital area.

Project Description: Oman is an arid country, with limited water supplies for its expanding and increasingly urbanized population. The Muscat capital area, with an estimated 125,000 inhabitants, is expected to continue its rapid growth. Water supply is the most critical problem the municipality faces in its planning. Development and use of wells in areas adjacent to the capital will continue but will not be adequate. Desalination of sea water, on which the capital city is forced to depend for a good share of its water, is ten times as expensive as well water. The valley, Wadi Day Qah, about fifty miles south of Muscat, is one of the few in which a significant permanent surface flow of water exists in Oman. Studies conducted for the Oman government indicate that the flow in Wadi Day Qah is of sufficient amount to permit 38,000 cubic meters per day to be piped to Muscat. When the project is complete, the supply of water for the capital city will be doubled from what is presently available from both wells and desalination.

In FY 1982, the Joint Commission will finance final design work for the dam and related works. The proposed \$10 million loan will finance engineering supervision and selected equipment.

Relationship of Project to A.I.D. Strategy: The water sector is the primary focus of initial Joint Commission loan activities because of its critical importance in this desert country. This project will assist the Omanis in developing the major untapped water resource in the country.

Host Country and Other Donors: The Government of Oman will provide most of the construction costs of the project; these are estimated at \$110 million. At this time, no other donors are expected to participate.

Beneficiaries: The beneficiaries of this project are the 250,000 current residents as well as future residents of the rapidly growing capital area who will benefit from the greatly augmented water supply. Industrial development will also be enhanced.

ECONOMIC AND SOCIAL DATA

COUNTRY: PORTUGAL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 10,045
 PER CAPITA GNP..... (DOLLARS, 1979) 2,180
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79) 5.5%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 3.0% (1970-79) 16.1%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1974) 7.3%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1978) TOTAL 69.2 MALE 66.2 FEMALE 72.5
 (1968) TOTAL 66.1 MALE 63.2 FEMALE 69.3
 ADULT LITERACY RATE (1970) TOTAL 71% MALE 78% FEMALE 65%
 (1960) TOTAL 62% MALE 69% FEMALE 55%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1979) -2.9%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1979) 13%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981) 634
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT CORN PULSES 27% (1979)
 CASH: VEGETABLES FRUIT 34% (1979)
 MAJOR AGRICULTURAL EXPORTS:(1980) WINE TOMATOES
 MAJOR AGRICULTURAL IMPORTS:(1980) WHEAT COTTON CORN
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979) 25%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1977) 2,246 (78) 2,733 (79) 3,479
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1977) 4,570 (78) 4,489 (79) 5,161
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1977) -2,324 (78) -1,756 (79) -1,682
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 9.9% (78) 12.5% (79) 13.6%
 AS % OF GNP..... (1977) 3.6% (78) 3.6% (79) 3.6%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$ MILLIONS, U.S.) (1978) 1,880 (79) 1,951 (80) 6,445
 EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1979) COTTON FABRI CORK FISH
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1978) 171 (1979) 208 (1980) 251
 AS % OF TOTAL EXPORTS (1978) 7% (1979) 6% (1980) N.A.
 MAJOR IMPORTS... (1979) PETROLEUM COTTON MACHINERY
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 521 (1979) 769 (1980) 1018
 AS % OF TOTAL IMPORTS (1978) 12% (1979) 12% (1980) N.A.
 TRADE BALANCE(\$ MILLIONS, U.S.)(1977) -2,929(78) -2,623(79) -3,054
 MAIN TRADING PARTNERS: GERMANY, FED UNITED KINGDOM UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (1979) 16.8%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1979) 410
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979) 5.5%

SOCIAL DATA

POPULATION GROWTH RATE... (1970) 0.6% (1975) 2.5% (1980) 1.1%
 POPULATION IN URBAN AREAS..... (1960) 25% (1970) 26%
 LIVE BIRTHS PER 1,000 POPULATION..... (1970) 20 (1981) 15
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.
 POPULATION (1978) IN AGE GROUP:
 (0-14YRS) 27.2% (15-64YRS) 62.7% (65+ YRS) 10.1%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1975) 39
 PEOPLE PER PHYSICIAN..... (1978) 615
 MAJOR CAUSES OF DISEASE (1979) TUBERCULOSIS GONORRHEA
 DEATH.. (1978) CIRCULATORY CANCER ACCIDENTS
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 126%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975) 65%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1977) TOTAL 117.0% MALE 119.0% FEMALE 115.0%
 SECONDARY..... (1977) TOTAL 55.0% MALE 54.0% FEMALE 56.0%
 POST SECONDARY.. (1977) TOTAL 10.8% MALE 12.4% FEMALE 9.1%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1979) 15%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	PORTUGAL					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80	
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD							
		TQ	1977	1978	1979				1980
I. ECONOMIC ASSISTANCE – TOTAL	24.8	151.5	338.0	38.0	78.0	841.1	172.5	668.6	
Loans	23.8	126.5	338.0	38.0	38.0	690.0	172.5	517.5	
Grants	1.0	5.0	-	-	40.0	151.1	-	151.1	
a. A.I.D. and Predecessor Agencies	20.0	65.0	300.0	-	40.0	525.6	96.2	429.4	
Loans	19.0	60.0	300.0	-	-	428.8	96.2	332.6	
Grants	1.0	5.0	-	-	40.0	96.8	-	96.8	
(Economic Support Fund)	20.0	65.0	300.0	-	40.0	385.0	-	-	
b. Food for Peace (PL 480)	4.8	66.5	38.0	38.0	38.0	315.5	76.3	239.2	
Loans	4.8	66.5	38.0	38.0	38.0	261.2	76.3	184.9	
Grants	-	-	-	-	-	54.3	-	54.3	
Title I - Total Sales Agreements	4.8	66.5	38.0	38.0	38.0	261.2	76.3	184.9	
Repayable in U.S. Dollars - Loans	4.8	66.5	38.0	38.0	38.0	257.8	73.0	184.8	
Repayable in Foreign Currency - Planned for Country use	-	-	-	-	-	2.4	3.3	0.1	
Title II - Total Grants	-	-	-	-	-	54.3	-	54.3	
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-	
Voluntary Relief Agencies	-	-	-	-	-	54.3	-	54.3	
c. Other Economic Assistance	-	-	-	-	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	
Peace Corps	-	-	-	-	-	-	-	-	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
II. MILITARY ASSISTANCE – TOTAL	0.5	33.5	27.9	28.2	31.9	485.2	-	485.2	
Credits or Loans	-	-	-	-	-	-	-	-	
Grants	0.5	33.5	27.9	28.2	31.9	485.2	-	485.2	
a. MAP Grants	0.5	32.3	25.0	25.7	30.0	426.3	-	426.3	
b. Credit Financing - FMS	-	-	-	-	-	-	-	-	
c. Military Assistance Service-Funded (MASF) Grants	-	1.2	2.9	2.5	1.9	20.5	-	20.5	
d. Transfers from Excess Stocks	-	*	*	-	-	24.1	-	24.1	
e. Other Grants	-	-	-	-	-	14.3	-	14.3	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	25.3	165.0	365.9	66.2	109.9	1326.3	172.5	1153.8	
Loans	23.8	126.5	338.0	38.0	38.0	690.0	172.5	517.5	
Grants	1.5	38.5	27.9	28.2	71.9	636.3	-	636.3	
Other U.S. Government Loans and Grants	79.3	112.2	176.5	175.9	46.4	711.3	554.3	157.0	
a. Export-Import Bank Loans	29.4	0.7	0.2	29.2	0.1	176.2	158.5	17.7	
b. All Other Loans	49.9	111.5	176.3	146.7	46.3	535.1	395.8	139.3	

• LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

TOTAL	FY 1979	FY 1980	FY 1981	FY 1984-81
IBRD	178.1	180.2	201.2	1005.0
IFC	143.0	134.0	120.0	691.5
IDA	0.0	0.0	11.2	11.2
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
AID	0.0	0.0	0.0	0.0
AFOB	0.0	0.0	0.0	0.0
UNDP	0.1	0.2	0.0	1.9
OTHER-UN	0.0	0.0	0.0	0.2
ECC	35.0	46.0	70.0	301.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1979	CY 1980	CY 1979-80
TOTAL	137.2	125.4	496.3
U.S.	80.0	81.0	336.0
Norway	7.4	5.1	22.7
Germany	34.3	29.7	82.1
Netherlands	2.1	1.3	6.7
Sweden	9.4	3.6	20.3
Other	4.0	3.7	22.5

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

TOTAL	CY 1979	CY 1980	CY 1979-80
-	-	-	-

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1979	CY 1980	CY 1984-80
-	-	-	-

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CP 83-07 (11-81)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1981 Actual	FY 1982 Estimated	FY 1983 Proposed
Cash Transfer	20.0	20.0	20.0
Azores Reconstruction	5.0	-	-
TOTAL	25.0	20.0	20.0

CP 82-21 (8-80)

FY 83 PROGRAM HIGHLIGHTS

- A \$20 million cash transfer to the Government of Portugal in accordance with the exchange of notes of June 1979 extending the U.S. rights to the use of the Lajes Air Base in the Azores.

DEVELOPMENT OVERVIEW

Since 1976, Portugal has faced a series of economic problems and has, by and large, dealt with them successfully. Price increases for oil and food, recession in Western Europe, the disruptions to productivity caused by the revolution and its aftermath, and the loss of its African colonies and the need to repatriate 700,000 refugees, put a heavy burden on the economy. In 1977 Portugal had a balance of payments deficit of \$1.5 billion. However, in 1977 and 1978, Portugal undertook, in conjunction with the International Monetary Fund (IMF), a stabilization program whose major elements included ceilings on credit expansion, significant increases in interest rates, devaluation of the escudo, and tax increases. As a result, the economy experienced a sharp turnaround. Portuguese exports increased, imports declined, workers' remittances rose and by 1979 the balance of payments current account deficit was nearly eliminated. In 1980 GDP grew at a rate of 5.7%, the inflation rate declined sharply, and the country experienced increases in real wages for the first time since 1976. Per capita income reached \$2,180, among the lowest in Europe but well above that of most developing countries. Concurrently, however, the balance of payments situation again deteriorated. In 1980 the

current account had a \$1.0 billion deficit as crude oil prices rose and the growth of exports slowed. A severe drought has also contributed significantly to this deficit. The balance of payments deficit is expected to grow to \$2.0 billion in 1981. Financing the deficit should pose no immediate problem, however, because of Portugal's excellent credit standing, substantial gold reserves, and access to substantial IMF resources.

As provided in a June 1979 exchange of notes between the United States and Portugal extending the U.S. rights to the use of Lajes Air Base in the Azores, it was agreed that the United States would provide the Government of Portugal, subject to Congressional authorization and appropriation, with grant economic assistance totaling \$80 million. Funds are being disbursed in four installments of \$20 million each in FY 1980 through FY 1983. The Government of Portugal uses these funds to support development programs in the Azores, a relatively underdeveloped part of the country. The Azores has a per capita income of about \$700 (only one-third of the

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RESOURCE FLOWS			
(In thousands of dollars)			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	14,139	9,974	1,496
Grants	24,333	28,500	25,000
Total AID	38,472	38,474	26,496
P.L. 480**			
Title I	11,000		
(of which Title III is)	(-)	(-)	(-)
Title II	-	-	-
Total P.L. 480	11,000	-	-
Total AID and P.L. 480	49,472	38,474	26,496

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

CP 83-14 (8-81)						
Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat	69	11,000				
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ... (of which Title III is)		(11,000)		()		()
<i>Title II</i>						
Voluntary Agencies						
World Food Programs						
Govt.-to-Gov't. ...						
Title II Total ...						
Total P.L. 480		11,000		-		-

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel ^a			
Direct Hire ^b	5	5	4
PASA ^c	2	2	2
Contract	4	3	2
Total	11	10	8
Participants ^d			
Noncontract	60	50	40
Contract	20	40	40
Total	80	90	80

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1982 and FY 1983 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

national average). Nearly 125,000 people, equivalent to half the current population, have emigrated from the Azores in the last 20 years for lack of job opportunities.

TOTAL RESOURCES

In July 1981 the Portuguese government adopted a number of economic adjustment measures designed to limit deterioration in the balance of payments and growth of the central government's budget deficit. These measures include lower subsidies, tax revisions, cuts in current public spending, deferred public investments, and restrictive monetary and credit policies. Following the adoption of these measures, the Government announced its intent to conclude a three-year \$1.2 billion extended fund facility arrangement with the IMF. As a result of sizable medium-term and short-term borrowing abroad, Portugal's total international reserves were \$6.4 billion, of which gold reserves were valued at \$5.6 billion (\$254.92 an ounce) at the end of 1980. Portugal

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is also continuing its negotiations for membership with the European Economic Community (EEC) and is receiving economic assistance in advance of entering the EEC. Portugal also receives substantial assistance from the World Bank (\$120 million in 1981) and from bilateral sources such as Germany and the Scandinavian countries. The government is also giving high priority to re-invigorating the private sector to stimulate the productivity of domestic resources and encouraging foreign private investment.

U.S. INTERESTS AND OBJECTIVES

The United States has a continuing interest in preserving and strengthening democratic government in Portugal and in developing its economy so that it can become an active member of the European Economic Community. The United States is also interested in Portugal's continuing membership in NATO and in access to base facilities in the Azores.

A.I.D.'s Assistance Strategy: With relatively improved economic and political stability over the past six years, U.S. assistance programs have shifted from an emphasis on helping the resettlement of refugees immediately following the revolution to social infrastructure projects (such as housing, schools, and small water and sanitation projects), technical assistance and training. When the economy faltered in 1977-8, the United States joined other international donors in a massive economic stabilization program.

With the stabilization of democratic political institutions in Portugal, and given Portugal's desire and improved ability to undertake and finance necessary economic development measures, the need for U.S. concessional assistance is now declining. For the next several years the United States will oversee the completion of several construction projects, continue to provide some technical assistance and training, and carry out the terms of the 1979 exchange of notes providing economic assistance to be used in the Azores. A.I.D.'s technical assistance program should be phased out by the end of 1984.

A.I.D. PROGRAM

Current Status: FY 1981 was the final year for new economic assistance funds for Portugal, with the exception of support for the economic and social development of the Azores under the terms of the exchange of notes extending U.S. rights to the use of Lajes Air Base in the Azores. However, there is a substantial program still being implemented.

In late 1980 A.I.D. began a project (150-0023) for increasing soil fertility and forage production to stem the decline in agricultural productivity. U.S. financial assistance is only part of Portuguese efforts to stimulate agricultural growth, reduce imports of food and agricultural products, and address the disparity between rural and urban income levels which has contributed to a major exodus from rural areas. The main emphasis of the program is directed at the northern region of the country where farm size is small and there is severe land fragmentation and low agricultural investment. This project should improve the institutional capability to address these problems, thereby increasing productivity and resultant social benefits.

Most of the 64 water and sewerage systems (150-0010) financed in FY 1977 are complete or in the final construction phase, as are the 23 primary and secondary schools financed under the FY 1977 School Construction Loan (150-0018). Construction of health centers (150-0011) also financed in FY 1977 is now nearly complete. In addition, under the technical consultants and training grant (150-0001) which was increased by \$5 million in FY 1980, A.I.D. continues to provide technical assistance and training in response to priority needs identified by the Government of Portugal, by sending technical specialists to Portugal and through training programs for Portuguese leaders in the United States. This program will continue through 1984.

PORTUGAL

Funds obligated in FY 1980 for the relief and reconstruction (150-0019) of the Azores following the destructive earthquake of January 1, 1980 were effectively used to reimburse the Fundo de Apoio e Reconstrucao--the Azorean Fund for Assistance and Reconstruction--for building materials, transportation costs and procurement of prefabricated units for temporary housing and offices. An additional \$5 million was obligated in FY 1981 to finance 80% of the construction cost of 255 units of low cost public housing in Agra do Heroismo, the city hit hardest by the earthquake. Construction is progressing on these housing units.

REQUESTED YEAR PROGRAM

In accordance with the exchange of diplomatic notes dated June 18, 1979 between the United States and Portugal, the fourth \$20 million cash transfer is planned for FY 1983. The Government of Portugal intends to use these funds for the economic and social development of the Azores.

A.I.D. Representative: Donald Finberg

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

CP 83-02

PROGRAM: PORTUGAL

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	FY81- EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	C U N T
ECONOMIC SUPPORT FUND											
TECHNICAL CONSULTANTS AND TRAINING	G 150-0001	75	80	10,000	10,000	3,810	---	2,000	---	2,000	
BASIC SANITATION II	L 150-0010	77	77	12,000	12,000	7,504	---	3,000	---	1,496	
HEALTH SECTOR SUPPORT	L 150-0011	77	77	17,000	17,000	13,824	---	3,176	---	---	
RURAL VOCATIONAL EDUCATION	L 150-0012	77	77	6,000	6,000	4,580	---	1,420	---	---	
SCHOOL CONSTRUCTION II	L 150-0018	77	77	15,000	15,000	12,622	---	2,378	---	---	
AGRICULTURE PRODUCTION PROGRAM	G 150-0023	80	80	10,000	10,000	501	---	3,000	---	3,000	
AZORES REHABILITATION II	G 150-0025	81	81	5,000	5,000	1,500	---	3,500	---	---	
AZORES BASE AGREEMENT	G 150-8000	80	83	80,000	80,000	40,000	20,000	20,000	20,000	20,000	
TOTAL FOR ACCOUNT				155,000	155,000	115,000	20,000	38,474	20,000	26,496	
GRANTS				105,000	105,000	65,000	20,000	28,500	20,000	25,000	
LOANS				50,000	50,000	50,000	---	9,974	---	1,496	
TOTAL FOR COUNTRY				155,000	155,000	115,000	20,000	38,474	20,000	26,496	
GRANTS				105,000	105,000	65,000	20,000	28,500	20,000	25,000	
LOANS				50,000	50,000	50,000	---	9,974	---	1,496	

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

ECONOMIC AND SOCIAL DATA

COUNTRY: TURKEY

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 46,033
 PER CAPITA GNP..... (DOLLARS, 1979) 1,330
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79) 3.8%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 5.5% (1970-79) 24.6%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1973) 3.4%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1978) TOTAL 61.0 MALE 60.3 FEMALE 61.6
 (1968) TOTAL 54.4 MALE 52.8 FEMALE 56.1
 ADULT LITERACY RATE (1975) TOTAL 60% MALE 77% FEMALE 43%
 (1965) TOTAL 46% MALE 65% FEMALE 27%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1980) 0.9%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1979) 23%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981) 214
 LAND OWNED: (1970) BY TOP 10% 53.0% BY LOWEST 10% .9%
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT 34% (1980)
 CASH: COTTON 3% (1980)
 MAJOR AGRICULTURAL EXPORTS:(1980) FILBERTS COTTON
 MAJOR AGRICULTURAL IMPORTS:(1980) VEG. OIL SUGAR WOOL
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979) 54%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1977) 6,155 (78) 9,441 (79) 15,928
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1977) 7,716 (78) 10,548 (79) 17,858
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1977) -1,561 (78) -1,107 (79) -1,930
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 21.4% (78) 21.1% (79) 17.7%
 AS % OF GNP..... (1977) 5.9% (78) 5.4% (79) 4.5%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$ MILLIONS, U.S.) (1978) 988 (79) 926 (80) 1,433
 EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1979) COTTON TOBACCO FRUITS & NUT
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1978) 153 (1979) 105 (1980) 115
 AS % OF TOTAL EXPORTS (1978) 7% (1979) 5% (1980) N.A.
 MAJOR IMPORTS... (1979) CRUDE OIL MACHINERY TRANSPORT EQ
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 281 (1979) 377 (1980) 402
 AS % OF TOTAL IMPORTS (1978) 6% (1979) 7% (1980) N.A.
 TRADE BALANCE(\$ MILLIONS, U.S.)(1977) -4,043(78) -2,312(79) -2,809
 MAIN TRADING PARTNERS: GERMANY, FED IRAQ ITALY
 EXTERNAL PUBLIC DEBT AS % OF GNP (1979) 19.0%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1979) 640
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979) 12.9%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.3% (1975) 2.4% (1980) 2.2%
 POPULATION IN URBAN AREAS..... (1969) 38% (1977) 45%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 38 (1981) 32
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978) 40%
 POPULATION (1978) IN AGE GROUP:
 (0-14YRS) 39.1% (15-64YRS) 56.4% (65+ YRS) 4.5%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1975) 119
 PEOPLE PER PHYSICIAN..... (1976) 1,747
 MAJOR CAUSES OF
 DISEASE (1978) TUBERCULOSIS MALARIA ENTERIC DISEASE
 DEATH.. N.A.
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 115%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 75%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1976) TOTAL 107.0% MALE 115.0% FEMALE 97.0%
 SECONDARY..... (1976) TOTAL 40.0% MALE 55.0% FEMALE 26.0%
 POST SECONDARY.. (1976) TOTAL 8.0% MALE 11.4% FEMALE 3.8%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1979) 40%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY **TURKEY**

