

AGENCY FOR INTERNATIONAL DEVELOPMENT



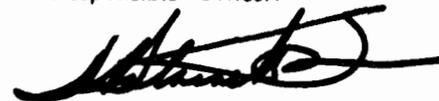
**Congressional Presentation
Fiscal Year 1986**

ANNEX IV

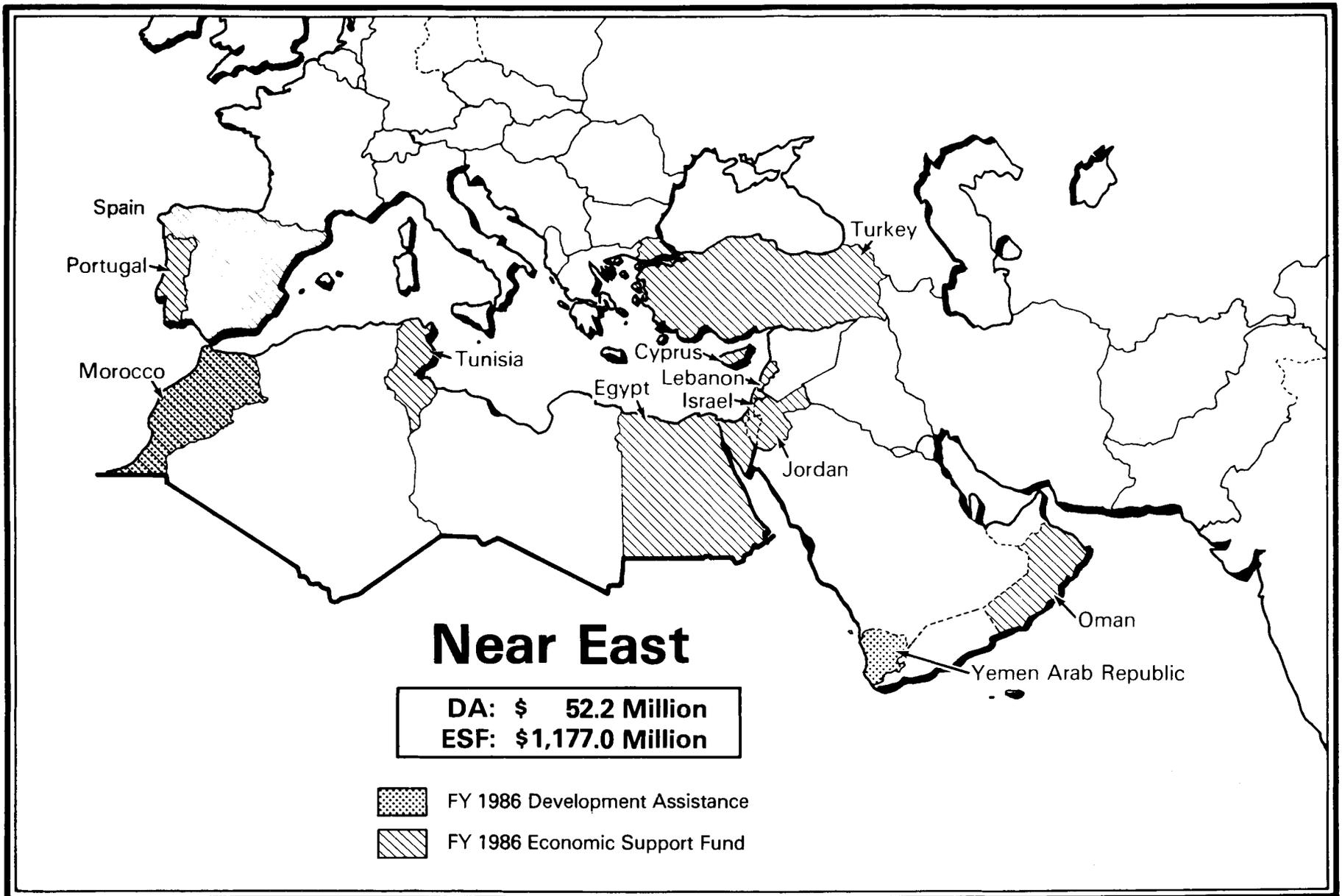
Near East

NEAR EAST

Responsible Officer:

A handwritten signature in black ink, appearing to read 'W. Antoinette Ford', with a stylized flourish at the end.