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80
	TQ	1977	1978	1979	1980			
I. ECONOMIC ASSISTANCE – TOTAL	-	0.2	1.2	69.7	198.1	2983.9	776.7	2207.2
Loans	-	-	0.4	69.6	123.0	1648.9	776.7	872.2
Grants	-	0.2	0.8	0.1	75.1	1335.0	-	1335.0
a. A.I.D. and Predecessor Agencies	-	-	1.1	69.6	198.0	2391.9	571.8	1820.1
Loans	-	-	0.4	69.6	123.0	1329.0	571.8	757.2
Grants	-	-	0.7	-	75.0	1062.9	-	1062.9
(Economic Support Fund)	-	-	-	50.2	198.0	1099.4	-	-
b. Food for Peace (PL 480)	-	0.2	0.1	0.1	0.1	564.6	190.2	374.4
Loans	-	-	-	-	-	307.7	190.2	117.5
Grants	-	0.2	0.1	0.1	0.1	256.9	-	256.9
Title I - Total Sales Agreements	-	-	-	-	-	422.5	190.2	232.3
Repayable in U.S. Dollars - Loans	-	-	-	-	-	82.3	35.5	46.8
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	340.2	154.7	185.5
Title II - Total Grants	-	0.2	0.1	0.1	0.1	142.1	-	142.1
Emerg. Relief, Econ. Develop. & World Food Program	-	0.2	0.1	0.1	0.1	54.7	-	54.7
Voluntary Relief Agencies	-	-	-	-	-	87.4	-	87.4
c. Other Economic Assistance	-	-	-	-	-	27.4	14.7	12.7
Loans	-	-	-	-	-	12.2	14.7	2.5
Grants	-	-	-	-	-	15.2	-	15.2
Peace Corps	-	-	-	-	-	15.2	-	15.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	125.0	125.0	175.4	180.3	208.3	5377.4	98.7	5278.7
Credits or Loans	125.0	125.0	175.0	175.0	202.9	987.9	98.7	889.2
Grants	-	-	0.4	5.3	5.4	4389.5	-	4389.5
a. MAP Grants	-	-	0.4	5.0	4.0	3140.0	-	3140.0
b. Credit Financing - FMS	125.0	125.0	175.0	175.0	202.9	987.9	98.7	889.2
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	0.3	1.4	112.8	-	112.8
d. Transfers from Excess Stocks	-	-	-	-	-	857.7	-	857.7
e. Other Grants	-	-	-	-	-	279.0	-	279.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	125.0	125.2	176.6	250.0	406.4	8361.3	875.4	7485.9
Loans	125.0	125.0	175.4	244.6	325.9	2636.8	875.4	1761.4
Grants	-	0.2	1.2	5.4	80.5	5724.5	-	5724.5
Other U.S. Government Loans and Grants	2.8	19.4	16.1	0.2	-	376.7	181.8	194.9
a. Export-Import Bank Loans	2.8	19.4	16.1	0.2	-	376.7	181.8	194.9
b. All Other Loans	-	-	-	-	-	-	-	-

TOTAL	FY 1978	FY 1980	FY 1981	FY 1982-81
IdRD	511.2	514.1	672.3	4167.7
IFC	452.5	460.0	722.0	3114.4
IDA	48.5	5.6	13.5	225.8
IOA	0.0	0.0	0.0	177.4
ISB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	2.7	2.5	1.6	62.9
OTHER-UN	1.2	0.0	0.0	11.2
EEC	6.3	46.0	135.0	576.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1979	CY 1980	CY 1978-80
TOTAL	533.8	758.9	1654.0
U.S.	96.0	296.0	397.0
Germany	335.4	336.2	376.4
France	3.5	36.0	48.5
Japan	4.5	8.8	43.8
U.K.	1.1	18.7	27.1
Belgium	6.9	10.3	28.6
Other	26.4	58.2	132.6

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

TOTAL	CY 1979	CY 1980	CY 1978-80
-	-	267.9	286.1

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1979	CY 1980	CY 1978-80
USSR	1,600	215	4,015
Eastern Europe	-	215	615

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

TURKEY

CP 83-07 (11-81)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1981 Actual	FY 1982 Estimated	FY 1983 Proposed
Grants	134,000	200,000	250,000
Loans	66,000	100,000	100,000
Total	200,000	300,000	350,000

DEVELOPMENT OVERVIEW

A few years ago the Turkish economy was virtually bankrupt and out of control. A combination of misguided government economic policies, the impact of oil price increases, and the general European recession contributed to Turkey's decline. The balance of payments deficit reached \$2.4 billion. Short term debt outstanding exceeded \$6.5 billion. Unemployment was high and the inflation rate was about 25%. Compounding the government's economic problem was widespread terrorism.

In January 1980, the government announced a major economic stabilization program, featuring a 33% devaluation of the Turkish lira, a fiscal and monetary austerity program, and a significant restructuring of public sector industrial enterprises which for years had been running below capacity and incurring significant losses.

The government was less successful, however, in dealing effectively with political terrorism. As a result, in September 1980, the Turkish military took control of the government in a bloodless coup. The military promised rapid restoration of civilian government and retained the principal managers of the economic reform program.

FY 83 PROGRAM HIGHLIGHTS

-- \$350 million in balance of payments assistance will be provided as part of a multi-donor program of support for Turkish economic recovery.

Turkish implementation of the stabilization program has been consistent and effective. The rate of exchange for the lira has been adjusted on several occasions subsequent to the January 1980 devaluation; State Economic Enterprises (SEE) are gradually becoming more competitive and less reliant on government subsidies; tight credit limits (subsequently set in agreement with the IMF) have been observed, and there are encouraging signs of recovery.

Turkey's rapidly growing population compounds the difficulty in raising standards of living. The 1980 population growth rate was 2.2%, while the growth of food production has been much lower. Population growth has also accelerated urban growth and demand for services.

Turkey has a domestic labor force of almost 17 million, excluding those serving in the armed forces. As many as 800,000 new workers enter the active labor force annually. In addition, one million Turks are working

TURKEY

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	CP 83-08 (8-81)		
	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	66,000	100,000	100,000
Grants	134,000	200,000	250,000
Total AID	200,000	300,000	350,000
P.L. 480**			
Title I	-	-	-
(of which Title III is)	()	()	()
Title II	45	48	40
Total P.L. 480	45	48	40
Total AID and P.L. 480	200,045	300,048	350,040
<i>*AID levels represent actual and estimated expenditures.</i>			
<i>**P.L. 480 levels represent actual and estimated value of shipments.</i>			

CP 83-14 (8-81)						
Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ...		-		-		-
(of which Title III is)		()		()		()
<i>Title II</i>						
Voluntary Agencies ..		-		-		-
World Food Programs		45		48		40
Govt.-to-Gov't.		-		-		-
Title II Total ..		45		48		40
Total P.L. 480		45		48		40

PERSONNEL/PARTICIPANTS DATA			
CP 83-17 (8-81)			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel^a			
Direct Hire ^b			
PASA ^c			
Contract			
Total	-	-	-
Participants^d			
Noncontract			
Contract			
Total	-	-	-
^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1982 and FY 1983 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year.			

abroad, mainly in Western Europe. Remittances from these workers are a significant source of foreign exchange earnings. However, a net return of these workers to Turkey would compound an already serious employment problem.

Fifty-four % of the domestic labor force is engaged in agriculture. During the past two decades, the contribution of agriculture to total Gross Domestic Product fell from 41% to 23%. Conversely, Turkey's industrial sector has been growing rapidly, about 8% per year since 1970.

For many years Turkey's manufacturing industry was geared to produce for a highly protected domestic market. This reflected a long-standing commitment to import substitution and economic self-sufficiency. Very little emphasis was given to production for export. This is one of the major reasons why the Turkish economy has been vulnerable to recurrent balance of payments pressures.

TURKEY

As part of the reforms initiated in 1980, increased emphasis is being given to exports.

Turkey's economic fortunes improved late in 1980 as the economic reforms took hold in the wake of the military takeover. Worker's remittances soared to record levels; the inflation rate dropped sharply; and production and exports increased.

These positive trends are continuing in 1981. The rate of inflation in the first half of the year was reduced to approximately 40%; exports and workers' remittances were up by 50% and 25% respectively. A tax reform package, designed to increase revenues and decrease inequities, was enacted in late 1980/early 1981. On the other hand, it is anticipated that SEE operating deficits will persist in 1981, though at a lower level.

Export performance is particularly encouraging. Turkish entrepreneurs are taking advantage of the government's new flexible exchange rate policy and generous export incentives. For 1981, exports may reach \$4.2 billion (compared with \$2.9 billion in 1980). Though these early results are encouraging, the process of restructuring the Turkish industrial economy to world markets will necessarily take several more years.

TOTAL RESOURCES

Turkey's economic problems during the 1975-1978 period caused Turkey to become so over-extended that it was unable to meet its debt repayments, forcing a rescheduling of a large part of its foreign debt. External debt reached \$16 billion in 1979 (25% of GDP), and the debt service approached \$1.4 billion, or 32% of foreign exchange earnings. *

Given this desperate situation, the Turkish government approached the IMF, the World Bank, Western allies and Arab friends for help. The OECD-sponsored donor group pledged about \$961 million in 1979 (including \$248 million from the United States), \$1.16 billion in 1980

(with \$295 million from the United States) and \$938 million in 1981 (including \$350 million from the United States). The IMF approved a three year standby arrangement involving \$1.63 billion in 1980 and the World Bank provided \$275 million in 1980 and another \$300 million in 1981 for structural adjustment loans. Additional loans and credits have been received from Arab donors but the amount and terms are not known.

In May 1978 the OECD Consortium arranged a debt relief operation for Turkey's official bilateral debt. The U.S. share of the rescheduled debt was \$191 million of the \$1.1 billion total. A second major rescheduling of official bilateral and private guaranteed credits took place in July 1979. The total amount was \$852 million of which the U.S. share was \$166 million. A third rescheduling was agreed upon in 1980 for \$1.6 billion, of which the U.S. share was \$356 million (the AID portion was \$72 million). In 1979, arrangements were also completed with commercial banks for rescheduling approximately \$3 billion in principal payments falling due through the end of 1980.

Despite these debt adjustments and recent economic gains, the debt service burden remains very high. Interest payments alone approach \$1 billion. Foreign debt principal payments add another \$1 billion so that Turkey's debt service will be close to \$2 billion in 1981.

In spite of the economic progress to date Turkey continues to need foreign assistance. Without this assistance, Turkey will have a financial gap that can only be closed by reducing imports vitally needed to stimulate economic recovery. It is estimated that the need for official assistance in 1982 will be about the same as in 1981, or about \$1 billion. It is anticipated that these funds will again come from the United States, Germany, Great Britain, France and Japan, and smaller amounts from other OECD members as well as from Arab sources.

*Source: U.S. Embassy reports

TURKEY

U.S. INTERESTS AND OBJECTIVES

Turkey is a close, valued NATO ally located in a turbulent, unstable area of the world, of strategic importance to the United States.

The United States' interest is in encouraging and supporting the growth and development of a democratic, Western-oriented Turkey, willing and able to meet its NATO commitments. Turkey has the natural and human resources to be a major modern state and play a stabilizing role in the area. Therefore, U.S. objectives are to restore economic growth and stability. Both must be achieved quickly after a dangerously long period of economic and social deterioration.

A.I.D.'s Assistance Strategy

A.I.D.'s strategy is to provide balance of payments assistance in conjunction with other donors to help ease Turkey's immediate balance of payments problem. This will give Turkey time to effect needed structural economic changes. United States assistance is being provided as part of an OECD-led multilateral program of support for an IMF-supported stabilization effort.

A.I.D. PROGRAM (FY 1981-82)

Significant balance of payments assistance has been provided to Turkey as part of the U.S. contribution to the Turkish stabilization effort. In FY 1980 and FY 1981 the ESF levels obligated and expended were \$198 million and \$200 million respectively. Another \$300 million in ESF funds was pledged in May 1981 to be disbursed early in FY 1982.

REQUESTED YEAR PROGRAM

For FY 1983, \$350 million in balance of payments assistance is requested to continue support of Turkish stabilization efforts. This assistance will again be provided as part of an OECD multi-donor consortium effort in the framework of continued Turkish implementation of an IMF-supported stabilization program. We expect this assistance will increasingly emphasize policies to develop the private sector and enhance the climate for foreign investment. The FY 1983 funds are needed to help finance Turkey's civilian import requirements for Calendar Year 1982. The Government of Turkey is looking to the OECD consortium to provide about the same level as for 1982, about \$1 billion, and also hopes to generate additional support from Arab donors and private banks to secure the full amounts needed for continued economic stabilization and progress.

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

PROGRAM: TURKEY

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81-		-ESTIMATED FY82-		-PROPOSED FY83-		C U N T
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
BALANCE OF PAYMENTS	G 277-K002	81	81	134,000	134,000	134,000	134,000	---	---	---	---
BALANCE OF PAYMENTS	L 277-K002	81	81	66,000	66,000	66,000	66,000	---	---	---	---
BALANCE OF PAYMENTS	* G 277-K003	82	82	---	200,000	---	---	200,000	200,000	---	---
BALANCE OF PAYMENTS	* L 277-K003	82	82	---	100,000	---	---	100,000	100,000	---	---
BALANCE OF PAYMENTS	* G 277-K004	83	83	---	100,000	---	---	---	---	250,000	250,000
BALANCE OF PAYMENTS	* L 277-K004	83	83	---	116,000	---	---	---	---	100,000	100,000
TOTAL FOR ACCOUNT GRANTS				200,000	716,000	200,000	200,000	300,000	300,000	350,000	350,000
LOANS				134,000	434,000	134,000	134,000	200,000	200,000	250,000	250,000
				66,000	282,000	66,000	66,000	100,000	100,000	100,000	100,000
TOTAL FOR COUNTRY GRANTS				200,000	716,000	200,000	200,000	300,000	300,000	350,000	350,000
LOANS				134,000	434,000	134,000	134,000	200,000	200,000	250,000	250,000
				66,000	282,000	66,000	66,000	100,000	100,000	100,000	100,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

TITLE Balance of Payments Support		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)		
					FY 83	250,000 (G) 100,000 (L)	LIFE OF PROJECT FUNDING: 250,000 (G) 100,000 (L)
NUMBER 277-K-004	NEW <input checked="" type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION	ESTIMATED FINAL OBLIGATION	ESTIMATED COMPLETION DATE OF PROJECT
GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>	CONTINUING <input type="checkbox"/>				FY 83	FY 83	FY 83

Purpose: To provide support for Turkish efforts to stabilize their economy.

Project Description: The activity will consist of a cash transfer of \$350 million to continue support of Turkish economic stabilization efforts. A part of the funds will be a loan with terms anticipated to be 20 years at 5% interest with five years grace period on payment of principal.

Relationship of Project to A.I.D. Country Strategy: This assistance will be provided as part of an Organization for Economic Cooperation and Development (OECD) multi-donor consortium effort in the framework of continuing Turkish implementation of an International Monetary Fund (IMF) stabilization effort. These funds will give Turkey time to implement the needed structural economic changes which are necessary. Continued adjustment will be needed to maintain the value of Turkish lira and further reduce the deficits of state economic enterprises and increase their market efficiency, and continue the growth of the private sector. It will take several more years of continued stabilization efforts and substantial economic assistance to enable Turkey to restore stable economic growth.

Host Country and Other Donors: The OECD-sponsored donor group (which includes the United States) pledged about \$961 million in 1979, \$1.16 billion in 1980 and \$938 million in 1981. The IMF approved a three year standby arrangement involving \$1.63 billion in 1980 and the World Bank provided \$275 million in 1980 and another \$300 million in 1981 for structural adjustments loans. Additional loans and credits have also been received from Arab donors. The Turkish Government has further arranged to reschedule overdue payments on government-sponsored and private sector loans. For 1982 the Turkish Government will seek approximately \$1 billion to finance imports needed to stimulate productivity. This \$350 million is being requested to meet part of this amount.

Beneficiaries: The people of Turkey benefit from economic stability. Foreign assistance finances needed imports which provide materials and energy for productivity, keep the transportation system operating and provide heat and electricity to homes, office, and industry.

REGIONAL PROJECTS (ESF)

CP 83-07 (11-81)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1981 Actual	FY 1982 Estimated	FY 1983 Proposed
West Bank/Gaza	2.5	6.0	6.5
Regional Cooperation	4.17	4.0	8.0
Project Development and Support	0.28	1.0	0.5
Total	6.95	11.0	15.0

Overview

Economic Support Fund (ESF) Regional Projects serve regional or country objectives that cannot be addressed through a conventional bilateral program. Much of the program is focussed on efforts to develop mutual understanding amongst the nations and peoples of the region in order to help secure a lasting and equitable peace. The program finances collaborative research and small scale development projects in the area.

West Bank/Gaza

In FY 1983, \$6.5 million is requested for small scale development projects to benefit the population of the West Bank and Gaza Strip. These projects are implemented by United States private and voluntary organizations (PVOs) and provide assistance in the areas of pre-school, vocational and higher education, health, sanitation, community and rural development, land reclamation, agricultural development and marketing, and improved water storage and distribution.

FY 83 PROGRAM HIGHLIGHTS
- \$6.5 million to finance small-scale development projects in the West Bank and Gaza Strip.
- \$8.0 million to fund cooperative scientific and technical activities of mutual interest to Israel and its Arab neighbors.
- \$0.5 million to finance project development and support activities related to Economic Support Fund programs in the Near East.

Through FY 1982, PVO project activities have included: health education services to several hundred mothers and children in the West Bank and Gaza; scholarship programs for undergraduates at selected West Bank universities, approximately 200 of whom will graduate by the end of FY 82; advanced training of approximately 125 university faculty members at U.S. institutions; approximately 35 small self-help projects with cooperatives in land reclamation, feed production and marketing; and assistance to approximately 100 community groups for construction of access roads, community centers, clinics, schools, and improvement of water supply systems. As a result of recent evaluations of specific PVO programs, AID has encouraged the PVOs to concentrate their activities in fewer, and more developmental, sectors. Project evaluations have indicated, however, that PVO projects are generally well-designed and implemented. The sizeable number of projects proposed by

REGIONAL PROJECTS (ESF)

CP 83-08 (8-81)

RESOURCE FLOWS <i>(In thousands of dollars)</i>			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	-	-	-
Grants	5,510	9,939	12,550
Total AID	5,510	9,939	12,550
P.L. 480**			
Title I	-	-	-
(of which Title III is)	(3,711)	(3,208)	(2,123)
Title II	3,711	3,208	2,123
Total P.L. 480	3,711	3,208	2,123
Total AID and P.L. 480	9,221	13,147	14,673

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

CP 83-14 (8-81)

Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ... (of which Title III is)	/	(-)	/	(-)	/	(-)
<i>Title II</i>						
Voluntary Agencies ..	/	3,711	/	3,208	/	2,123
World Food Programs	/	-	/	-	/	-
Govt.-to-Gov't.	/	-	/	-	/	-
Title II Total ..	/	3,711	/	3,208	/	2,123
Total P.L. 480.	/	3,711	/	3,208	/	2,123

CP 83-17 (8-81)

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel^d			
Direct Hire ^b			
PASA ^c			
Contract			
Total	-	-	-
Participants^d			
Noncontract	84	86	90
Contract	-	-	-
Total	84	86	90

*^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1982 and FY 1983 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.*

community groups which are rejected or deferred by PVOs because of funding limitations indicates a substantial demand for assistance in self-help efforts which is not being met from other sources. The PVOs continue to encounter periodic difficulties in receiving clearance from the Israeli Government to proceed with individual sub-projects. In spite of the problems which have been encountered we continue to believe that the developmental needs of the population are being well served by this program and that the continuation of this assistance demonstrates U.S. concern for the people of the West Bank and Gaza.

FY 1983 funding of \$6.5 million will permit American-Mideast Educational and Training Services to extend its undergraduate Scholarship and faculty development programs to at

least one additional institution of higher education, and will enable Catholic Relief Services to expand its rural community self-help program to the Gaza Strip. Save the Children Federation/Community Development Foundation will develop approximately 15 more self-help projects in water storage and distribution, agriculture, and health services; and American Near East Refugee Aid will continue to work with approximately 15 cooperatives in land reclamation, marketing, and provision of related agricultural services.

Regional Cooperation

For FY 1983, we are requesting \$8.0 million to fund activities that strengthen the peace process and increase mutual understanding between Israel and its Arab neighbors, especially Egypt. Joint research projects have been successfully initiated in the marine sciences (aquaculture, lakes management, and biological productivity, and shore erosion involving a number of US, Egyptian, and Israeli institutions), infectious diseases (with the National Institutes of Health, and Ain Shams and Hebrew Universities), and psychological perceptions of the Middle East conflict (with City University of New York and various Arab and Israeli individuals and institutions). Support is also being provided to Arab and Israeli participation in a series of seminars on topics of interest to the region. These activities bring Arabs and Israelis both private and governmental into direct contact on problems of mutual concern and may eventually lead to self-sustaining relationships. In FY 1982, \$4.0 million will be used for further funding of the marine sciences and infectious diseases projects, and for support of joint research in arid land agriculture and

other areas. For FY 1983, increased funds will be needed to finance the continuation of the ongoing activities described above and to respond to an increasing number of proposals in such fields as health, agriculture, energy, and waste-water reuse. We expect additional proposals as the normalization process and cooperation continue.

Project Development and Support

For FY 1983, \$0.5 million is requested to enable A.I.D. to finance studies and other activities related to the development and support of Economic Support Fund programs in the Near East. This activity funds consulting services and experts to do economic, social, regional, and sectoral studies and analyses which are not funded under bilateral programs. To date the project has funded studies of migration, infant mortality, and population profiles of selected countries for possible family planning projects. In FY 1982, \$1.0 million will permit the continuation of this type of pre-project or regional study and analysis. It is expected that family planning activities consisting of information, education, communications, contraceptive prevalence programming, seminar attendance, and supplementary funding for intermediary organizations will receive much of the funding in anticipation of bilateral projects. Other activities will be funded in such areas as environmental education, environmental sanitation, child health, and program evaluations. In FY 1983, additional similar activities will be undertaken.

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

PROGRAM: NEAR EAST REGIONAL - ESF

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ACTIONS	EXPENDI TURES	-ESTIMATED OBLIG ACTIONS	FY82- EXPENDI TURES	-PROPOSED OBLIG ACTIONS	FY83- EXPENDI TURES	C U N T
MIDDLE EAST SPECIAL REQUIREMENTS FUND											
WEST BANK/GAZA DEVELOPMENT ACTIVITIES	G 298-0159	75	79	12,656	12,656	12,656	11,717	---	939	---	---
				12,656	12,656	12,656	11,717	---	939	---	---
				12,656	12,656	12,656	11,717	---	939	---	---
				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
PROJECT DEVELOPMENT AND SUPPORT	G 298-0150	78	C	824	2,324	824	580	1,000	400	500	550 C
REGIONAL COOPERATION	G 298-0158	81	C	4,592	16,592	4,592	756	4,000	3,000	8,000	5,000 C
WEST BANK/GAZA DEVELOPMENT ACTIVITIES	G 298-0159	82	C	8,501	21,001	8,501	3,845	6,000	5,600	6,500	7,000 C
				13,917	39,917	13,917	5,181	11,000	9,000	15,000	12,550
				13,917	39,917	13,917	5,181	11,000	9,000	15,000	12,550
				---	---	---	---	---	---	---	---
				26,573	52,573	26,573	16,898	11,000	9,939	15,000	12,550
				26,573	52,573	26,573	16,898	11,000	9,939	15,000	12,550
				---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

NEAR EAST

DEVELOPMENT ASSISTANCE PROGRAM

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OVERVIEW OF THE NEAR EAST
DEVELOPMENT ASSISTANCE
PROGRAMS

DEVELOPMENT ASSISTANCE PROGRAMS

PROGRAM SUMMARY								CP 83-13 (8-81)	
<i>(In thousands of dollars)</i>									
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs		
							ESF	Other	
1981									
Loans ...	20,990	13,600	-	7,390	-				
Grants ...	40,162	15,903	4,362	3,555	13,202	3,140			
Total ...	61,152	29,503	4,362	10,945	13,202	3,140			
1982									
Loans ...	-	-	-	-	-	-			
Grants ...	39,050	20,029	1,750	5,510	11,561	200			
Total ...	39,050	20,029	1,750	5,510	11,561	200			
1983									
Loans ...	-	-	-	-	-	-			
Grants ...	45,400	21,625	2,800	3,206	17,282	487			
Total ...	45,400	21,625	2,800	3,206	17,282	487			

Regional funds of \$4.4 million are requested to continue a scholarship program for Third World students at the American University of Beirut, for project development and support requirements, and for a new Regional Population Activities project to support on-going bilateral population programs and assistance to population intermediaries where no bilateral program exists.

A.I.D. requests \$41 million in bilateral assistance for Yemen and Morocco, and \$4.4 million for regional projects. In addition, P.L. 480 Titles I and II of \$38 million is planned for Near East Development Assistance recipients.

In Yemen, one of the world's least developed countries, \$27.5 million is requested for a program concentrating on agricultural and rural development, basic education, and rural health. A.I.D. is also seeking, through the provision of training and technical assistance, to mobilize available human and financial resources for basic development needs.

A.I.D. is encouraging Morocco to devote more resources to the poor members of its society. A \$13.5 million program is proposed, principally in dryland agriculture, family planning, vocational education, and renewable energy development.

ECONOMIC AND SOCIAL DATA

COUNTRY: MOROCCO

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 20,562
 PER CAPITA GNP..... (DOLLARS, 1979) 740
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79) 2.6%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 2.2% (1970-79) 7.3%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1970) 4.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1978) TOTAL 55.4 MALE 53.8 FEMALE 57.0
 (1968) TOTAL 50.4 MALE 49.0 FEMALE 51.8
 ADULT LITERACY RATE (1971) TOTAL 21% MALE 34% FEMALE 10%
 (1960) TOTAL 14% MALE 22% FEMALE 6%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1980) -2.3%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1979) 19%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981) 261
 LAND OWNED: (1973) BY TOP 10% 49.0% BY LOWEST 10% 1.0%
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT BARLEY 52% (1980)
 CASH: WHEAT ORANGES SUGAR BEETS 25% (1980)
 MAJOR AGRICULTURAL EXPORTS:(1980) ORANGES TOMATOES
 MAJOR AGRICULTURAL IMPORTS:(1980) WHEAT SUGAR VEG. OIL
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979) 53%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1977) 2,766 (78) 2,999 (79) 3,562
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1977) 5,145 (78) 4,428 (79) 4,999
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1977) -2,379 (78) -1,429 (79) -1,437
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 16.1% (78) 18.7% (79) 17.5%
 AS % OF GNP..... (1977) 6.7% (78) 6.0% (79) 5.7%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1978) 649 (79) 590 (80) 428
 EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1980)

FOREIGN TRADE

MAJOR EXPORTS... (1979) PHOSPHATES
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1978) 43 (1979) 48 (1980) 38
 AS % OF TOTAL EXPORTS (1978) 3% (1979) 3% (1980) 2%
 MAJOR IMPORTS... (1979) MALMINERY OIL PRODUCTS FOODSTUFFS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 249 (1979) 233 (1980) 288
 AS % OF TOTAL IMPORTS (1978) 8% (1979) 6% (1980) 7%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1978) -1,462(79) -1,805(80) -1,795
 MAIN TRADING PARTNERS: FRANCE SPAIN GERMANY, FED
 EXTERNAL PUBLIC DEBT AS % OF GNP (1979) 40.5%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1979) 799
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979) 21.8%

SOCIAL DATA

POPULATION GROWTH RATE... (1970) 2.8% (1975) 3.0% (1980) 3.0%
 POPULATION IN URBAN AREAS..... (1969) 52% (1974) 58%
 LIVE BIRTHS PER 1,000 POPULATION..... (1970) 48 (1981) 45
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1974) 74
 POPULATION (1978) IN AGE GROUP:
 (0-14YRS) 46.5% (15-64YRS) 50.1% (65+ YRS) 3.4%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1972) 133
 PEOPLE PER PHYSICIAN..... (1976) 11,101
 MAJOR CAUSES OF
 DISEASE (1976) MEASLES WHOOPING COUGH
 DEATH.. (1971) MEASLES RESPIRATORY GASTROINTESTINAL
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 105%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975) 55%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 72.0% MALE 90.0% FEMALE 54.0%
 SECONDARY..... (1978) TOTAL 20.0% MALE 25.0% FEMALE 15.0%
 POST SECONDARY.. (1977) TOTAL 4.2% MALE 6.5% FEMALE 1.8%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1979) 19%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY MOROCCO

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80
	TQ	1977	1978	1979	1980			
I. ECONOMIC ASSISTANCE – TOTAL	4.0	26.8	36.2	27.2	27.1	1006.4	316.3	690.1
Loans	-	8.0	8.8	9.7	5.8	520.0	316.3	203.7
Grants	4.0	18.8	27.4	17.5	21.3	486.4	-	486.4
a. A.I.D. and Predecessor Agencies	0.5	2.1	10.0	4.1	9.1	401.0	229.2	171.8
Loans	-	-	-	-	-	341.5	229.2	112.3
Grants	0.5	2.1	10.0	4.1	9.1	59.5	-	59.5
(Economic Support Fund)	-	-	-	-	-	71.1	-	-
b. Food for Peace (PL 480)	2.8	23.1	24.5	20.9	15.7	581.7	87.1	494.6
Loans	-	8.0	8.8	9.7	5.8	178.5	87.1	91.4
Grants	2.8	15.1	15.7	11.2	9.9	403.2	-	403.2
Title I - Total Sales Agreements	-	8.0	8.8	9.7	5.8	178.5	87.1	91.4
Repayable in U.S. Dollars - Loans	-	0.0	0.0	0.7	0.0	127.0	127.0	77.7
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	51.2	37.5	13.7
Title II - Total Grants	2.8	15.1	15.7	11.2	9.9	403.2	-	403.2
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	185.5	-	185.5
Voluntary Relief Agencies	2.8	15.1	15.7	11.2	9.9	217.7	-	217.7
c. Other Economic Assistance	0.7	1.6	1.7	2.2	2.3	23.7	-	23.7
Loans	-	-	-	-	-	-	-	-
Grants	0.7	1.6	1.7	2.2	2.3	23.7	-	23.7
Peace Corps	0.7	1.6	1.7	2.2	2.3	23.7	-	23.7
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	0.2	30.8	44.2	46.1	25.9	316.3	127.0	189.3
Credits or Loans	-	30.0	43.0	45.0	25.0	259.4	127.0	132.4
Grants	0.2	0.8	1.2	1.1	0.9	56.9	-	56.9
a. MAP Grants	0.2	-	-	-	-	29.6	-	29.6
b. Credit Financing - FMS	-	30.0	43.0	45.0	25.0	259.4	127.0	132.4
c. Military Assistance Service-Funded (MASF) Grants	-	0.8	1.2	1.1	0.9	15.4	-	15.4
d. Transfers from Excess Stocks	-	-	-	-	-	11.9	-	11.9
a. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	4.2	57.6	80.4	73.3	53.0	1322.7	443.3	879.4
Loans	-	38.0	51.8	54.7	30.8	779.4	443.3	336.1
Grants	4.2	19.6	28.6	18.6	22.2	543.3	-	543.3
Other U.S. Government Loans and Grants	6.4	24.1	-	7.8	10.5	188.3	169.8	18.5
a. Export-Import Bank Loans	-	11.1	-	7.8	10.5	98.9	66.1	32.8
b. All Other Loans	6.4	13.0	-	-	-	89.4	103.7	14.3

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

TOTAL	FY 1979	FY 1980	FY 1981	FY 1946-81
IBRD	430.4	193.5	387.7	2019.7
IFC	467.0	146.1	365.0	1763.0
IDA	15.2	16.3	15.8	59.8
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDE	0.0	0.0	0.0	26.8
UNDP	5.9	5.0	0.2	52.1
UTHER-UN	2.5	0.0	6.7	22.0
EEC	0.0	26.0	0.0	26.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1979	CY 1980	CY 1976-80
TOTAL	195.4	226.1	962.5
U.S.	26.0	26.0	143.0
France	98.2	151.0	545.1
Germany	49.4	23.3	149.3
Belgium	15.6	14.1	65.5
Canada	1.5	4.4	18.5
Other	4.7	7.3	41.1

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

TOTAL	CY 1979	CY 1980	CY 1976-80
	20.5	404.9	588.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1979	CY 1980	CY 1954-80
	-	-	2,325
USSR	-	-	2,100
Eastern Europe	-	-	170
China	-	-	55

MOROCCO

PROGRAM SUMMARY								CP 83-13 (8-81)	
<i>(In thousands of dollars)</i>									
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs		
							ESF	Other	
1981									
Loans ...									
Grants ...	12,068	4,864	2,500	925	3,580	199	-	-	
Total ...	12,068	4,864	2,500	925	3,580	199	-	-	
1982									
Loans ...									
Grants ...	10,671	6,025	1,700	1,060	1,786	100	-	-	
Total ...	10,671	6,025	1,700	1,060	1,786	100	-	-	
1983									
Loans ...									
Grants ...	13,500	6,708	1,900	1,700	2,805	387	-	-	
Total ...	13,500	6,708	1,900	1,700	2,805	387	-	-	

FY 83 PROGRAM HIGHLIGHTS

- \$25 million Title I to help meet food-grain import requirement.
- \$10.5 million Title II and \$700,000 grant in support of a nutrition education program.
- \$4.2 million for ongoing activities in agriculture, including range management, dryland agriculture applied research, forestry and the Agronomic Institute.
- \$1.0 million for start-up costs of the Drylands Cereals project.
- \$1.9 million to help expand family planning services.
- \$1.4 million to expand vocational education and training facilities, especially those for women.

Development Overview

Although Morocco is classified as a middle income country with a current per capita GNP of \$740 according to the IBRD, a substantial portion of the population -- an estimated 9 million people -- live below a poverty line expenditure level of \$250. Ten million rural inhabitants are dependent on agriculture, yet only 17% of Morocco's lands are cultivable. An additional 26% is marginal arid rangeland which provides most of the feed for the country's livestock. Forested areas, fast being degraded, cover 11% of Morocco. The remaining 46% is mainly desert, unvegetated mountains, and urban areas.

Morocco's population of 21 million people is increasing at an annual rate of 3%. If left unchecked, this growth will result in a doubling of the country's population by the

year 2000.

Morocco does not grow enough food to meet the needs of its expanding population. Since 1960, yearly foodgrain imports, primarily bread wheat for consumption in urban areas, have increased at approximately 10% annually. In 1981, a serious drought severely reduced overall agricultural production, making it necessary to import over 3 million tons of grain, double the previous year's imports. If the drought persists, continued massive foodgrain imports will further erode an already strained economy.

Morocco is almost totally dependent on imported oil. It is also highly dependent on imports for investment in basic and intermediate industries, packaging of its exports, and some consumer goods. During the mid-1970's increased oil prices, surging imports, an overvalued

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	744	3,007	-
Grants	8,344	15,975	19,645
Total AID	9,088	18,982	19,645
P.L. 480**			
Title I	25,000	30,000	25,000
(of which Title III is)	(-)	(-)	(-)
Title II	16,144	16,143	14,513
Total P.L. 480	41,144	46,143	39,213
Total AID and P.L. 480	50,232	65,125	58,858

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

Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	145	25,000	123	20,000	131	25,000
Rice	-	-	-	-	-	-
Feedgrains	-	-	-	-	-	-
Vegoil	-	-	10	10,000	-	-
Non-food						
Title I Total ... (of which Title III is)		25,000 (-)		30,000 (-)		25,000 (-)
Title II						
Voluntary Agencies ..		14,782		11,552		10,510
World Food Programs		1,362		4,591		3,703
Govt.-to-Gov't. ...		-		-		-
Title II Total ..		16,144		16,143		14,213
Total P.L. 480.		41,144		46,143		39,213

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel^a			
Direct Hire ^b	16	16	14
PASA ^c	-	4	4
Contract	4	6	10
Total	20	26	28
Participants^d			
Noncontract	42	47	44
Contract	26	63	21
Total	68	110	65

^a U.S. nationals on duty at the end of the fiscal year.
^b FY 1982 and FY 1983 position levels.
^c Participating agency technicians.
^d Programmed during the fiscal year.

currency, and expanding foodgrain imports combined to create a serious and persistent foreign exchange problem. These problems have severely limited the availability of resources for economic development activities. Moroccan society is plagued by many of the problems of least developed countries, especially in rural areas. Its high infant mortality rate, lack of access to potable water, illiteracy, stagnant agricultural production, and rising unemployment are challenges to development policy and to social and political stability.

In recent years the Government of Morocco (GOM) has taken some major steps to develop its agriculture, health and education infrastructure. Access to health services and education has increased steadily, with particularly impressive advances in the participation rate of females at all levels of the educational system. Considerable progress has also been made in irrigated agriculture, with substantial assistance from AID in past years. For the most part, however, too little emphasis has been placed

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on the development of dryland areas where the majority of Moroccan farmers live. In October 1980 the International Monetary Fund approved a \$1.1 billion Extended Fund Facility credit to support a three year program of major economic and financial adjustments. These were designed to support investments under a new five year plan. The program includes measures to restrict domestic and import demand, stimulate private productive sectors, expand savings and export capacity, and promote greater public sector efficiency. Investment is to be directed away from capital-intensive to more labor-intensive activities. Measures are also planned to promote agricultural output, energy resource development, the reform of the large public or semi-public enterprise sector, and careful scrutiny of the cost effectiveness of public services. GOM policy emphasis is shifting to development of dryland areas where most families live at or below the poverty level. This shift, coupled with actions to encourage production of uncultivated land and improved implementation of land reform, is aimed at substantially increasing dryland agricultural production and reducing social and regional income disparities.

Total Resources

Under the austerity program of the 1978-80 three Year Plan, Morocco held annual inflation to a comparatively modest 11%, restricted imports, and demonstrated to the international donor community a credible record of fiscal responsibility and project implementation. Even so, Morocco had to borrow externally to finance investment and some operating budgets. Many believe that Morocco did not spend enough money in the provision of agricultural services to poorer areas of the country, and in the social sectors; however, spending reductions in the social sectors were recommended by the IMF in conjunction with the \$1.1 billion balance of payments loan. Additionally, the World Bank is discussing a possible Structural Adjustment Loan of \$100-150 million to complement the IMF credit and provide further balance of payments relief.

The total resource requirements and component costs of the corrective measures defined in the Five Year Plan (1981-85) total 111 billion dirhams (approximately \$U.S. 22 billion). The Moroccan trade deficit will be approximately \$2.0 billion in 1981, and the budget deficit is increasing. Debt service is currently estimated at 23% of exports and remittances. The GOM will rely heavily on external concessional assistance and limited borrowing to finance its balance of payments deficit and the costs of its development program. Budget availabilities for programs to augment food production, and for such services as health and education, will depend heavily on external resources.

In comparison to overall external resource requirements, A.I.D.'s contribution is modest. U.S. economic assistance to Morocco, including PL 480, is approximately \$55 million per year. In comparison, the IBRD provided over \$350 million in credits in 1979 (somewhat less in 1980), and France contributed over \$200 million, mostly for teachers, technicians, and lines of credit in support of French exports. While little publicized and oftentimes not reported, Arab donor assistance is significant and has been variously estimated from \$200 to \$800 million in annual grant transfers. Additionally, there have been an estimated \$550 million in loans since 1976 and \$85 million in new loans in 1981. Given the GOM's need for large infusions of external resources and prevailing debt service obligations, Morocco will continue to need concessional assistance from the United States and other donors.