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 1986.

The Annex begins with a summary table which provides a breakout by country and appropriation account of Near East funding from FY 1983 to FY 1986 for both ESF and DA. There is also a regional summary table showing economic and social data for countries that receive A.I.D. assistance. Immediately following these tables is an overview of ESF and DA 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 twelve 1/ countries and a regional program consisting of twelve projects to be funded with either or both ESF and DA funds in FY 1986. The narratives are followed by planned project summary sheets, where applicable, which present in detail requests for proposed new projects in FY 1986. Note that the regional projects presented in this Annex are different from centrally funded activities, which are described in Annex V. Also included in this year's submission is a section consisting of proposed shelf projects for Egypt for FY 1986.

Annex IV concludes with tables summarizing terminating programs. The three countries included in this section are Italy, Poland and Syria. There is a brief description of the activities that A.I.D. funds are supporting in Poland, even though this program is being terminated.

Footnote:

1/ No country narrative provided for Spain. For program description for Spain, see STATE Congressional Presentation Document.

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

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REGION: BUREAU FOR NEAR EAST

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

CYPRUS									
1983	15,000	---	---	---	---	---	---	15,000	---
1984	15,000	---	---	---	---	---	---	15,000	---
1985	15,000	---	---	---	---	---	---	15,000	---
1986	3,000	---	---	---	---	---	---	3,000	---
EGYPT									
1983	750,000	---	---	---	---	---	---	750,000	---
1984	252,949 ^{1/}	---	---	---	---	---	---	252,949	---
1985	815,000 ^{2/}	---	---	---	---	---	---	815,000	---
1986	315,000	---	---	---	---	---	---	315,000	---
ISRAEL									
1983	785,000	---	---	---	---	---	---	785,000	---
1984	910,000	---	---	---	---	---	---	910,000	---
1985	1,200,000	---	---	---	---	---	---	1,200,000	---
1986	---	---	---	---	---	---	---	---	---
ITALY									
1983	13,168	---	---	---	---	---	---	---	13,168
1984	10,000 ^{4/}	---	---	---	---	---	---	10,000	---
1985	1,655	---	---	---	---	---	---	---	1,655
1986	---	---	---	---	---	---	---	---	---
JORDAN									
1983	20,000	---	---	---	---	---	---	20,000	---
1984	20,000	---	---	---	---	---	---	20,000	---
1985	20,000	---	---	---	---	---	---	20,000	---
1986	20,000	---	---	---	---	---	---	20,000	---
LEBANON									
1983	55,167	---	---	---	---	---	---	9,560	45,607
1984	28,063	---	---	---	---	---	---	27,778 ^{5/}	285
1985	79,338	---	---	---	---	---	---	78,231	1,107
1986	10,000	---	---	---	---	---	---	10,000	---
MOROCCO									
1983	11,227	6,857	1,150	1,000	---	2,220	---	---	---
1984	26,435	9,900	5,260 ^{6/}	---	---	3,105 ^{7/}	1,170	7,000	---
1985	34,245	9,975	3,500 ^{8/}	500	---	1,800	3,470	15,000	---
1986	41,500	13,499	2,000	---	---	1,901	1,600	22,500	---

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

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REGION: BUREAU FOR NEAR EAST