U.S. Interests and Objectives

Morocco is a long-standing ally with a strategic position, both geographically and politically, in the Muslim world. It plays a moderating role in Middle East affairs which is important to U.S. interests in the region. In addition, given the size of Morocco's economy, the United States has an interest in the GOM's desire to encourage U.S. investment and trade ties. In 1980, the dollar

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value of Morocco's imports from the United States was over eight times its exports to the United States, and there is mounting Moroccan interest in cooperation with American enterprises in the energy and mining sectors. Because of the Sahara conflict, U.S. military assistance continues to dominate the Government of Morocco's perception of our bilateral relationship, but there is also mutual interest in being responsive to the needs of Morocco's low-income people to improve their lives.

A.I.D. Development Strategy

A.I.D.'s development strategy plays a catalytic role in encouraging greater Moroccan attention to dryland agriculture and key social sectors where the needs and prospects for improving the well-being of the poor appear greatest. A.I.D. concentrates on the 44% of the Moroccan population who live at or below the poverty line. A.I.D. seeks (1) to focus development assistance resources in areas where the U.S. has a demonstrated proficiency and comparative advantage in relation to other donors, and (2) to maximize the value of all economic assistance by integrating development assistance with food aid (PL 480, Titles I and II) and Housing Investment Guaranties.

Morocco's substantial foodgrain import requirements, stagnant agricultural production, and high underemployment have led A.I.D. to concentrate its agricultural program in areas that will increase the productivity of the three major dryland groups: cereal farmers, livestock grazers and forest users.

Reduction of the birth rate through extension of family planning services is an urgent need, and A.I.D. is assisting the GOM in creating a nationwide family planning program. New complementary projects are also being designed to improve the Health Ministry's capability to plan and administer its activities, and to create a national nutrition program.

The combination of inadequate income and lack of marketable skills which characterizes a large proportion of the Moroccan populace, and affects women in particular, is a socially destabilizing force. A.I.D. is cooperating with the GOM in vocational education projects intended to provide non-agricultural labor with skills, employment and additional income. These activities focus primarily on unemployed women and offer training in both traditional and modern skills.

A.I.D. is also assisting the GOM to integrate renewable energy development into national energy planning, and make renewable sources available to groups lacking access to conventional energy.

Because migration from rural to urban areas is causing expansion of cities at rates of over 5% annually, A.I.D. is using both investment guaranties and limited grant funding to support the provision of basic shelter and minimum services in urban areas. A.I.D. and World Bank inputs into this sector have helped to change GOM housing policies from a focus on middle income groups to the provision of low-cost housing for the poor.

A.I.D. Program (FYs 1981-1982)

Agriculture: Morocco needs trained agricultural technicians and managers who can deal with the growing problems of its dryland areas. A.I.D. has helped meet this need through a Title XII collaborative assistance project which provides training and institutional development of the Hassan II National Agricultural Institute. Over the past twelve years the University of Minnesota has assisted this Institute to train staff and graduate students, both in the United States and Morocco. An evaluation in 1978 concluded that the Institute was developing into a center of excellence for agricultural education, that U.S. participation over the formative years had contributed to recognition of the importance of integrating training and field research, and that graduates of the Institute were beginning to play important roles in various policy and technical functions of

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government. As a result of this evaluation, the Agronomic Institute project (608-0160) was initiated in 1980 to enable the University of Minnesota and the Institute to continue training Moroccan agricultural educators and scientists to meet key manpower needs of the agricultural sector.

Because the United States holds a distinct comparative technical advantage in dryland agriculture, A.I.D.'s assistance in this subsector can help increase cereal yields on small farms through applied research programs which will improve current practices of tillage, seeding and weed control. The Dryland Agriculture Applied Research project (608-0136) is designed to provide this assistance. Information produced under this project will be made available through extension services to small farmers in dryland areas.

Malnutrition and overstocking are primary constraints to increased livestock productivity. To overcome these problems, the Range Management project (608-0145) is assisting the GOM Livestock Service and local communities to establish grazing associations and improve vegetative conditions on communal range lands. Improvement of range conditions will be brought about by reseeding and by the introduction of improved range management practices through an extension program.

A major environmental, agricultural and energy problem in Morocco is the failure to reforest cut-over lands. This has resulted in devastating desertification over the past several decades. The Integrated Forestry Development project (608-0165) provides technical assistance and participant training to upgrade the technical and administrative capabilities of the GOM Forestry Service. The project also provides for applied forestry research in the arid south.

Nutrition: One of A.I.D.'s largest assistance activities in Morocco is the PL 480, Title II program administered by Catholic Relief Services (CRS) in support of feeding and education programs of the Ministry of Social Affairs (MASA). The center-piece of this activity is a

Nutrition Education and Child Health Program which reaches 450,000 indigent people through 300 MASA centers. An A.I.D. evaluation of this program in 1980 concluded that the project has had a significant and positive impact on the nutritional status of its beneficiaries. The evaluation also highlighted a need for improvements in certain administrative, technical and operational aspects of the MASA system. As a result of this evaluation a Nutrition Development project (608-0168) was designed to ensure that Title II resources impact more directly on reducing serious malnutrition in Morocco. At the same time, this project is seen by A.I.D. and MASA as a package of measures which will provide MASA with the means to gradually absorb a phase-over of Title II support.

Health: Morocco has a relatively substantial infrastructure for delivery of health services. The GOM health network includes 97 hospitals, 252 health centers, 853 dispensaries, and a public health workforce of approximately 35,000 persons. Per capita expenditure on health services compares favorably to many developing countries -- but the gross figure masks a high level of expenditure devoted to higher technology and hospital-based curative services, at the expense of primary and preventive health delivery systems. A new leadership team in the Ministry of Public Health has indicated its intention to improve the Ministry's outdated management and administrative systems so that additional resources can be targeted on primary health care. A recently launched effort, the Health Management Improvement project (608-0151), is designed to achieve these ends.

Population: The basic premise underlying A.I.D.'s population assistance strategy, being implemented through the Family Planning Support II project (608-0155), is that Morocco's population growth is not an accurate reflection of Moroccan couples' fertility preferences. Ongoing efforts are aimed largely at expanding contraceptive availability through: extension of a Marrakech province delivery system to ten additional

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provinces; provision of contraceptive supplies to the Ministry of Public Health; training of physicians and paramedics in family planning; and development of family planning information/motivation activities. Consistent with GOM policy, all of these activities are carried out as elements of an integrated health, nutrition and family planning program.

Education: Previous Moroccan education policies have made little or no attempt to match formal education to employment needs. The growth in vocational educational systems sponsored by various GOM ministries reflects this shortcoming. A.I.D.'s projects respond to the GOM desire to develop new and practical approaches to the overriding problem of unemployment among the economically disadvantaged, especially women and school dropouts.

The Industrial and Commercial Job Training for Women project (608-0147) assists the Ministry of Labor to train Moroccan women in industrial and commercial skills. Young women with limited formal education are taught skills in such fields as electricity, electronics, drafting, accounting and secretarial skills. Job development and trainee placement are integral parts of the project.

A.I.D. funding of the Non-Formal Education for Women project (608-0139) has been terminated because of a marked lack of progress toward the main project objectives.

The Social Services Training project (608-0157), which began in FY 1981, will consolidate, upgrade and extend the services of the Ministry of Social Affairs to improve the quality and range of skill training opportunities for low income Moroccan youth. A.I.D. funds provide: technical assistance to help develop in-service, pre-service and skills training programs and a training institute in Tangiers; participant training for key Ministry officials; and equipment for the Tangiers institute and the pilot skill training centers.

A shortage of administrative and management expertise severely limits the Moroccan Government's ability to plan and implement development programs. Since 1979, a Development Training and Management Support project (608-0149) has provided university level training in the United States for administrative and technical staff. Consultant services have also been provided to introduce improved management practices for planning and implementation of development projects at the village level.

Housing: A.I.D. initiated its first Housing Guaranty Program (HG) for Morocco in 1980. Under this \$25 million HG program work has begun on providing services, upgrading existing housing and constructing core housing for 72,000 inhabitants living in a large slum area of Casablanca known as Ben M'Sik. In late FY 1981, a second shelter program of \$17 million was approved. The second activity concentrates on slum upgrading in smaller provincial cities and on Morocco's first program for low-cost rural housing. Approximately 32,250 persons will benefit from this second housing activity. These two activities include small amounts of grant funded technical assistance to ensure sound project management and to stimulate employment-income generating activities for slum dwellers.

Energy: Morocco's economic development is threatened by increasing energy costs. In 1980 a Renewable Energy project (608-0159) commenced to develop a Center for Renewable Energy Development, train Moroccan staff, and design and implement a renewable energy research and development program.

PL 480 Title I: In response to a severe drought which doubled Morocco's annual import requirements, \$25 million of U.S. wheat was provided in FY 1981, under PL 480 Title I. Self-help measures under the agreement concentrated on the production and distribution of drought-resistant varieties of barley in southern provinces, and the reforestation of 20,000 hectares of devastated forest lands and watersheds. An additional \$30 million of

Title I has been requested for FY 1982 to combat the continuing effects of the drought. A \$25 million program is proposed for FY 1983. The agreements negotiated with the GOM for these programs will contain self-help measures which advance dryland agriculture and nutrition initiatives.

Requested Year Program (FY 1983)

For FY 1983 a total of \$13.5 million in grant funds is requested. In Agriculture, Rural Development and Nutrition, \$5,708,000 is needed for the following on-going projects: Dryland Agriculture Applied Research (0136); Range Management Improvement (0145); Renewable Energy (0159); Agronomic Institute (0160); and Integrated Forestry Development (0165). In addition, \$1,000,000 is requested for initiation of a new project, Dryland Cereals Production (0170). In Population \$1,900,000 is requested to finance contraceptives for the on-going Family Planning Support II project (0155). \$1,700,000 in Health funds is requested to continue the Health Management Improvement project (0151) and Nutrition Development (0168). In Education and Human Resources, a total of \$1,800,000 is requested for the on-going Social Services Training (0157) and Social and Economic Research (0154) projects. In addition, \$1,000,000 is needed to commence a new training project, a follow-on activity to the Development Training and Management Support project (0149) which will be completed in FY 82. In Selected Development Activities, \$387,000 is requested to provide U.S. technical assistance to complement Housing Guaranty Activities. An additional \$10 million Housing Investment Guaranty is planned in FY 1983.

In addition to the above development assistance funding, \$25,000,000 in PL 480 Title I is requested to support GOM efforts to meet foodgrain requirements and nutrition objectives. \$10,510,000 in Title II commodities is also requested to support activities under the Nutrition Development Project (0168).

MISSION DIRECTOR: Harold Fleming

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

PROGRAM: MOROCCO

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C U N T
AGRICULTURE, RURAL DEV. AND NUTRITION											
DOUKKALA IRRIGATION	L 608-0127	76	76	13,000	13,000	9,993	---	3,007	---	---	
DRYLAND AGRICULTURE APPLIED RESEARCH	G 608-0136	78	83	4,500	4,500	3,342	599	1,000	1,400	158	2,000
RANGE MANAGEMENT IMPROVEMENT	G 608-0145	80	84	5,075	5,075	1,800	310	1,500	1,200	1,400	1,500
RENEWABLE ENERGY	G 608-0159	80	84	6,100	6,100	1,494	---	1,425	2,000	1,500	2,100
AGRONOMIC INSTITUTE	G 608-0160	80	84	9,721	9,721	3,200	1,548	2,100	2,300	1,850	2,000
INTEGRATED FORESTRY DEVELOPMENT	G 608-0165	82	86	---	6,300	---	---	---	100	800	1,000
DRYLAND CEREALS PRODUCTION	G 608-0170	83	87	---	12,000	---	---	---	---	1,000	400
TOTAL FOR ACCOUNT GRANTS				38,396	56,696	22,836	12,450	6,025	10,007	6,708	9,000
LOANS				25,396	43,696	9,836	2,457	6,025	7,000	6,708	9,000
				13,000	13,000	13,000	9,993	---	3,007	---	---
POPULATION PLANNING											
FAMILY PLANNING SUPPORT II	G 608-0155	78	83	12,484	12,484	7,800	3,346	1,700	2,700	1,900	3,800
TOTAL FOR ACCOUNT GRANTS				12,484	12,484	7,800	3,346	1,700	2,700	1,900	3,800
LOANS				12,484	12,484	7,800	3,346	1,700	2,700	1,900	3,800
				---	---	---	---	---	---	---	---
HEALTH											
HEALTH MANAGEMENT IMPROVEMENT	G 608-0151	81	84	3,147	3,147	925	---	560	500	1,000	1,000
FAMILY PLANNING SUPPORT II	G 608-0155	78	83	100	100	100	---	---	100	---	---
NUTRITION DEVELOPMENT	G 608-0168	82	86	---	3,152	---	---	500	200	700	800
TOTAL FOR ACCOUNT GRANTS				3,247	6,399	1,025	---	1,060	800	1,700	1,800
LOANS				3,247	6,399	1,025	---	1,060	800	1,700	1,800
				---	---	---	---	---	---	---	---

EDUCATION AND HUMAN RESOURCES

* Refers to the planned project summary sheet
C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized data. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

PROGRAM: MOROCCO

CP 83-02

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C U N T
NONFORMAL EDUCATION FOR WOMEN	G 608-0139	78	82	2,291	2,291	2,291	1,336	---	955	---	---	
INDUSTRY AND COMM JOB TRAINING FOR WOMEN	G 608-0147	78	82	3,236	3,236	3,000	1,910	236	800	---	320	
DEV TRAINING AND MANAGEMENT IMPROVEMENT	G 608-0149	78	82	4,497	4,497	3,747	2,178	750	1,120	---	1,000	
SOCIAL AND ECONOMIC RESEARCH	G 608-0154	79	83	450	850	450	125	---	300	400	425	
SOCIAL SERVICES TRAINING	G 608-0157	80	84	4,045	5,205	2,680	534	600	1,500	1,405	1,500	
STATISTICAL SERVICES	G 608-0162	80	82	1,200	1,200	1,000	165	200	400	---	500	
SECTOR SUPPORT TRAINING	• G 608-0178	83	87	---	6,000	---	---	---	---	1,000	700	
TOTAL FOR ACCOUNT GRANTS				15,719	23,279	13,168	6,248	1,786	5,075	2,805	4,445	
LOANS				15,719	23,279	13,168	6,248	1,786	5,075	2,805	4,445	
SELECTED DEVELOPMENT ACTIVITIES												
LOW COST HOUSING DEVELOPMENT	G 608-0156	80	82	800	900	800	136	100	400	---	300	
LOW COST HOUSING II	* G 608-0169	83	85	---	1,500	---	---	---	---	387	300	
TOTAL FOR ACCOUNT GRANTS				800	2,400	800	136	100	400	387	600	
LOANS				800	2,400	800	136	100	400	387	600	
TOTAL FOR COUNTRY GRANTS				70,646	101,258	45,629	22,180	10,671	18,982	13,500	19,645	
LOANS				57,646	88,258	32,629	12,187	10,671	15,975	13,500	19,645	
				13,000	13,000	13,000	9,993	---	3,007	---	---	

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

TITLE DRYLAND CEREALS PRODUCTION		FUNDING SOURCE: DA	AG, RD & N: 1,000	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 608-0170		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 1,000	LIFE OF PROJECT FUNDING: 12,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To strengthen the administrative and technical capability of the Moroccan Government's Ministry of Agriculture to extend and demonstrate improved cereal production practices among the country's small dryland farmers.

Project Description: In Morocco, the dryland or rainfed agricultural zone refers to those areas receiving over 200 mm (8 inches) but less than 16 inches of rainfall. This zone excludes irrigated areas. Dryland farms make up great majority of small farms (under 10 hectares) in the rainfed region which produce cereal grains and raise some livestock for subsistence. Most dryland farmers are very poor because of the low productivity of their land.

This project will increase dryland farm productivity through the provision of training and technical assistance to promote the adoption of improved practices and inputs by small dryland farmers. Research into improved practices and varieties appropriate to the small dryland farmer, and socio-economic research on the dryland areas is being performed under the Dryland Agriculture Applied Research project (0136). The production project will complement these efforts by taking the applied research from the research stations to the farmers' fields. Dissemination of improved practices and inputs will be accomplished through a program of on-farm demonstration to be conducted by the agricultural promotion and crop development divisions of the Ministry of Agriculture. The program will include promotion and demonstration of new seed varieties, improved seeding methods, moisture-saving cultivation practices, and improved weed control methods. Training under the project will include in-service training of extension agents as well as MS level training in both agronomy and extension methods. Commodities provided by the project will enable local Work Centers to provide increased extension assistance to farmers.

Relationship of Project to AID Country Strategy: This project is a key component of AID's effort to focus its and the GOM's resources on development areas of importance to low-income Moroccans. The dryland cereals production project is an integral element of a program aimed at increasing productivity among farmers in the rainfed areas where most low-income Moroccan farm families live.

Host Country and Other Donors: While investment in high-payoff irrigation activities continues to average half of GOM planned investment in agriculture, the GOM has given gradually increasing attention to the dryland sector. The current 1981-85 Five Year Plan devotes 32% of planned agriculture investment to dryland areas. The IBRD has recently shifted its emphasis in investment activities to include integrated rural development projects with rainfed agriculture components (Meknes Agricultural Development, Fes-Karia Tissa, Loukkos Rural Development).

Beneficiaries: The project's beneficiaries will be some 750,000 families in the dryland areas who depend upon rainfed cereal production for subsistence. More than half of these families receive less than \$200 per capita income per year.

PLANNED PROJECT SUMMARY SHEET

TITLE Sector Support Training		FUNDING SOURCE: DA	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 83 1,000	LIFE OF PROJECT FUNDING:	6,000
NUMBER 608-0178 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR: 1,000	SEL. ACT.:	INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To upgrade Government of Morocco (GOM) management capabilities by providing U.S. academic training to Moroccan officials working in Ministries which support U.S.-financed development activities, as well as managers of selected private sector industries.

Project Description: The Moroccan education system has been successful in producing a cadre of highly competent government officials. Frequently, however, the cadre is too small and levels of competence drop sharply in the mid and lower levels of government and private sector management. While lack of managerial depth is only part of the reason for over-centralization in many Moroccan entities, it is an important element. Another problem is the lack of skills upgrading for mid-level managers. Mid-career training is not well established, and management techniques are not infused into the system. Many Moroccans feel that this is an area of particular U.S. strength, and they have sought U.S. assistance.

This project will build on experience in the Development Training and Management Improvement project (0149) and emphasize U.S. academic and in-country training of Moroccans working in areas which support U.S.-financed development activities.

Under this project, Moroccans will receive both long-term academic training and short-term technical training in the U.S. In addition, the project will finance in-country training of Moroccan officials and technicians both within the government and in the private sector. Training will concentrate mainly on economic planning, financial management, statistical analysis, agriculture, rural industry and health. In addition, consultant services will be provided under the project to introduce improved management practices to selected government agencies.

The Ministry of Education will create a panel to select participants under this project. The panel will include Moroccans from the public sector (i.e., from the Moroccan Government) and the private sector.

Relationship of the Project to A.I.D. Country Strategy: The lack of administrative and management expertise severely limits the

Moroccan Government's ability to plan and implement programs benefiting the poor. This training project will increase the effectiveness of such efforts by improving the technical and administrative capacity of government personnel, particularly in rural areas.

Host Country and Other Donors: The GOM will provide international air transportation and continue to pay salaries of officials selected under this project for training in the U.S. For in-country training, classrooms and support staff will be provided to ensure that U.S. educators financed by the project are fully utilized.

Beneficiaries: The immediate beneficiaries of this project will be the approximately 800 personnel who receive training.

TITLE Low Cost Housing II		FUNDING SOURCE: DA	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 608-0169 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		POPULATION:	ED. & HR:	SEL. ACT.: 387	FY 83 387	LIFE OF PROJECT FUNDING: 1,500	ESTIMATED FINAL OBLIGATION FY 85
NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>					INITIAL OBLIGATION FY 83	ESTIMATED COMPLETION DATE OF PROJECT FY 87	

Purpose: To improve the Ministry of Housing's (MHAT) capacity to manage slum upgrading and low-cost shelter projects, particularly those financed from Housing Investment Guaranties (HG-001, 002, and 003). The project is specifically aimed at junior- and mid-level staff members of MHAT who will be charged with the daily implementation of upgrading, finance and management.

Project Description: The Government of Morocco proposes to undertake an ambitious shelter program for the low-income population that is migrating in ever-increasing numbers to the cities and towns from rural areas in search of improved employment and income opportunities. Building on the lessons of HG-001 which is now upgrading Ben M'Sik in Casablanca, this project will provide three training and orientation programs, each focused on a different level of MHAT staff: slum upgrading courses which will involve 700 students and 29 MHAT staff members over a two-year period at the Ministry's School for Technical Assistants; four-month seminars on the design and management of low-income shelter programs for eight or more staff members of MHAT's regional delegations; and participation at international housing conferences on housing policies and practices for senior MHAT representatives.

Many of the Technical Assistant School graduates will be employed by MHAT and will bring to their jobs an enhanced awareness of the complexity of slum upgrading. All the mid-level MHAT staff members benefiting from the 4-month orientation will be assigned full-time to HG-002 project duties. The great bulk of these mid-level trainees will either be assigned to or return to regional delegations participating in HG-002 work. Each year a very limited number of MHAT senior staff will be active contributors to international seminars and conferences on housing issues touching the lower income strata of developing countries. Subject to evaluation of the first phase of each of these programs, subsequent training may be extended, but not for degree programs or English training. In subsequent phases critical English-language documents may be translated and distributed, and in-country conferences may be sponsored.

Relationship to A.I.D. Country Strategy: This project is an excellent example of the catalytic use of limited development assistance funds, in conjunction with other resources (HGs) and in an area of particular U.S. expertise to focus GOM attention and resources on a program of great importance to low-income Moroccans.

Host Country and Other Donors: The IBRD will provide major funding to Morocco's MHAT in implementing its ambitious low-income programs, which reflect a recent and major policy shift towards the poor. Such a policy shift requires not only a reallocation of limited funds, but a decisive shift in personnel skills (more financial analysts, more social economists and statisticians, more management talent). To make the HG-002 effective, A.I.D. grant funds will address the training needs of junior and mid-level staff, while the HG itself will fund major TA contracts and management hardware such as computerized accounting.

The GOM will fund salaries and support costs of 8 mid-level project managers. This project will also complement the \$17 million HG-002 loan which was approved in FY 81 and the additional \$10 million Housing Investment Guaranty (HG-003) planned in FY 1983. In addition, the IBRD is also considering financing additional activities in the shelter sector.

Beneficiaries:

Direct: 700 students at the 12 Technical Assistant Schools and 29 professors.

8 mid-level project managers from MHAT's regional delegations

4 active contributors to international conferences

Indirect: 4,000 households benefiting from HG-002 actions.

ECONOMIC AND SOCIAL DATA

COUNTRY: YEMEN ARAB REPUBLIC

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 6,056
 PER CAPITA GNP..... (DOLLARS, 1979) 420
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79) 10.9%
 AVERAGE ANNUAL RATE OF INFLATION (1970-79) 17.8%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 44.8 MALE 43.7 FEMALE 45.9
 (1968) TOTAL 42.3 MALE 41.4 FEMALE 43.3
 ADULT LITERACY RATE (1975) TOTAL 13% MALE 26% FEMALE 2%
 (1962) TOTAL 3% MALE 5% FEMALE N.A.

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE N.A.
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1978) 32%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981) 1,046
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: SORGHUM WHEAT CURN 85% (1980)
 CASH: COFFEE CUTTON GRAPES 2% (1980)
 MAJOR AGRICULTURAL EXPORTS:(1980) HIDES & SKINS COFFEE
 MAJOR AGRICULTURAL IMPORTS:(1980) WHEAT SUGAR MEATS
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979) 76%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1977) 284 (78) 436 (79) 483
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1977) 316 (78) 530 (79) 988
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1977) -32 (78) -94 (79) -505
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 33.9% (78) 27.1% (79) 37.8%
 AS % OF GNP..... (1977) 4.3% (78) 4.1% (79) 9.6%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1978) 1,460 (79) 1,428 (80) 1,283
 EQUIVALENT TO 11.0 MONTHS OF IMPORTS (1979)

FOREIGN TRADE

MAJOR EXPORTS... (1978) HIDES & SKIN COFFEE
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1980) 1
 AS % OF TOTAL EXPORTS N.A.
 MAJOR IMPORTS... (1978) MANUFACTURES OIL PRODUCTS FOODSTUFF
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 33 (1979) 26 (1980) 66
 AS % OF TOTAL IMPORTS (1978) 3% (1979) 2% (1980) N.A.
 TRADE BALANCE(\$ MILLIONS, U.S.) (1977) -1,029 (78) -1,277 (79) -1,470
 MAIN TRADING PARTNERS: SAUDI ARABIA JAPAN FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP (1979) 11.9%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1979) 31
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979) 1.0%

SOCIAL DATA

POPULATION GROWTH RATE... (1970) 1.6% (1975) 2.1% (1980) 2.3%
 POPULATION IN URBAN AREAS..... (1980) 3% (1978) 9%
 LIVE BIRTHS PER 1,000 POPULATION..... (1970) 49 (1981) 40
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.
 POPULATION (1978) IN AGE GROUP:
 (0-14YRS) 45.8% (15-64YRS) 51.0% (65+ YRS) 3.2%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1970) 160
 PEOPLE PER PHYSICIAN..... (1976) 14,740
 MAJOR CAUSES OF
 DISEASE (1978) ENTERIC DISEASE MALARIA SCHISTOSOMIASIS
 DEATH.. (1975) RESPIRATORY PARASITIC DISEAS GASTROINTESTINAL
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 91%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975) 4%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1975) TOTAL 29.0% MALE 50.0% FEMALE 7.0%
 SECONDARY..... (1975) TOTAL 4.0% MALE 8.0% FEMALE 1.0%
 POST SECONDARY.. (1977) TOTAL 1.1% MALE 2.6% FEMALE .2%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.

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

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80
	YEMEN ARAB REPUBLIC							
	PROGRAM	TQ	1977	1978	1979			
I. ECONOMIC ASSISTANCE – TOTAL	2.7	17.1	7.7	18.0	13.3	122.7	0.1	122.6
Loans	-	-	-	-	-	1.4	0.1	1.3
Grants	2.7	17.1	7.7	18.0	13.3	121.3	-	121.3
a. A.I.D. and Predecessor Agencies	1.7	15.5	6.8	16.0	11.6	96.3	0.1	96.2
Loans	-	-	-	-	-	1.4	0.1	1.3
Grants	1.7	15.5	6.8	16.0	11.6	94.9	-	94.9
(Economic Support Fund)	-	-	-	-	-	25.1	-	-
b. Food for Peace (PL 480)	0.8	1.1	0.2	0.3	0.7	21.9	-	21.9
Loans	-	-	-	-	-	-	-	-
Grants	*	1.1	*	0.3	0.7	21.9	-	21.9
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Payable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.8	1.1	0.2	0.3	0.7	21.9	-	21.9
Emerg. Relief, Econ. Develop. & World Food Program	0.8	0.7	0.2	0.3	0.7	14.2	-	14.2
Voluntary Relief Agencies	*	0.4	*	-	-	7.7	-	7.7
c. Other Economic Assistance	0.2	0.5	0.7	1.1	1.0	4.5	-	4.5
Loans	-	-	-	-	-	-	-	-
Grants	0.2	0.5	0.7	1.1	1.0	4.5	-	4.5
Peace Corps	0.2	0.5	0.7	1.1	1.0	4.5	-	4.5
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	*	0.4	0.8	0.6	0.5	2.3	-	2.3
Credits or Loans	-	-	-	-	-	-	-	-
Grants	*	0.4	0.8	0.6	0.5	2.3	-	2.3
a. MAP Grants	*	-	-	-	-	*	-	*
b. Credit Financing - FMS	-	-	-	-	-	-	-	-
c. Military Assistance Service-Funded (MASF) Grants	-	0.4	0.8	0.6	0.5	2.3	-	2.3
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	2.7	17.5	8.5	18.6	13.8	125.0	0.1	124.9
Loans	-	-	-	-	-	1.4	0.1	1.3
Grants	2.7	17.5	8.5	18.6	13.8	123.6	-	123.6
Other U.S. Government Loans and Grants	-	-	-	-	0.7	0.7	-	0.7
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	0.7	0.7	-	0.7

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

TOTAL	FY 1979	FY 1980	FY 1981	FY 1984-81
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	17.0	22.5	11.0	242.5
IUB	0.0	0.0	0.0	0.0
AUB	0.0	0.0	0.0	0.0
AFDE	0.0	0.0	0.0	0.0
UNDP	9.5	0.1	0.1	35.5
OTHER-UN	0.0	0.0	0.0	8.0
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1979	CY 1980	CY 1976-80
TOTAL	51.3	170.4	304.8
U.S.	9.0	15.0	38.0
Germany	16.8	112.2	160.6
Netherlands	15.2	19.6	56.1
U.K.	3.8	6.3	15.8
Japan	2.2	10.1	15.8
Other	4.3	7.2	18.5

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

TOTAL	CY 1979	CY 1980	CY 1976-80
TOTAL	115.3	147.1	762.9

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1979	CY 1980	CY 1984-80
TOTAL	25	-	310
USSR	-	-	140
Eastern Europe	25	-	40
China	-	-	130

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PROGRAM SUMMARY									CP 83-13 (6-81)
<i>(In thousands of dollars)</i>									
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs		
							ESF	Other	
1981									
Loans ...	5,000	-	-	5,000	-	-	-	-	
Grants ...	14,384	7,469	-	1,300	5,615	-	-	-	
Total ...	19,384	7,469	-	6,300	5,615	-	-	-	
1982									
Loans ...	-	-	-	-	-	-	-	-	
Grants ...	24,879	13,879	-	4,300	6,700	-	-	-	
Total ...	24,879	13,879	-	4,300	6,700	-	-	-	
1983									
Loans ...	-	-	-	-	-	-	-	-	
Grants ...	27,500	14,717	-	1,406	11,377	-	-	-	
Total ...	27,500	14,717	-	1,406	11,377	-	-	-	

FY 83 PROGRAM HIGHLIGHTS

- \$7.8 million for manpower development.
- \$12.7 million for agricultural development in secondary and higher agricultural education, poultry, horticulture, and crop and water management.
- Initiation of a Faculty of Agriculture subproject of the Title XII program.
- Addition of an instructional materials component to the basic education program.

DEVELOPMENT OVERVIEW

Measured by most quality of life indicators Yemen is a country of extreme poverty. Life expectancy (45 years) and literacy (26% for men, 2% for women) remain low, while infant mortality continues at a high rate of 160 per 1,000 births. The absence of schools and teachers, safe water, adequate sanitation conditions, and basic health services continue to deprive many Yemenis of the opportunity to improve the quality of their lives.

In one respect, however, Yemen differs from most other least developed countries. The booming economies of Yemen's petroleum-producing neighbors generated a substantial demand for Yemeni labor in the early 1970s. As a result, one million or more Yemeni -- approximately

17% of the country's population -- were working abroad in 1980. Net remittances from these workers totaled \$1.2 billion in 1980.

In the early stages of this boom, domestic development in Yemen made impressive gains as foreign exchange reserves (which peaked at \$1.9 billion in 1979) and investment increased significantly. Private sector expenditures on fixed capital reached 22% of GDP, with impact in remote villages where investments were made in wells, tractors, water systems, generators, and buildings. Government spending added another 20% of GDP to fixed investment with highways, electricity, telecommunications, and port facilities. From 1970-78 GDP grew at an average annual rate of 10.5% and per capita income increased from \$105 to \$315 in 1976 dollars.

CP 83-08 (8-81)

RESOURCE FLOWS <i>(In thousands of dollars)</i>			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	0	4,200	800
Grants	17,476	28,745	26,247
Total AID	17,476	32,945	27,047
P.L. 480**			
Title I	-		
(of which Title III is)	()	()	()
Title II	322	626	498
Total P.L. 480	322	626	498
Total AID and P.L. 480	17,799	33,571	27,545

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

CP 83-14 (8-81)

Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	N.A.					
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ... (of which Title III is)	/	(-)	/	(-)	/	(-)
Title II						
Voluntary Agencies	/	-	/	-	/	-
World Food Programs	/	322	/	626	/	498
Govt.-to-Gov't. . . .	/	-	/	-	/	-
Title II Total ...	/	322	/	626	/	498
Total P.L. 480	/	322	/	626	/	498

CP 83-17 (8-81)

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel^a			
Direct Hire ^b	26	29	29
PASA ^c	-	-	-
Contract	56	53	53
Total	82	82	82
Participants^d			
Noncontract	209	264	186
Contract	90	100	120
Total	299	364	306

*^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1982 and FY 1983 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.*

Despite these gains, symptoms of fundamental economic problems began to appear in 1978. Expenditures on imported consumer goods rose sharply as individuals drew down private savings; foreign exchange reserves began to level off, and by June 1981 had declined to \$952 million; GDP growth slid to 6.1% per year in the period 1978-80. The shortage of managerial and technical manpower, reduced financial resources, and slow growth of government revenues, (exacerbated by the inability of the Yemen Arab Republic Government (YARG) to tap lucrative workers' remittances because of a poorly developed system of tax administration) made it impossible for Yemen to meet the development objectives of the first five-year plan.

The YARG has taken some steps to deal with the deteriorating economic situation, such as adopting interest rate policies that encourage investment, developing procedures to curb the flow of illegal imports through porous borders, and increasing the

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duties on some imported consumer goods. However, the balance of payments has had growing deficits. To illustrate, after years of balance of payments surpluses, Yemen registered deficits of \$28 million in 1979/80, \$400 million in the last half of 1980, and \$216 million in the first quarter of 1981.

The most promising avenues for longer term development continue to be the mobilization of Yemen's human resources and strengthening of basic institutions. Yemen's new Five-Year Plan (1982-86) is expected to increase allocations to agriculture, education, and health as compared with the current plan.

TOTAL RESOURCES

Indigenous development funds come from several sources: central government funds; remittance income which fuels locally-initiated development programs carried out through Local Development Associations (LDAs); and other private investment. An estimated 15% of the total budget, or \$25 per capita, is allocated for development. The contribution by LDAs to local projects is probably several times greater than the central government's. Because LDAs operate at the grass roots level and independently establish their priorities, no exact figure is available to reflect locally funded development investment.

The bulk of the government's development activities are financed by foreign donors. The Arab States are Yemen's largest donors and provide an estimated two-thirds of all external assistance. During the first Five Year Plan, Yemen received \$1.3 billion in loans from Iraq (24%), the Saudi Fund for Development (22%), the International Development Association (IDA)/International Finance Corporation (IFC) (14%), the USSR (8%), the Arab Fund for Social and Economic Development (7%), and the Kuwait Fund (6%). As of June 1980, only 27% of these available funds had been drawn down. Yemen's shortage of trained manpower and weak institutional capacities account

in large measure for this low utilization rate.

Budgetary support from Saudi Arabia in addition to the figures cited above is said to vary from \$100 to \$400 million per year. The YARG makes no official report of such transfers.

Arab donors tend to concentrate on large infrastructure projects, although the Kuwait Fund has also been heavily engaged in education both at the university level and in rural schools. Saudi Arabia supports certain projects, though most aid is provided as budget support.

During the same period, international grant development assistance from other donors such as the United Nations Development Program (UNDP), International Bank for Reconstruction and Development (IBRD), West Germany, the Netherlands and the United States amounted to approximately \$100 million per year. The latter three provided about the same level of aid, concentrated on agriculture, rural development, and education. Chinese public works contracts are visible evidence of the Chinese presence in Yemen, but China's actual aid level is unknown.

U.S. INTERESTS AND OBJECTIVES

The YAR's geographic location and role as the major labor supplier on the Arabian peninsula continue to make the country's stability and prosperity extremely important to neighboring oil-producing states and to the United States. The YAR is fighting a low-key war in its territory against guerilla forces based in and supplied from the People's Democratic Republic of Yemen (PDRY). In mid-1981, the PDRY, Libya and Ethiopia signed a military and economic pact explicitly directed at countering U.S. presence, interests, and influence in the region.

U.S. objectives are to help develop, through economic and other assistance, a strong government in the YAR, not hostile to its neighbors, which will promote

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fundamental U.S. interests in the stability and security of the region. North Yemen has a strong free enterprise tradition which is a countervailing force to the Marxist economic system of the PDRY. Economic development in the YAR directly strengthens existing forces resistant to a PDRY takeover and helps to build stability in a turbulent area. Tangible U.S. participation in the YAR's economic development thus supports our interests and objectives in the region as a whole.

A.I.D.'s DEVELOPMENT STRATEGY

Yemen's basic resources are its people and its agricultural potential. In addition, there exists an unusual degree of private developmental energy at the local level. Because Yemen receives substantial other-donor assistance for the development of physical infrastructure, U.S. assistance emphasizes training and technical assistance to build the institutional capacities needed to enable Yemen to achieve broad-based and sustained development.

The A.I.D. assistance strategy has the following program objectives: (1) expand equitable access to economic and social opportunities through human resource development; (2) increase the productivity of agricultural and water resources; (3) increase the availability of and equitable access to services at the local level; and (4) expand YARG capability to direct the flow of foreign and domestic funds more effectively into development programs and projects.

The principal elements of the A.I.D. program are (1) a long-term Title XII relationship to build essential agricultural programs and institutions; (2) a similar long-term institutional relationship in basic education; (3) a broad participant training program; (4) rural health services delivery; and (5) village-based development.

A.I.D. PROGRAM (FY 1981-82)

In agriculture and rural development \$13.9 million will be provided in FY 82 for technical assistance, training, and other institution building activities in the Ministries of Agriculture (MOA) and Education (MOE) and the Confederation of Yemeni Development Associations (CYDA). \$11.6 million of the above amount is planned for the Agricultural Development Support (ADS) project (279-0052). This Title XII program is in its third year of implementation by the Consortium for International Development (CID), a group of eleven western universities.

The Core subproject continues to provide logistics support to all subprojects; technical assistance to the Ministry of Agriculture (MOA) in several sub-sectors; and assistance in the design of new subprojects. An agricultural sector analysis is nearly complete with input from the MOA, World Bank, and Food and Agriculture Organization (FAO). The subproject at the Ibb Secondary Agricultural Institute (ISAI) will receive funding for its third year of operation. Progress so far at ISAI includes the development of a new curriculum for the school by New Mexico State University, a student enrollment of 80 students some of whom will obtain degrees at the completion of the current school year, and increased participation by current ISAI Yemeni faculty in the operation of the school.

During FY 1982 three new subprojects are planned under the Title XII program:

1. A Poultry subproject, a follow-up to an earlier A.I.D.-financed project (279-0019), will address one of the YARG's highest priorities in agriculture. The MOA is expanding its livestock division to help traditional and small to medium scale poultry farmers increase egg and meat production. Technical assistance, training, and the establishment of five demonstration centers are the key elements of this subproject which also includes a training program for women's cooperatives. Recommendations from both the contractor's final report

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(from the earlier project) and an evaluation conducted in 1980 will be incorporated into the design of the new project. These include the need for distribution of poultry units throughout the country, examination of feeding patterns, and the potential for involving women in the project.

2. An Integrated Crop and Water Management subproject will help create an MOA capacity to design small water-sheds for irrigated crop production. This is crucial in Yemen where groundwater levels are declining and where most of the annual rainfall is compressed into a brief rainy season and is lost in runoff. Training and the construction of a small demonstration earth dam and irrigation system are major elements of this subproject.

3. A Horticulture subproject will provide over 70,000 fruit tree seedlings per year to small farmers and strengthen the MOA's ability to produce proven, useful seedlings. This subproject, which builds upon an earlier Tropical and Sub-tropical Horticulture project (279-0024), will also develop the MOA's capacity to extend horticultural research results to Yemeni farmers. Recommendations from a recent evaluation of this project will be reflected in the new project's design.

4. Outside the Title XII program, the Land Classification and Soil Survey Project (279-0042) will receive its final funding. This project, which uses satellite imagery to identify agricultural problems and potential, will assist in planning all agricultural development activities.

5. Continuing in FY 1982 and requiring \$2.1 million is the Local Resources for Development Project (279-0045). This project assists CYDA and the Local Development Associations (LDAs) by providing technical assistance, matching grants, and training to improve village capacity to plan and implement development projects.