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

OMAN									
1983	15,000	---	---	---	---	---	---	15,000	---
1984	15,000	---	---	---	---	---	---	15,000	---
1985	20,000	---	---	---	---	---	---	20,000	---
1986	20,000	---	---	---	---	---	---	20,000	---
POLAND									
1983	---	---	---	---	---	---	---	---	---
1984	---	---	---	---	---	---	---	---	---
1985	9,000	5,000	---	---	---	---	---	4,000	---
1986	---	---	---	---	---	---	---	---	---
PORTUGAL									
1983	20,000	---	---	---	---	---	---	20,000	---
1984	40,000	---	---	---	---	---	---	40,000	---
1985	80,000	---	---	---	---	---	---	80,000	---
1986	80,000	---	---	---	---	---	---	80,000	---
SPAIN									
1983	12,000	---	---	---	---	---	---	12,000	---
1984	12,000	---	---	---	---	---	---	12,000	---
1985	12,000	---	---	---	---	---	---	12,000	---
1986	12,000	---	---	---	---	---	---	12,000	---
TUNISIA									
1983	5,026	---	---	---	---	10	---	5,000	16
1984	1,550	---	---	---	---	---	40	1,500	10
1985	20,040	---	---	---	---	---	40	20,000	---
1986	22,500	---	---	---	---	---	---	22,500	---
TURKEY									
1983	285,000	---	---	---	---	---	---	285,000	---
1984	138,500	---	---	---	---	---	---	138,500	3
1985	175,000	---	---	---	---	---	---	175,000	---
1986	150,000	---	---	---	---	---	---	150,000	---
YEMEN									
1983	28,082	15,135	---	5,079	---	7,868	---	---	---
1984	27,392	10,932 ^{9/}	---	8,461 ^{10/}	---	7,959	40	---	---
1985	29,074	12,195	1,500	5,500	---	9,839	40	---	---
1986	29,000	12,600	2,500	3,657	---	9,243	1,000	---	---

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

CP-86

REGION: BUREAU FOR NEAR EAST

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

NEAR EAST REGIONAL - DA									
1983	4,404	352	550	78	---	3,200	224	---	---
1984	4,973	495	1,655	448	---	1,817	558	---	---
1985	5,217	1,310	1,500	500	---	1,337	770	---	---
1986	4,168	510	1,500	375	---	553	1,130	---	---
NEAR EAST REGIONAL - ESF									
1983	12,480	---	---	---	---	---	---	12,480	---
1984	13,990	---	---	---	---	---	---	13,990	---
1985	15,000	---	---	---	---	---	---	15,000	---
1986	22,000	---	---	---	---	---	---	22,000	---
TOTAL									
1983	2,031,554	22,344	1,700	6,157	---	13,298	224	1,929,040	58,791
1984	2,115,855	21,327	6,915	8,909	---	12,881	1,808	2,063,717	298
1985	2,530,569	23,480	6,500	6,300	---	12,976	4,320	2,469,231	2,762
1986	1,229,168	26,709	6,000	4,032	---	11,697	3,730	1,177,000	---

(\$000)

- 1/ Figure includes \$102,949 in reobligations.
- 2/ Figure excludes planned reobligations for the balance of FY 1985.
- 3/ To be determined.
- 4/ From FY 1984 Syria deobligations.
- 5/ Figure includes \$557 in reobligations.
- 6/ Figure includes \$290 in reobligations.
- 7/ Figure includes \$170 in reobligations.
- 8/ Figure excludes planned reobligations for the balance of FY 1985.
- 9/ Figure includes \$41 in reobligations.
- 10/ Figure includes \$1,358 in reobligations.

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)	(PERSONS / POP/AGR LAND	DENSITY / SQUARE KM) POP/TOTAL LAND	% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
ECONOMIC SUPPORT FUND RECIPIENTS											
CYPRUS	3,840	89	661	1.3	121	6,886	49	25	1,123	74.1	17
EGYPT	690	44	47,049	2.6	1,514	4,323	46	36	971	58.0	67
ISRAEL	5,090	88	4,021	1.6	320	19,037	90	6	371	74.0	15
JORDAN	1,690	68	2,689	3.8	204	3,088	60	10	1,704	63.8	53
LEBANON		68	2,601	0.7	736	25,481	79	17	536	66.1	43
MOROCCO	870	21	23,565	2.9	95	4,423	43	52	10,750	54.3	124
OMAN	6,090		1,181	3.9	99	343	20	61	1,903	52.1	118
POLAND	.	99	36,887	0.9	190	11,482	59	30	573	72.5	19
PORTUGAL	2,450	71	10,045	0.4	241	10,671	33	28	535	71.7	22
SPAIN	5,430	92	38,435	0.5	121	7,489	77	17	455	74.5	9
TUNISIA	1,390	38	7,178	2.4	90	3,988	55	35	3,686	62.0	81
TURKEY	1,370	69	50,207	2.1	119	5,822	48	64	1,631	63.6	93
YEMEN (SANAA) (NORTH)	500	9	5,895	2.7	74	3,718	13	74	13,320	44.3	149
ESF SUMMARY	2,109	65	230,414	1.8	145	2,630	53	39	899	64.8	61
REGION SUMMARY	3,197	71	287,412	1.5	151	2,802	57	34	805	66.7	51