In the health sector the entire \$4.3 million programmed for FY 1982 is for continuing activities. The Tihama Primary Health Project (279-0065), implemented by Catholic Relief Services, a U.S. voluntary agency, is providing middle and low-level community health worker training (up to 40 trainees in FY 82) and is establishing village-level health care outlets in the poorest area of the country. Another project under implementation is the Small Rural Water Systems Project (279-0044) which, under a Cooperative Agreement between the YAR and TransCentury, a U.S. private voluntary organization, will construct, maintain, and manage rural water supply systems. Construction of hand dug wells, cisterns, and storage tanks began in FY 1981 and 15 systems will be completed by the end of FY 1982. Finally, we intend to

provide an additional \$1.2 million for the Taiz Water and Sewerage Project (279-0039) to cover costs associated with a change in the projects' supervisory engineers.

In education, the entire planned program of \$6.7 million is for continuing activities. \$5.2 million for Development Training II (279-0040) will finance education abroad for up to 240 Yemeni students, 18 of whom will be new starts in 1982. Upon return to Yemen, participants are employed in the public sector in development-related administrative and technical positions. To support the training effort, the Ministry of Development has recently created a Human Resources Planning Division under this project to help define manpower requirements for the next five years. In addition, A.I.D. is implementing a comprehensive program in Basic Education (279-0053), under a single Title XII-like collaborative assistance contract with Eastern Michigan University (EMU), to support the long-term growth of indigenous educational institutions. \$1.5 million is planned for continuing activities under this project. The Administrative Support Subproject is strengthening administration and planning at the Ministry of Education through technical assistance and training and is

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providing administrative and logistic support for all subprojects. The Primary Teacher Training Subproject is training Yemeni to staff a network of Teacher Training Institutes. About 60 Yemeni will have been trained to the M.A. level by the end of FY 1982. They will be the key to expanding the number of qualified Yemeni to

replace the numerous expatriates in the education system. An evaluation revealed some problems with the in-service teacher training component of this project. These problems center on other donor interest, particularly UNICEF, in in-service teacher training and the possibility this might lead to a duplication of effort in the area. Consultations are now taking place among all interested agencies to develop an effective approach to this activity.

REQUESTED YEAR PROGRAM

AID requests 27.5 million for Yemen in FY 1983, of which \$25 million is required for on-going projects.

In agriculture, \$12.7 million is requested for the Title XII program, which will continue to: develop government institutions through the Core Subproject; develop the Ibb Secondary Agricultural Institute; train extension agents and poultry center managers and construct five demonstration centers under the Poultry Subproject; construct an earth dam and irrigation works and formulate land use, water distribution, and cropping plans under the Integrated Crop and Water Management Subproject; grow and distribute 70-100,000 citrus seedlings and develop the Sanaa horticulture farm under the Horticulture Subproject. A new Faculty of Agriculture Subproject will commence in FY 1983, to assist the YARG in establishing a new Faculty of Agriculture at Sanaa University based on the U.S. land grant model. Final funding of \$2.0 million for the Local Resources for Development Project will also be required in FY 1983. This project has been

successful in involving LDAs in rural development activities, including the construction of water systems and other high priority requirements.

In education, additional funds totalling \$11.4 million will be required to support Yemen's effort to establish a sound primary education system so that the target of universal education will be met by 1995, and to add to Yemen's pool of trained manpower.

Of the total amount, \$5.3 million will be for Development Training II (279-0040) primarily to complete funding of prior year's participants. The Ministry of Development's Human Resources Planning Unit will be fully operational by this time and will play a key role in defining manpower needs and training priorities. Development Training III Project (279-0080) will commence, with the funding of new participants in areas identified by the Human Resources Planning Unit. A new subproject will be funded under the Basic Educational Support Project (279-0053). The Instructional Materials Center Sub-project will centralize the development and maintenance of educational materials for teachers in the ministry of Education.

In health, \$1.4 million will be required for a continuing project, Tihama Primary Health Project (279-0065).

MISSION DIRECTOR: Charles Ward

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

PROGRAM: YEMEN

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHD	CUST PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C U N T
AGRICULTURE, RURAL DEV. AND NUTRITION												
TROPICAL AND SUBTROPICAL HORTICULTURE	G 279-0024	76	80	1,903	1,903	1,902	1,840	---	62	---	---	
LAND CLASSIFICATION AND SOIL SURVEY	G 279-0042	78	82	1,100	1,300	1,100	446	200	854	---	---	
LOCAL RESOURCES FOR DEVELOPMENT	G 279-0045	79	84	8,720	8,720	3,304	1,993	2,100	1,800	2,035	2,100	
AGRICULTURAL DEVELOPMENT SUPPORT	G 279-0052	79	87	33,064	56,921	12,087	6,354	11,579	8,895	12,682	11,125	
TOTAL FOR ACCOUNT				44,787	68,844	18,393	10,633	13,879	11,611	14,717	13,225	
GRANTS				44,787	68,844	18,393	10,633	13,879	11,611	14,717	13,225	
LOANS				---	---	---	---	---	---	---	---	
HEALTH												
WATER SUPPLY SYSTEMS MANAGEMENT	G 279-0028	77	79	5,000	5,000	5,000	2,419	---	2,000	---	581	
TAIZ WATER AND SEWERAGE CONSTRUCTION	G 279-0039	77	81	10,000	11,200	10,000	6,589	1,200	3,211	---	1,400	
TAIZ WATER AND SEWERAGE CONSTRUCTION	L 279-0039	77	81	5,000	5,000	5,000	---	---	4,200	---	800	
WATER RESOURCES PLANNING AND MANAGEMENT	G 279-0043	79	79	3,134	3,134	3,134	1,176	---	367	---	1,554	
SMALL RURAL WATER SYSTEMS	G 279-0044	79	85	6,977	7,200	2,321	1,105	1,000	1,600	---	616	
TIHAMA PRIMARY HEALTH CENTER	G 279-0065	80	83	11,500	11,500	2,270	1,122	2,100	1,634	1,406	2,000	
TOTAL FOR ACCOUNT				41,611	43,034	27,725	12,411	4,300	13,032	1,406	6,951	
GRANTS				36,611	38,034	22,725	12,411	4,300	8,832	1,406	6,151	
LOANS				5,000	5,000	5,000	---	---	4,200	---	800	
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT TRAINING II	G 279-0040	78	83	15,587	21,175	10,706	5,499	5,200	4,792	5,269	3,471	
BASIC EDUCATIONAL DEVELOPMENT	G 279-0053	79	86	28,292	30,600	5,878	2,395	1,500	3,510	3,600	1,900	

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

CP 83-02

PROGRAM: YEMEN

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY81-		-ESTIMATED FY82-		-PROPOSED FY83-		C U N T
				AUTHD	PLANNED	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
DEVELOPMENT TRAINING III	* G 279-0080	83	90	---	30,000	---	---	---	---	2,508	1,500	
TOTAL FOR ACCOUNT GRANTS				43,879	81,775	16,584	7,894	6,700	8,302	11,377	6,871	
LOANS				43,879	81,775	16,584	7,894	6,700	8,302	11,377	6,871	
TOTAL FOR COUNTRY GRANTS				130,277	193,653	62,702	30,938	24,879	32,945	27,500	27,047	
LOANS				125,277	188,653	57,702	30,938	24,879	28,745	27,500	26,247	
				5,000	5,000	5,000	---	---	4,200	---	800	

* Refers to the planned project summary sheet
C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

TITLE AGRICULTURAL DEVELOPMENT SUPPORT		FUNDING SOURCE: DA	AG, RD & N: 12,682	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 279-0052 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		POPULATION:	ED. & HR:	SEL. ACT.:	FY 83 12,682	LIFE OF PROJECT FUNDING: 56,921	
NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/>					INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To establish a broad-based, nationally coordinated program of integrated agricultural development that properly manages and conserves Yemen's scarce soil and water resources.

Project Description: Agriculture is the largest sector of the domestic economy (29% of GDP in 1979/81) and the only significant base for real economic growth. To develop its agricultural potential Yemen must overcome a broad range of severe constraints. These include: an almost complete absence of modern agricultural technology, except for a few poorly utilized farm tractors; few trained agriculturalists and undeveloped or non-existent institutions in agricultural education, research and extension; a continually eroding land base; and limited water resources which are now being used faster than they can be replenished.

This project is designed to address these constraints by initiating a long-term commitment (under Title XII) to Yemen's agricultural development efforts, and by fostering continuing relationships between Yemeni institutions and U.S. land grant universities.

The project began in FY 1979 with initiation of a baseline study and a subproject to support the development of Yemen's first agricultural high school, in the town of Ibb. Seven Yemeni agriculture teachers have entered an M.S. program in the United States. When they return to Yemen they will become Ibb school instructors and replace the expatriate contract staff.

The Core subproject, directed at improving the government's agricultural planning and management capacity as well as supporting the design and implementation of other subprojects, began in FY 80; an agricultural sector analysis will be completed early in FY 82.

Three new subprojects, expected to be highly visible and demonstrate early production results, will begin in FY 82. They will concentrate on extension, training, and village level demonstrations. The Poultry Extension and Training Subproject will enhance egg and poultry meat production by private producers in the traditional sector and by small and medium scale commercial producers. The Integrated Crops and Water Management Subproject

will construct a small dam and irrigation system using both surface and groundwater to demonstrate techniques of on-farm water management and crop production on a watershed basis. The Horticulture Subproject will produce 70,000 citrus seedlings per year and develop the government's institutional base to support the production of citrus and deciduous fruits.

FY 83 Program: During FY 83 primary emphasis will be on continuing the existing subprojects in core support, Ibb school, poultry, horticulture and water management. One new subproject, the Faculty of Agriculture Subproject, will be initiated. This subproject will assist the University of Sanaa to establish a Faculty of Agriculture based on the U.S. land grant concept which combines education, research, and extension.

Relationship of Project to A.I.D. Country Strategy: The Agricultural Development Support project serves as the principal vehicle for achievement of A.I.D.'s objectives in agriculture and national resource development and preservation. Building upon improvements in human resource development assisted by the education program and infrastructural improvement helped by rural development activities, this project is expected to make a significant contribution to the development of a productive domestic economy.

Host Country and Other Donors: The YARG provides counterparts and trainees and contributes personnel and material support to subproject activities. Sub-projects are coordinated closely with other donor activities in the agriculture sector, particularly those of the World Bank, which is financing construction of agricultural education and research facilities.

Beneficiaries: Primary beneficiaries will be at least 50 Yemeni trained to B.S., M.A., and Ph.D. levels, and the approximately 50,000 Yemeni farmers, students, and government officials who directly participate in horticulture, secondary education, crop and water management, and poultry subprojects. Yemen's farm population of 4.1 million will ultimately benefit from improved institutions for agricultural development.

TITLE BASIC EDUCATION DEVELOPMENT		FUNDING SOURCE: DA	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 279-0053		POPULATION:	ED. & HR: 3,600	SEL. ACT.:	FY 83 3,600	LIFE OF PROJECT FUNDING:	30,600
GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	NEW <input type="checkbox"/>	CONTINUING <input checked="" type="checkbox"/>	INITIAL OBLIGATION FY 79	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 96	

Purpose: To develop the institutions required for basic primary and secondary education in Yemen.

Project Description: Yemen's educational needs are largely unmet at all levels. Literacy in Yemen stands at 13% (26% for males, 2% for females). The problem is particularly acute in rural primary schools, where teachers are predominantly intermediate or secondary school dropouts who, in addition to being little older than children themselves, are unskilled and untrained. Yemen's one university currently trains teachers only for secondary schools. Intermediate and secondary schools are staffed mainly by expatriates, principally from Egypt.

This project is a comprehensive effort to improve the quality of education at the primary and secondary levels. It consists of a series of subprojects which are being implemented by Eastern Michigan University (EMU) which, under a collaborative assistance contract, has made a commitment to a long-term partnership with the Yemen government in basic education development. The first subproject, begun late in FY 1979, is training an initial cadre of qualified staff for Yemen's primary teacher training institutes (PTTI). Two additional activities began in FY 1981. The Primary and Science Education Subproject will develop an institutional capacity to produce administrators and teacher trainers and basic education specialists at Sanaa University. This subproject will also introduce science education into teacher training curricula to overcome an almost universal lack of knowledge of the basic principles of science, including sanitation. The Administrative Support Subproject will develop the capacity of the Ministry of Education (MOE) to plan and manage an expanded and modernized primary education system.

FY 1983 Program: The first in-depth, external project evaluation is currently underway. Depending upon a positive report, a fourth subproject, to be initiated in FY 1983, will address the broad area of instructional materials. The activity will build on an earlier IBRD provision of physical facilities and some equipment, by establishing an institutional capacity within the MOE to design and produce instructional materials to support basic education for children and adults. This sub-project will develop an on-going capacity to train teachers in the use of instructional materials and the production of simple teaching

aids from local materials. It will also develop skills in designing materials suitable for mass media instruction.

Relationship of Project to A.I.D. Country Strategy: This project will help Yemen develop a sound primary education system, a major objective of A.I.D.'s human resources sector strategy. The project will make a significant contribution to achievement of the Yemen government's target of universal education by 1995. In addition, the project will be complemented by on-going and planned development training projects under which scholarships will be allocated in support of basic education objectives.

Host Country and Other Donors: The YARG provides counterpart staff salaries and facilities for Yemeni educators involved in the project. The IBRD has financed the construction of five PTTIs and an instructional materials center.

Beneficiaries: Primary beneficiaries will be the estimated 150 Yemenis who receive M.S. level training to improve skills. Yemen's youth (approximately 625,000) will benefit from expanded and improved opportunities for primary and secondary education.

PLANNED PROJECT SUMMARY SHEET

TITLE DEVELOPMENT TRAINING III		FUNDING SOURCE: DA	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (<i>In thousands of dollars</i>)			
NUMBER 279-0080 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR: 2,508	SEL. ACT.:	INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 90	LIFE OF PROJECT FUNDING: 30,000 ESTIMATED COMPLETION DATE OF PROJECT FY 97

Purpose: To help provide Yemen with adequately trained manpower in fields of high development priority, such as agriculture, primary education, health, and science.

Project Description: The YARG's dependence on foreign donors to finance and assist development will continue for some time. Implementation of the first Five-Year Plan revealed the critical lack of Yemeni capacity to plan and implement programs necessary for economic growth and development. This new project is designed to contribute toward meeting the manpower development objectives of the second Five-Year Plan. Increased availability of trained technical personnel will also enable the YARG to meet more effectively other development objectives outlined in the second Five-Year Plan and, in particular, to exploit available foreign economic assistance. The project will focus on Sanaa University faculty improvement and development, and possibly vocational and functional literacy programs. Other training will be provided in fields to be identified by the Human Resources planning unit of the Ministry of Development. The emphasis on graduate level training contained in Development Training II will continue under this project, as Sanaa University, while still limited in many ways, is rapidly expanding in-country opportunities at the undergraduate level.

Participants returning with M.A. or Ph.D. degrees will join the most competent and highly skilled segment of Yemen's workforce. They will command considerable respect within their organizations and can be expected to assume highly influential positions. In addition, the project will train Sanaa University's faculty, thus improving and expanding undergraduate education in Yemen and supporting the Yemeni desire to replace expatriate faculty (80% of present university staff) with qualified Yemeni.

FY 1983 Program: Graduate-level training activities will commence, as well as possible specialized vocational programs and functional literacy training either in Yemen or other Arabic-speaking countries. A contractor will work collaboratively with the YAR Human Resources Planning Unit to establish sectoral training priorities. *

Relationship of Project to A.I.D. Country Strategy: Lack of sufficient numbers of adequately trained people is the major bottleneck in the implementation of YARG's human and economic development projects. This project is one of the main vehicles for A.I.D. assistance in developing basic and sound Yemeni institutions.

Host Country and Other Donors: The YARG will provide counterpart staff salaries and facilities, including office space, some travel costs, and local supplies for human resources planning advisors. USAID is hopeful that discussions with the World Bank will lead to collaboration in this new activity.

Beneficiaries: Primary beneficiaries will be an estimated 100 Yemeni who will receive degree-level or short-term training to enable them to play a more effective role in Yemen's development. All Yemeni will benefit from improvement in the management and implementation of priority development activities.

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

PROGRAM SUMMARY (In thousands of dollars)							CP 83-13 (8-81)	
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1981								
Loans ...	-	-	-	-	-	-		
Grants ...	4,374	140	37	90	4,007	100		
Total ...	4,374	140	37	90	4,007	100		
1982								
Loans ...	-	-	-	-	-	-		
Grants ...	3,500	125	50	150	3,075	100		
Total ...	3,500	125	50	150	3,075	100		
1983								
Loans ...	-	-	-	-	-	-		
Grants ...	4,400	200	900	100	3,100	100		
Total ...	4,400	200	900	100	3,100	100		

FY 83 PROGRAM HIGHLIGHTS
-- \$3 million for continuation of a scholarship program at the American University of Beirut.
-- \$900,000 for a new Regional Population Activities project.
-- \$500,000 for the development, design and evaluation of Near East development assistance programs.

American University of Beirut (AUB)

The United States has a long-standing economic and political interest in strengthening AUB as a regional institution serving the needs of the area. AUB has produced cadres of trained personnel working in and providing leadership to Near Eastern and South Asian countries. It needs to continue to provide this service. The A.I.D. program maintains and develops AUB as a western-oriented center of excellence in the Near East, capable of providing high-quality education in a growing number of development-related fields.

AUB supports stability and cooperation among the region's countries, and between them and the United States, by bringing together the countries' future leaders in a university where American cultural and educational values are prevalent. Since the inception of the A.I.D. scholarship program in 1951, 2571 students have graduated with degrees in Arts and Sciences, including Education, Public Administration, and Business Administration (1,313), Agriculture (735), Engineering (344), Nursing (45), Pharmacy (71), and Public Health (56). An additional 3,277 students have pursued non-degree programs: Public Health (951), Engineering (41), Agriculture (359), Arts and Sciences

OVERVIEW

The Near East Bureau's regional technical assistance grants support United States developmental and humanitarian interests in the region, and fund the project design and other studies needed to design, develop, and evaluate regional and bilateral country programs.

A.I.D. PROGRAM

There are three continuing Near East Regional projects: the American University of Beirut, Law and Development, and Project Development and Support. One new project, Regional Population Activities, is proposed for initial funding in FY 1983.

CP 83-08 (8-81)

RESOURCE FLOWS <i>(In thousands of dollars)</i>			
Program	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID*			
Loans	-	-	-
Grants	3,424	2,093	2,410
Total AID	3,424	2,093	2,410
P.L. 480**			
Title I	()	()	()
(of which Title III is)			
Title II			
Total P.L. 480	-	-	-
Total AID and P.L. 480	3,424	2,093	2,410
*AID levels represent actual and estimated expenditures.			
**P.L. 480 levels represent actual and estimated value of shipments.			

CP 83-14 (8-81)

Program	FY 1981 (Actual)		FY 1982 (Estimated)		FY 1983 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total ... (of which Title III is)	/	()	/	()	/	()
<i>Title II</i>						
Voluntary Agencies	/		/		/	
World Food Programs	/		/		/	
Govt.-to-Gov't. ...	/		/		/	
Title II Total ...	/		/		/	
Total P.L. 480.	/	-	/	-	/	-

CP 83-17 (8-81)

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1981 (Actual)	FY 1982 (Estimated)	FY 1983 (Proposed)
AID Personnel ^a			
Direct Hire ^b			
PASA ^c			
Contract			
Total	-	-	-
Participants ^d			
Noncontract			
Contract	190	65	57
Total	190	65	57
^a U.S. nationals on duty at the end of the fiscal year.			
^b FY 1982 and FY 1983 position levels.			
^c Participating agency technicians.			
^d Programmed during the fiscal year.			

(72), Nursing (53), and Summer Institutes (1,801). In FY 81 A.I.D. provided AUB with \$4 million which completed the funding of 148 already enrolled students and fully funded 42 new students who began their studies in the fall of 1981. In FY 1982 A.I.D. plans to provide \$3 million to fund the costs of an additional 65 new students.

The management of this program is entirely the responsibility of AUB, which has done an excellent job in the recruiting and care of scholarship students. To meet the changing educational needs of the area, AUB is shifting the emphasis of the program from undergraduate training to graduate degrees and is giving greater attention to recruiting qualified women. To try to ensure that the program represents a full spectrum of social-economic interests and backgrounds, AUB is also giving increased attention to funding qualified applicants from the private, non-government, sector. These undertakings are

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

reflected in a new grant agreement signed in August, 1981 which provides \$13.8 million for approximately 250 scholarships through FY 1985.

In FY 1983 A.I.D. plans to continue this scholarship program and provide \$3 million to finance full funding of 57 new students.

Law and Development

This project is strengthening our understanding of the legal context of development in the Near East. It will also assist us in identifying areas where legal systems promote or facilitate beneficial social change and where they may hinder it. Understanding this context will enable the Agency to design projects better adapted to the legal environment of the developing Near Eastern countries.

The project began in FY 1979 and was fully obligated during FY 80. Implementation will continue through 1983, but no further funding is needed. Activities undertaken to date include workshops on a broad range of topics, including law and property, taxation, and social legislation. In addition, an institute on law and social structure will be held in the region during the summer of 1982. A program of post-doctoral grants for scholars from the Near East is also planned.

Project Development and Support

This project supports regional and bilateral U.S. development assistance efforts in Morocco, Tunisia, and Yemen and provides funds for the development, design, and evaluation of development assistance programs in these countries. The funds are used for pre-project studies to identify critical assistance needs, to design projects and programs for maximum effectiveness, for specialized training, and for evaluations.

In FY 1981, \$345,000 was obligated in various development assistance appropriation categories for such activities as: the development of health management improvement and nutrition development projects in Morocco; evaluation of horticulture and community-based integrated rural development projects in Yemen; the conduct of a soils classification workshop at the Arab Center for the Study of Arid Zones and Drylands; region-wide studies of small-scale rural credit programs and the role of pharmacists and drug sellers as health care providers; and Bureau of the Census assistance in the design and implementation of various A.I.D. funded projects.

In FY 1982, \$500,000 will be used for such activities as: design of integrated forestry and dryland cereals extension projects in Morocco; evaluation of the dryland agriculture applied research project in Morocco, and of supervised agricultural credit and management education projects in Tunisia; evaluation of the Development Training II project in Yemen, and design of a follow-on-project, and development of a population/family planning strategy in Yemen.

In FY 1983, additional similar activities, particularly in the area of dryland agriculture, will be undertaken, and selected projects will be evaluated, e.g. elements of the Central Tunisia Rural Development program, and the Tihama Health and Small Rural Water Systems projects in Yemen.

Regional Population Activities

During the past few years it has become increasingly apparent that there is a need for an NE regional population project to provide supplemental funding for specific Near Eastern applications of already-developed family planning efforts, and to increase levels of intermediary population activity in selected countries without bilateral programs. To these ends, we propose to initiate in FY 1983 a new project, which will include the following activities: information, education and communications activities to support fertility control efforts; assistance in contraceptive prevalence programming, an approach to evaluation and target setting that emphasizes the need to increase

REGIONAL PROJECTS - DEVELOPMENT ASSISTANCE

the number and percentage of contraceptive users as well as acceptors, and provides simplified management tools for local program leaders; modest add-ons to Mission population and other training funds to cover attendance at regional technical meetings and conferences as well as participation in Near Eastern training programs; and supplementary funding for intermediary organization activities in selected countries where there are currently no bilateral population/family planning programs, e.g. Turkey and Yemen.

A.I.D. requests \$900,000 in FY 1983 for regional population activities.

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

PROGRAM: NEAR EAST REGIONAL - DA

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	-ESTIMATED FY82- EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	-ESTIMATED FY82- EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	-PROPOSED FY83- EXPENDI TURES	C N T
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	6,473	5,433	5,359	125	125	200	150 C
TOTAL FOR ACCOUNT GRANTS				---	6,473	5,433	5,359	125	125	200	150
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	450	37	14	50	40	---	---
REGIONAL POPULATION ACTIVITIES	* G 298-0046	83	C	---	900	---	---	---	---	900	475
TOTAL FOR ACCOUNT GRANTS				---	1,350	37	14	50	40	900	475
LOANS				---	1,350	37	14	50	40	900	475
HEALTH											
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	2,282	192	143	150	110	100	90 C
TOTAL FOR ACCOUNT GRANTS				---	2,282	192	143	150	110	100	90
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
AMERICAN UNIVERSITY OF BEIRUT	G 298-0015	51	81	46,063	46,063	46,061	43,884	---	450	---	300 C
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	4,646	1,003	941	75	80	100	---
AMERICAN UNIVERSITY OF BEIRUT II	G 298-0044	81	C	13,790	13,790	1,790	358	3,000	1,100	3,000	1,300
TOTAL FOR ACCOUNT GRANTS				59,853	64,499	48,854	45,183	3,075	1,630	3,100	1,600
LOANS				59,853	64,499	48,854	45,183	3,075	1,630	3,100	1,600

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized data. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

PROGRAM: NEAR EAST REGIONAL - DA

CP 83-02

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C N T
SELECTED DEVELOPMENT ACTIVITIES											
LAW AND DEVELOPMENT	G 298-0006	79	80	400	400	312	---	88	---	---	
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	1,253	579	578	100	100	100	95 C
TOTAL FOR ACCOUNT				400	1,653	979	890	100	166	100	95
GRANTS				400	1,653	979	890	100	166	100	95
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				60,253	76,257	55,495	51,589	3,500	2,093	4,400	2,410
GRANTS				60,253	76,257	55,495	51,589	3,500	2,093	4,400	2,410
LOANS				---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

PROGRAM:

PLANNED PROJECT SUMMARY SHEET

CP 83-05 (8-81)

TITLE Regional Population Activities		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 83	900	LIFE OF PROJECT FUNDING: Continuing
NUMBER GRANT <input type="checkbox"/> 298-0048 LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION: 900	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY Continuing	ESTIMATED COMPLETION DATE OF PROJECT FY Continuing

Purpose: To provide supplemental funding for specific NE applications of already-developed family planning efforts and increase the levels of intermediary population activities in selected countries without bilateral programs.

Project Description: Traditional values persist in the Middle East and there is resistance to change and failure to relate population problems to development prospects. A major objective of this project is to increase the population and family planning information/education in Arabic and to provide supplemental funding for specific NE applications of existing family planning efforts.

This new project will include the following activities:

A. Information, Education and Communication (IEC) Activities - While IEC activities must necessarily be largely localized, selective technical assistance and materials production efforts can be designed and mounted for the region as a whole. Planned activities in this area are aimed at adapting existing materials for professional health workers and population program managers, establishing national distribution networks, and arranging for the translation of key materials into Arabic.

B. Contraceptive Prevalence Programming - Region-wide Family planning programs in the region need to refine and simplify handling of data regarding contraceptive acceptors and users. This project will provide funds to strengthen the management of existing population programs.

C. Training - Training has been the logical precursor to expanded government-supported family planning actions throughout most of the developing world.

D. Population/Family Planning Intermediary Organization Activities in Turkey and Yemen - Turkey has a population growth rate in excess of 2.2%, and a crude birth rate of approximately 33 per 1000 population. Yemen has a population growth rate of 2.3% and a crude birth rate of approximately 48 per 1000 population. In both these countries, A.I.D. provides no bilateral population assistance. However, several centrally-funded intermediaries have established modest scale technical assistance

and service delivery activities/ This project will expand assistance to selected intermediaries working in these countries.

Relationship to AID Country Strategy: Reduced population growth is a key developmental concern of A.I.D.'s in virtually all assisted countries. The strategy for attacking the problem varies with the individual country situation. This project will complement bilateral population programs in the Near East and serve to help meet A.I.D.'s population/family planning in countries where no bilateral population program currently exists.

Host Country and Other Donors: Host countries will provide counterparts and trainees and contribute personnel and material support to family planning efforts, mainly through local Family Planning Associations.

Beneficiaries: Women of fertile age will benefit from better health care; increased contraceptive use will lower maternal and infant mortality. Reduction in population growth rates will enable countries to maximize their development potential and generally enhance human welfare.

ECONOMIC AND SOCIAL DATA

COUNTRY: CYPRUS

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 657
 PER CAPITA GNP..... (DOLLARS, 1979) 2,940
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-76) 4.6%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.3% (1970-77) 6.8%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1970) 7.9%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 71.4 MALE 69.5 FEMALE 73.4
 (1968) TOTAL 70.2 MALE 68.3 FEMALE 72.2
 ADULT LITERACY RATE (1970) TOTAL 85% MALE N.A. FEMALE N.A.
 (1960) TOTAL 76% MALE 88% FEMALE 64%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1980) -0.5%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1977) 13%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1981) 339
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT 28% (1979)
 CASH: POTATOES 4% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1980) POTATOES CITRUS FRUIT
 MAJOR AGRICULTURAL IMPORTS:(1980) BARLEY WHEAT SORGHUM
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1978) 30%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1977) 231 (78) 282 (79) 350
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1977) 248 (78) 288 (79) 381
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1977) -17 (78) -6 (79) -31
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1977) 11.4% (78) 8.8% (79) 8.9%
 AS % OF GNP..... (1977) 2.2% (78) 1.7% (79) 1.9%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1978) 365 (79) 374 (80) 388
 EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1980)

FOREIGN TRADE

MAJOR EXPORTS... (1979) FRUITS & VEG CEMENT CLOTHING
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1978) 5 (1979) 6 (1980) 7
 AS % OF TOTAL EXPORTS (1978) 1% (1979) 1% (1980) 1%
 MAJOR IMPORTS... (1979) MANUFACTURES MACHINERY FUELS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 42 (1979) 55 (1980) 72
 AS % OF TOTAL IMPORTS (1978) 6% (1979) 5% (1980) 6%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1978) -41(79) -55(80) -60
 MAIN TRADING PARTNERS: UNITED KINGDOM ITALY GERMANY, FED
 EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 14.2%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 2
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1978) 3.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.8% (1975) N.A. (1980) 1.2%
 POPULATION IN URBAN AREAS..... (1969) 39% (1974) 42%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 19 (1981) 21
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.
 POPULATION (1978) IN AGE GROUP:
 (0-14YRS) 26.5% (15-64YRS) 63.6% (65+ YRS) 9.9%
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1981) 10
 PEOPLE PER PHYSICIAN..... (1978) 1,270
 MAJOR CAUSES OF
 DISEASE (1978)TUBERCULOSIS PARASITIC DISEAS CHILDHOOD DIS.
 DEATH.. (1974)HEART DISEASE CIRCULATORY
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 136%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY N.A.
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1978) TOTAL 84.0% MALE 83.0% FEMALE 85.0%
 SECONDARY..... (1978) TOTAL 66.0% MALE 66.0% FEMALE 66.0%
 POST SECONDARY.. (1977) TOTAL 1.8% MALE 1.6% FEMALE 2.0%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	CYPRUS	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80	
		PROGRAM	TQ	1977	1978	1979				1980
I. ECONOMIC ASSISTANCE - TOTAL										
Loans										
Grants										
a. A.I.D. and Predecessor Agencies										
Loans										
Grants										
<i>(Economic Support Fund)</i>										
b. Food for Peace (PL 480)										
Loans										
Grants										
Title I - Total Sales Agreements										
Repayable in U.S. Dollars - Loans										
Repayable in Foreign Currency - Planned for Country Use										
Title II - Total Grants										
Emerg. Relief, Econ. Develop. & World Food Program										
Voluntary Relief Agencies										
c. Other Economic Assistance										
Loans										
Grants										
Peace Corps										
Narcotics										
Other										
II. MILITARY ASSISTANCE - TOTAL										
Credits or Loans										
Grants										
a. MAP Grants										
b. Credit Financing - FMS										
c. Military Assistance Service-Funded (MASF) Grants										
d. Transfers from Excess Stocks										
e. Other Grants										
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE										
Loans										
Grants										
Other U.S. Government Loans and Grants										
a. Export-Import Bank Loans										
b. All Other Loans										

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
TOTAL	FY 1979	FY 1980	FY 1981	FY 1982-81
IBRD	15.5	17.0	14.4	173.3
IFC	16.0	16.0	14.0	150.5
IJC	0.0	0.0	0.0	3.6
IJA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	1.0	0.4	16.4
UTHEC-UN	0.0	0.0	0.0	0.8
EEC	0.0	0.0	0.0	0.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1979	CY 1980	CY 1976-80	
TOTAL	17.3	31.4	144.0	
U.S.	11.0	20.0	111.0	
Germany	4.5	4.7	20.6	
U.K.	1.2	1.7	5.7	
Other	0.6	5.0	6.7	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
TOTAL	CY 1979	CY 1980	CY 1976-80	
	1.0	0.8	1.8	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1979	CY 1980	CY 1976-80	
	-	5	25	
USSR	-	-	15	
Eastern Europe	-	5	10	

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

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

PROGRAM: CYPRUS

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	FY81- EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	C N T
ECONOMIC SUPPORT FUND											
RELIEF AND REHABILITATION ACTIVITIES	* G 233-0001	75	82	130,000	141,500	130,000	130,000	11,500	11,500	---	---
SCHOLARSHIP PROGRAM	G 233-0002	81	83	5,000	10,000	1,500	---	3,500	2,000	---	3,000
TOTAL FOR ACCOUNT GRANTS				135,000	151,500	131,500	130,000	15,000	13,500	---	3,000
LOANS				135,000	151,500	131,500	130,000	15,000	13,500	---	3,000
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				135,000	151,500	131,500	130,000	15,000	13,500	---	3,000
LOANS				135,000	151,500	131,500	130,000	15,000	13,500	---	3,000
				---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet
C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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Poland

ECONOMIC AND SOCIAL DATA

COUNTRY: POLAND

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1981) 36,094
 PER CAPITA GNP..... (DOLLARS, 1979) 3,830
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79) 5.2%
 AVERAGE ANNUAL RATE OF INFLATION N.A.
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1976) TOTAL N.A. MALE 67.0 FEMALE 74.6
 (1968) TOTAL N.A. MALE 66.9 FEMALE 73.0
 ADULT LITERACY RATE (1970) TOTAL 98% MALE 99% FEMALE 97%
 (1960) TOTAL 95% MALE 97% FEMALE 94%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE N.A.
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1979) 16%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND N.A.
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: N.A. N.A.
 CASH: N.A. N.A.
 MAJOR AGRICULTURAL EXPORTS: N.A.
 MAJOR AGRICULTURAL IMPORTS: N.A.
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979) 31%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.) N.A.
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.) N.A.
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.) N.A.
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. N.A.
 AS % OF GNP..... N.A.
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$ MILLIONS, U.S.) N.A.

FOREIGN TRADE

MAJOR EXPORTS... (1979) MACHINERY FUELS IC. PRODUCTS
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1978) 436 (1979) 424 (1980) 418
 AS % OF TOTAL EXPORTS N.A.
 MAJOR IMPORTS... (1979) IC. PRODUCTS MACHINERY IC. PRODUCTS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1978) 747 (1979) 873 (1980) 785
 AS % OF TOTAL IMPORTS N.A.
 TRADE BALANCE(\$ MILLIONS, U.S.) N.A.
 MAIN TRADING PARTNERS: GERMANY, FED UNITED STATES FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP N.A.
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... N.A.
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... N.A.

SOCIAL DATA

POPULATION GROWTH RATE... (1970) 0.8% (1975) 1.0% (1980) 1.0%
 POPULATION IN URBAN AREAS..... (1969) 51% (1977) 57%
 LIVE BIRTHS PER 1,000 POPULATION..... (1970) 17 (1981) 20
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.
 POPULATION IN AGE GROUP:
 (0-14YRS) N.A. (15-64YRS) N.A. (65+ YRS) N.A.
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1976) 22
 PEOPLE PER PHYSICIAN..... (1976) 616
 MAJOR CAUSES OF DISEASE DEATH.. N.A.
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 140%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY N.A.
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY..... (1976) TOTAL 100.0% MALE 102.0% FEMALE 99.0%
 SECONDARY..... (1977) TOTAL 67.0% MALE 60.0% FEMALE 75.0%
 POST SECONDARY.. (1977) TOTAL 17.8% MALE 15.7% FEMALE 19.9%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1979) 110%

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	POLAND					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80	
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD							
		TQ	1977	1978	1979				1980
I. ECONOMIC ASSISTANCE — TOTAL	-	-	-	-	-	539.3	145.1	394.2	
Loans	-	-	-	-	-	98.7	145.1	46.4	
Grants	-	-	-	-	-	440.6	-	440.6	
e. A.I.D. and Predecessor Agencies	-	-	-	-	-	61.0	93.5	32.5	
Loans	-	-	-	-	-	61.0	93.5	32.5	
Grants	-	-	-	-	-	-	-	-	
(Economic Support Fund)	-	-	-	-	-	-	-	-	
b. Food for Peace (PL 480)	-	-	-	-	-	76.6	-	76.6	
Loans	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	76.6	-	76.6	
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-	
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	
Title II - Total Grants	-	-	-	-	-	76.6	-	76.6	
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-	
Voluntary Relief Agencies	-	-	-	-	-	76.6	-	76.6	
c. Other Economic Assistance	-	-	-	-	-	401.7	51.6	350.1	
Loans	-	-	-	-	-	37.7	51.6	13.9	
Grants	-	-	-	-	-	364.0	-	364.0	
Peace Corps	-	-	-	-	-	-	-	-	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	364.0	-	364.0	
II. MILITARY ASSISTANCE — TOTAL	-	-	-	-	-	-	-	-	
Credits or Loans	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	
a. MAP Grants	-	-	-	-	-	-	-	-	
b. Credit Financing - FMS	-	-	-	-	-	-	-	-	
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-	
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-	
e. Other Grants	-	-	-	-	-	-	-	-	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	-	-	-	-	-	539.3	145.1	394.2	
Loans	-	-	-	-	-	98.7	145.1	46.4	
Grants	-	-	-	-	-	440.6	-	440.6	
Other U.S. Government Loans and Grants	51.1	176.4	522.0	391.7	212.0	1919.6	1312.2	607.4	
a. Export-Import Bank Loans	*	2.5	17.3	6.2	31.6	321.4	153.3	168.1	
b. All Other Loans	61.1	173.9	504.7	385.5	180.4	1598.2	1158.9	439.3	

* LESS THAN \$50,000.