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 KM)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
DEVELOPMENT ASSISTANCE RECIPIENTS											
ITALY	6,840	94	56,998	0.3	320	18,664	71	13	340	74.4	11
MOROCCO	870	21	23,565	2.9	95	4,423	43	52	10,750	54.3	124
POLAND		99	36,887	0.9	190	11,482	59	30	573	72.5	19
DA SUMMARY	5,094	81	117,450	1.0	158	8,179	62	26	627	69.8	36

NEAR EAST

ECONOMIC SUPPORT FUND AND DEVELOPMENT ASSISTANCE PROGRAMS

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OVERVIEW OF NEAR EAST ECONOMIC SUPPORT
FUND AND DEVELOPMENT ASSISTANCE PROGRAMS

ECONOMIC SUPPORT FUND PROGRAM SUMMARY				
(In millions of dollars) (rounded)				
		FY 1984	FY 1985	FY 1986
		Actual	Estimated	Request
<u>MIDDLE EAST</u>				
Egypt	ESF	853.0 <u>1/</u>	815.0 <u>3/</u>	815.0
Israel	ESF	910.0	1,200.0	--- <u>7/</u>
Jordan	ESF	20.0	20.0	20.0
Lebanon	ESF	27.8 <u>2/</u>	78.2 <u>4/</u>	10.0
Morocco	ESF	7.0	15.0	22.5
	DA	19.4 <u>12/</u>	19.2 <u>5/</u>	19.0 <u>8/</u>
Oman	ESF	15.0	20.0	20.0
Tunisia	ESF	1.5	20.0	22.5
	DA	.04	.04	0 <u>8/</u>
Yemen	DA	27.4 <u>13/</u>	29.0	29.0 <u>8/</u>
Sub-total ME	Total	1,881.1	2,216.5	958.0 <u>11/</u>
	ESF	1,834.3	2,168.2	910.0 <u>11/</u>
	DA	46.8	48.2	48.0
<u>EUROPE</u>				
Cyprus	ESF	15.0	15.0	3.0
Italy	ESF	10.0 <u>14/</u>	0	0
Poland	ESF	0	4.0	0
	DA	0	5.0 <u>6/</u>	(5.0) <u>6/</u>
Portugal	ESF	40.0	80.0	80.0
Spain <u>9/</u>	ESF	12.0	12.0	12.0
Turkey	ESF	138.5	175.0	150.0
Sub-total Europe	Total	215.5	291.0	245.0
	ESF	215.5	286.0	245.0
	DA	0	5.0	(5.0)
<u>REGIONAL</u>				
DA Reg. Activities		5.0	5.2	4.2
ESF Reg. Activities		14.0	15.0	22.0
(West Bank/Gaza)		(8.5)	(9.0)	(10.0)
(Regional Coop)		(3.6)	(5.0)	(5.8)
(AUB)		(0)	(0)	(5.0)
(Others, incl PD&S)		(1.9)	(1.0)	(1.2)
TOTAL - NEAR EAST <u>10/</u>	Total	2,115.5	2,527.8	1,229.1 <u>11/</u>
	ESF	2,063.7	2,469.2	1,177.0 <u>11/</u>
	DA	51.8	58.6	52.2