TQ — TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS	FY 1979	FY 1980	FY 1981	FY 1946-81
	TOTAL	1.7	0.0	0.2
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	1.7	0.0	0.2	18.6
OTHER-UN	0.0	0.0	0.0	2.4
EEC	0.0	0.0	0.0	0.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1979	CY 1980	CY 1976-80	
TOTAL				
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
TOTAL	CY 1979	CY 1980	CY 1976-80	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1979	CY 1980	CY 1954-80	

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

PROGRAM: POLAND

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C N T
ECONOMIC SUPPORT FUND											
EMERGENCY ASSISTANCE	G 181-0000	82	82	---	5,000	---	---	5,000	5,000	---	---
TOTAL FOR ACCOUNT GRANTS				---	5,000	---	---	5,000	5,000	---	---
LOANS				---	5,000	---	---	5,000	5,000	---	---
TOTAL FOR COUNTRY GRANTS				---	5,000	---	---	5,000	5,000	---	---
LOANS				---	5,000	---	---	5,000	5,000	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY	SYRIA	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAYMENTS AND INTEREST 1946-80	TOTAL LESS REPAYMENTS AND INTEREST 1946-80
		TQ	1977	1978	1979	1980			
I. ECONOMIC ASSISTANCE – TOTAL									
ECONOMIC ASSISTANCE – TOTAL									
Loans									
Grants									
a. A.I.D. and Predecessor Agencies									
Loans									
Grants									
(Economic Support Fund)									
b. Food for Peace (PL 480)									
Loans									
Grants									
Title I - Total Sales Agreements									
Repayable in U.S. Dollars - Loans									
Payable in Foreign Currency - Planned for Country Use									
Title II - Total Grants									
Emerg. Relief, Econ. Develop. & World Food Program									
Voluntary Relief Agencies									
c. Other Economic Assistance									
Loans									
Grants									
Peace Corps									
Narcotics									
Other									
II. MILITARY ASSISTANCE – TOTAL									
Credits or Loans									
Grants									
a. MAP Grants									
b. Credit Financing - FMS									
c. Military Assistance Service-Funded (MASF) Grants									
d. Transfers from Excess Stocks									
e. Other Grants									
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE									
Loans									
Grants									
Other U.S. Government Loans and Grants									
a. Export-Import Bank Loans									
b. All Other Loans									

TOTAL	FY 1979	FY 1980	FY 1981	FY 1946-81
	10K0	57.0	21.0	15.9
IRU	51.0	0.0	15.5	450.0
IRU	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	7.0
IDB	0.0	0.0	0.0	0.0
AUB	0.0	0.0	0.0	0.0
AFUB	0.0	0.0	0.0	0.0
UNOP	0.0	0.0	0.0	0.0
OTHER-UN	1.9	0.0	0.0	0.0
EEU	0.0	15.7	0.0	15.7
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1979	CY 1980	CY 1976-80	
TOTAL	92.7	67.2	282.2	
U.S.	79.0	24.0	183.0	
Germany	9.2	25.6	58.6	
France	-	10.9	18.4	
Japan	1.2	1.4	5.9	
Netherlands	1.2	0.3	3.4	
Other	2.1	5.0	12.9	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
TOTAL	CY 1979	CY 1980	CY 1976-80	
	1277.6	1560.0	4374.0	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
TOTAL	CY 1979	CY 1980	CY 1954-80	
	-	-	1,990	
USSR	-	-	765	
Eastern Europe	-	-	1,155	
China	-	-	70	

1/ Represents call forwards under FY 78 commitments.
* LESS THAN \$50,000. TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

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

PROGRAM: SYRIA

CP 83-02

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	FY81- EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	C U N T
MIDDLE EAST SPECIAL REQUIREMENTS FUND											
DAMASCUS WATER SUPPLY I	L 276-0008	75		48,000	48,000	48,000	220	---	14,076	---	8,798
				48,000	48,000	48,000	220	---	14,076	---	8,798
				48,000	48,000	48,000	220	---	14,076	---	8,798
ECONOMIC SUPPORT FUND											
COMMODITY ASSISTANCE	L 276-K013	76	76	15,000	15,000	15,000	14,724	---	---	---	---
ENGLISH LANGUAGE TRAINING	G 276-0002	76	79	2,367	2,367	2,367	1,931	---	300	---	136
AGRICULTURAL EDUCATION AND RESEARCH	G 276-0003	79	79	6,000	6,000	6,000	224	---	1,000	---	2,000
GENERAL PARTICIPANT TRAINING	G 276-0004	75	79	6,108	6,108	6,108	4,244	---	500	---	400
TECH SERVICES AND FEASIBILITY STUDIES II	G 276-0005	77	77	3,500	3,500	3,500	2,576	---	434	---	120
DEVELOPMENT OF HEALTH SERVICES	G 276-0006	76	78	1,075	1,075	1,075	954	---	121	---	---
DAMASCUS WATER SUPPLY II	L 276-0010	76	76	14,500	14,500	14,500	487	---	2,802	---	5,605
EUPHRATES BASIN IRRIGATION MAINTENANCE	L 276-0011	76	76	17,600	7,112	7,112	4,503	---	2,609	---	---
DAMASCUS-DERAA HIGHWAY	L 276-0012	76	76	45,900	45,900	45,900	1,401	---	20,976	---	10,212
TARTOUS-LATTAKIA HIGHWAY	L 276-0017	78	78	60,000	60,000	60,000	1,953	---	---	---	---
RURAL ELECTRIFICATION	L 276-0018	77	77	34,700	34,700	34,700	1,936	---	11,200	---	11,200
TECHNICAL HEALTH INSITUTE	G 276-0019	78	79	5,550	5,550	5,550	2,227	---	1,523	---	758
LAND CLASSIFICATION/SOIL SURVEY	G 276-0020	78	78	2,200	2,200	2,200	1,309	---	891	---	---
PROVINCIAL WATER SUPPLY	L 276-0024	79	79	17,600	17,600	17,600	4,134	---	4,230	---	3,950
TECH SERVICES AND FEASIBILITY STUDIES II	G 276-0025	78	78	2,000	2,000	2,000	1,631	---	100	---	100
RURAL ROADS	L 276-0033	79	79	26,400	26,400	26,400	166	---	8,477	---	2,997

*Refers to the planned project summary sheet

C Level of effort activity

167

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

PROGRAM: SYRIA

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C U N I T
RURAL SCHOOLS I	L 276-0035	79	79	11,000	11,000	401	---	4,178	---	3,249	
DEVELOPMENT IMPURTS II	L 276-0036	79	79	20,000	20,000	8,669	---	6,580	---	---	
REMOTE SENSING	G 276-0041	79	79	3,500	3,500	5	---	450	---	2,000	
TOTAL FOR ACCOUNT GRANTS				295,000	284,512	53,475	---	66,371	---	42,727	
LOANS				32,300	32,300	15,101	---	5,319	---	5,514	
				262,700	252,212	38,374	---	61,052	---	37,213	
TOTAL FOR COUNTRY GRANTS				343,000	332,512	53,695	---	80,447	---	51,525	
LOANS				32,300	32,300	15,101	---	5,319	---	5,514	
				310,700	300,212	38,594	---	75,126	---	46,011	

* Refers to the planned project summary sheet
C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

COUNTRY TUNISIA

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80
	TQ	1977	1978	1979	1980			
I. ECONOMIC ASSISTANCE – TOTAL	0.9	23.9	38.7	32.2	29.0	894.9	178.4	716.5
Loans	-	13.1	18.5	14.8	17.3	398.9	178.4	220.5
Grants	0.9	10.8	20.2	17.4	11.7	496.0	-	496.0
a. A.I.D. and Predecessor Agencies	0.4	10.9	20.1	14.8	10.9	392.1	84.1	308.0
Loans	-	6.2	9.5	5.2	4.7	220.6	84.1	136.5
Grants	0.4	4.7	10.6	9.6	6.2	171.5	-	171.5
(Economic Support Fund)	-	-	-	-	-	11.6	-	-
b. Food for Peace (PL 480)	0.2	12.0	17.6	16.4	17.4	485.0	94.3	390.7
Loans	-	6.9	9.0	9.6	12.6	178.3	94.3	84.0
Grants	0.2	5.1	8.6	6.8	4.8	306.7	-	306.7
Title I - Total Sales Agreements	-	6.9	9.0	9.6	12.6	185.7	94.3	91.4
Repayable in U.S. Dollars - Loans	-	6.9	9.0	9.6	12.6	113.8	39.3	74.5
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	71.9	55.0	16.9
Title II - Total Grants	0.2	5.1	8.6	6.8	4.8	299.3	-	299.3
Emerg. Relief, Econ. Develop. & World Food Program	0.1	0.5	2.4	2.8	3.9	253.9	-	253.9
Voluntary Relief Agencies	0.1	4.6	6.2	4.0	0.9	45.4	-	45.4
c. Other Economic Assistance	0.3	1.0	1.0	1.0	0.7	17.8	-	17.8
Loans	-	-	-	-	-	-	-	-
Grants	0.3	1.0	1.0	1.0	0.7	17.8	-	17.8
Peace Corps	0.3	1.0	1.0	1.0	0.7	17.8	-	17.8
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	10.1	25.4	26.1	21.1	15.6	176.4	40.4	136.0
Credits or Loans	10.0	25.0	25.0	20.0	15.0	122.5	40.4	82.1
Grants	0.1	0.4	1.1	1.1	0.6	53.9	-	53.9
a. MAP Grants	0.1	*	*	*	*	40.5	-	40.5
b. Credit Financing - FMS	10.0	25.0	25.0	20.0	15.0	122.5	40.4	82.1
c. Military Assistance Service-Funded (MASF) Grants	-	0.4	1.1	1.1	0.6	6.5	-	6.5
d. Transfers from Excess Stocks	-	-	-	-	-	6.9	-	6.9
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	11.0	49.3	64.8	53.3	44.6	1071.3	218.8	852.5
Loans	10.0	38.1	43.5	34.8	32.3	521.4	218.8	302.6
Grants	1.0	11.2	21.3	18.5	12.3	549.9	-	549.9
Other U.S. Government Loans and Grants	14.3	-	-	11.7	11.5	74.8	41.1	33.7
a. Export-Import Bank Loans	14.3	-	-	11.7	11.5	54.1	17.5	36.6
b. All Other Loans	-	-	-	-	-	20.7	23.6	2.9

* LESS THAN \$50,000-

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

TOTAL	FY 1979	FY 1980	FY 1981	FY 1946-81
IBRD	94.0	171.0	152.0	891.7
IFC	0.0	0.0	0.0	21.8
IDA	0.0	0.0	0.0	70.1
IUB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	23.4
UNDP	1.7	4.9	0.0	43.3
OTHER-UN	0.0	0.0	0.0	9.4
ECC	0.0	24.0	3.0	29.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1979	CY 1980	CY 1976-80
TOTAL	182.8	188.7	997.4
U.S.	11.0	17.0	55.0
France	65.7	87.0	336.4
Germany	49.7	35.9	246.1
Canada	10.6	8.1	62.2
Belgium	15.8	16.7	64.5
Other	30.0	24.0	233.2

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

TOTAL	CY 1979	CY 1980	CY 1976-80
	54.6	58.7	167.2

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1979	CY 1980	CY 1954-80
	-	-	420
USSR	-	-	95
Eastern Europe	-	-	230
China	-	-	95

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

PROGRAM: TUNISIA

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY81- OBLIG EXPENDI TURES		-ESTIMATED FY82- OBLIG EXPENDI TURES		-PROPOSED FY83- OBLIG EXPENDI TURES		C U N T	
AGRICULTURE, RURAL DEV. AND NUTRITION													
AG ECONOMIC RESEARCH AND PLANNING	G 664-0237	67	78	2,657	2,657	2,657	2,581	---	58	---	---		
LIVESTOCK FEED PROD AND UTILIZATION	G 664-0293	77	80	2,586	2,497	2,497	2,383	---	114	---	---		
SUPERVISED AGRICULTURAL CREDIT	G 664-0302	78	80	937	937	937	642	---	220	---	75		
SUPERVISED AGRICULTURAL CREDIT	L 664-0302	78	81	17,300	17,300	17,300	6,077	---	5,359	---	5,864		
AGRICULTURAL TECHNOLOGY TRANSFER	G 664-0304	78	81	5,800	5,800	5,800	1,206	---	1,286	---	1,194		
RURAL DEVELOPMENT ROADS	L 664-0305	77	77	3,200	3,200	3,200	2,489	---	711	---	---		
COMMUNITY DEVELOPMENT (SCF)	G 664-0307	77	81	1,317	1,317	1,317	917	---	140	---	130		
CENTRAL TUNISIA RURAL DEVELOPMENT	G 664-0312	79	81	8,168	6,700	6,700	2,422	---	1,377	---	1,347		
CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	81	13,950	9,855	9,855	756	---	1,760	---	2,209		
INAT FACULTY DEVELOPMENT	G 664-0316	78	78	380	380	380	61	---	160	---	159		
TOTAL FOR ACCOUNT					56,295	50,643	50,643	19,534	---	11,185	---	10,978	
GRANTS					21,845	20,288	20,288	10,212	---	3,355	---	2,905	
LOANS					34,450	30,355	30,355	9,322	---	7,830	---	8,073	
POPULATION PLANNING													
FAMILY PLANNING SERVICES	G 664-0295	79	81	6,310	6,235	6,235	4,663	---	1,572	---	---		
TOTAL FOR ACCOUNT					6,310	6,235	6,235	4,663	---	1,572	---	---	
GRANTS					6,310	6,235	6,235	4,663	---	1,572	---	---	
LOANS					---	---	---	---	---	---	---	---	
HEALTH													
RURAL COMMUNITY HEALTH	G 664-0296	78	81	2,239	2,239	2,239	191	---	580	---	1,030		
RURAL COMMUNITY HEALTH	L 664-0296	78	81	5,390	5,390	5,390	572	---	1,571	---	1,717		

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized data. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

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

PROGRAM: TUNISIA

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY81- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY82- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY83- OBLIG ATIONS	EXPENDI TURES	C N I
INTEGRATED PRESCHOOL FEEDING	G 664-0297	77	79	1,093	1,092	1,092	980	---	112	---	---	
CENTRAL TUNISIA RURAL DEVELOPMENT	G 664-0312	79	80	2,232	2,232	2,232	303	---	1,579	---	---	161
CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	80	2,250	2,250	2,250	156	---	596	---	---	798
SILIANA RURAL CENTERS WATER SYSTEMS	L 664-0318	78	78	3,500	3,500	3,500	1,627	---	1,552	---	---	321
TOTAL FOR ACCOUNT GRANTS				16,704	16,703	16,703	3,829	---	5,990	---	---	4,027
LOANS				5,564	5,563	5,563	1,474	---	2,271	---	---	1,191
				11,140	11,140	11,140	2,355	---	3,719	---	---	2,836
SELECTED DEVELOPMENT ACTIVITIES												
SCIENCE AND TECHNOLOGY DEVELOPMENT I	G 664-0300	78	79	2,087	2,087	2,087	1,026	---	909	---	---	152
TECHNOLOGY TRANSFER	G 664-0315	81	81	1,450	1,450	1,450	---	---	450	---	---	500
RENEWABLE ENERGY I	G 664-0325	79	80	1,548	1,548	1,548	145	---	1,403	---	---	
RENEWABLE ENERGY II	G 664-0326	81	81	1,300	1,300	1,300	---	---	391	---	---	466
LEGAL RIGHTS FOR WOMEN	G 664-0335	81	81	90	90	90	---	---	36	---	---	54
TOTAL FOR ACCOUNT GRANTS				6,475	6,475	6,475	1,171	---	3,189	---	---	1,172
LOANS				6,475	6,475	6,475	1,171	---	3,189	---	---	1,172
				---	---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND												
PROJECT ASSISTANCE	G 664-0400	82	82	---	---	---	---	5,000	---	---	---	
TOTAL FOR ACCOUNT GRANTS				---	---	---	---	5,000	---	---	---	---
LOANS				---	---	---	---	5,000	---	---	---	---
				---	---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				85,784	80,056	80,056	29,197	5,000	21,936	---	---	16,177
LOANS				40,194	38,561	38,561	17,520	5,000	10,387	---	---	5,268
				45,590	41,495	41,495	11,677	---	11,549	---	---	10,909

* Refers to the planned project summary sheet.

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

U.S. OVERSEAS LOANS AND GRANTS — OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years — Millions of Dollars)										ECONOMIC PROGRAMS OF ALL DONORS (Millions of Dollars)				
COUNTRY ITALY		FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-80	REPAY- MENTS AND INTEREST 1946-80	TOTAL LESS REPAY- MENTS AND INTEREST 1946-80	A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS				
PROGRAM	TQ	1977	1978	1979	1980				TOTAL	FY 1979	FY 1980	FY 1981	FY 1946-81	
I. ECONOMIC ASSISTANCE — TOTAL	19.1	3.1	23.4	3.6	3.0	3338.8	486.4	2852.4					399.4	
Loans	-	-	-	-	-	400.9	486.4	85.5-	IBRD	0.0	0.0	0.0	398.0	
Grants	19.1	3.1	23.4	3.6	3.0	2937.9	-	2937.9	IFC	0.0	0.0	0.0	1.0	
e. A.I.D. and Predecessor Agencies	19.1	3.1	23.4	3.6	3.0	1702.4	116.7	1585.7	IDA	0.0	0.0	0.0	0.0	
Loans	-	-	-	-	-	95.6	116.7	21.1-	IDR	0.0	0.0	0.0	0.0	
Grants	19.1	3.1	23.4	3.6	3.0	1606.8	-	1606.8	ADB	0.0	0.0	0.0	0.0	
(Economic Support Fund)	-	-	-	-	-	-	-	-	AFDR	0.0	0.0	0.0	0.0	
b. Food for Peace (PL 480)	-	-	-	-	-	465.4	99.5	365.9	INDDP	0.0	0.0	0.0	0.2	
Loans	-	-	-	-	-	96.0	99.5	3.5-	OTHER-UN	0.0	0.0	0.0	0.4	
Grants	-	-	-	-	-	369.4	-	369.4	FEC	0.0	0.0	0.0	0.0	
Title I - Total Sales Agreements	-	-	-	-	-	96.0	99.5	3.5-						
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-						
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	96.0	99.5	3.5-						
Title II - Total Grants	-	-	-	-	-	369.4	-	369.4						
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	91.6	-	91.6						
Voluntary Relief Agencies	-	-	-	-	-	277.8	-	277.8						
c. Other Economic Assistance	-	-	-	-	-	1171.0	270.2	900.8						
Loans	-	-	-	-	-	209.3	270.2	60.9-						
Grants	-	-	-	-	-	961.7	-	961.7						
Peace Corps	-	-	-	-	-	-	-	-						
Narcotics	-	-	-	-	-	-	-	-						
Other	-	-	-	-	-	961.7	-	961.7						
II. MILITARY ASSISTANCE — TOTAL	-	-	-	-	-	2545.3	0.3	2545.0						
Credits or Loans	-	-	-	-	-	0.3	0.3	-						
Grants	-	-	-	-	-	2545.0	-	2545.0						
a. MAP Grants	-	-	-	-	-	2243.7	-	2243.7						
b. Credit Financing - FMS	-	-	-	-	-	0.3	0.3	-						
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	46.6	-	46.6						
d. Transfers from Excess Stocks	-	-	-	-	-	214.6	-	214.6						
e. Other Grants	-	-	-	-	-	40.1	-	40.1						
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	19.1	3.1	23.4	3.6	3.0	5884.1	486.7	5397.4						
Loans	-	-	-	-	-	401.2	486.7	85.5-						
Grants	19.1	3.1	23.4	3.6	3.0	5482.9	-	5482.9						
Other U.S. Government Loans and Grants	-	-	-	1.0	376.8	1320.8	950.7	370.1						
a. Export-Import Bank Loans	-	-	-	1.0	376.8	1320.8	950.7	370.1						
b. All Other Loans	-	-	-	-	-	-	-	-						

● LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER (7/1/76 - 9/30/76)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

TOTAL	FY 1979	FY 1980	FY 1981	FY 1946-81
TOTAL	0.0	0.0	0.0	399.4
IBRD	0.0	0.0	0.0	398.0
IFC	0.0	0.0	0.0	1.0
IDA	0.0	0.0	0.0	0.0
IDR	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDR	0.0	0.0	0.0	0.0
INDDP	0.0	0.0	0.0	0.2
OTHER-UN	0.0	0.0	0.0	0.4
FEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

Donor	CY 1979	CY 1980	CY 1976-80
TOTAL			

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

TOTAL	CY 1979	CY 1980	CY 1976-80

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

TOTAL	CY 1979	CY 1980	CY 1954-80

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

PROGRAM: ITALY

CP 83-02

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY81-		-ESTIMATED FY82-		-PROPOSED FY83-		C
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
INTERNATIONAL DISASTER ASSISTANCE											
SO ITALY EARTHQUAKE RECONSTRUCTION PRGM	G 145-0001	81	83	50,000	60,000	4,635	4,435	55,365	7,650	---	18,650
TOTAL FOR ACCOUNT GRANTS				50,000	60,000	4,635	4,435	55,365	7,650	---	18,650
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				50,000	60,000	4,635	4,435	55,365	7,650	---	18,650
LOANS				---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet
C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1981 are based on the authorized date. For all projects with an initial obligation date after December 31, 1981 the FY of final obligation is based on a planned date.

ADDITIONAL PROGRAM REQUIREMENTS*

CP 82-03 (8-80)

TITLE	ESTIMATED LENGTH OF PROJECT	ESTIMATED 1ST YEAR COST	PURPOSE
Regional - Arab Center for the Study of Arid Zones and Drylands	3 years	\$400,000	To provide training and technical assistance in establishing uniform standards of soil classification throughout the Middle East.
Regional - Prolific Sheep Research	5 years	\$400,000	To facilitate the development and testing of appropriate technologies and practices aimed at improving prolific sheep herds in developing countries.
Regional - National Technical Information Service	5 years	\$200,000	To improve developing countries' access to scientific and technical information and patents resulting from U.S. government investment in research and development; and also to improve their access to appropriate technological information resulting from worldwide investment in research and development.

Projects identified for implementation if additional funds become available. ("Shelf Projects")