1/ Figure includes \$102,949 mil. in reobligations. 2/ \$27.2 mil. from FY 1983 no-year funds carried over. Figure includes \$557,000 in reobligations. 3/ Figure excludes planned reobligations. 4/ \$73.2 mil. from FY 1983 no-year funds; 5.0 mil. from FY 1985 Appropriation. 5/ Figure excludes \$150,000 in planned reobligation. 6/ The FY 1985 continuing resolution earmarked \$10 mil. for Poland, of which not more than \$5 mil. can be obligated in FY 1985; the remaining \$5 mil. will be obligated in FY 1986. 7/ To be determined. 8/ Does not include Peace Corps small projects to be transferred from NE Regional DA funds during the FY. 9/ No country narrative. 10/ Does not include disaster relief: FY 1984, Lebanon, \$285,000; FY 1985, Lebanon \$1,107,000; Italy \$1,655,781. 11/ Does not include Israel. 12/ Figure includes \$460,000 in reobligations. 13/ Figure includes \$1,399,000 in reobligations. 14/ From 1984 Syria deobligation.

NEAR EAST REGIONAL OVERVIEW

For FY 1986, A.I.D. is requesting \$1,177 million in Economic Support Funds (ESF) and \$52.2 million in Development Assistance (DA) for bilateral and regional aid activities in the Middle East (excluding Israel) and Europe. A supplemental amount will be requested for Israel. As in past years, the overriding objective of our assistance is to help bring peace to the Middle East and to help resolve some of the economic problems faced by countries in the region. By supporting long-term social and economic development, as well as shorter term economic stabilization and reconstruction where required, A.I.D. helps governments meet the reasonable expectations of their people that peace will bring greater prosperity and an improved quality of life. The continued unrest and strife, particularly in Lebanon and the Iran-Iraq war, underscore the urgency of maintaining our efforts to promote security and peace in the Middle East. U.S. assistance contributes to the stability and longer term economic development of the region and meets the basic human needs of the people in this crisis-torn area. A.I.D. thereby seeks to strengthen the groundwork for achievement of peace in the region.

In addition to the Middle East, the requested program addresses important economic and security needs in the less-developed countries of Europe. For Turkey, \$150 million is requested for balance of payments support, and \$80 million is requested for economic assistance to Portugal (especially the Azores) related to a military facility arrangement there.

Middle East

For Egypt, A.I.D. requests \$815 million in ESF and \$222.1 million in PL 480 Titles I and II. Of the \$815 million ESF, \$200 million is requested to finance U.S. imports in such categories as machinery, equipment, spare parts, industrial raw materials, grains, and semi-finished goods through the Commodity Import Program, and \$100 million is requested as a cash transfer. The balance of \$515 million ESF will: assist new and continuing initiatives in water and sewerage projects and related activities such as the rehabilitation of the Aswan Dam turbines; assist in the development of local infrastructure and enhance popular participation in local government processes through the decentralization program; continue support to the agricultural and private sectors; support training and technical assistance that will strengthen Egyptian technical and management capabilities; and begin new projects in health and basic education.

For Israel, an undetermined amount will be requested for a cash transfer to help Israel meet short-term balance of payments requirements, maintain essential foreign exchange expenditures, and carry out an economic reform program. A.I.D.'s assistance will directly support Israel's civilian economy and help restore economic stability.

NEAR EAST REGIONAL OVERVIEW

For Jordan, \$20 million is requested to support increased agricultural production in the rainfed highlands, to promote growth in urban industrial areas, to exploit and assess groundwater resources, for participant training programs, and to continue technology transfer and technical assistance activities.

For Lebanon, \$10 million is requested to improve health delivery services to displaced families and injured people in the Greater Beirut area, continue reconstruction and rehabilitation of housing and other small-scale infrastructure activities through PVOs, and assist the Government of Lebanon to improve its capacity to plan and implement reconstruction activities.

For Morocco, \$19 million in DA funds, \$22.5 million in ESF, and \$44.9 million in PL 480 Titles I and II commodities are requested to support the Government's efforts to alleviate substantial economic difficulties caused by severe droughts and other factors, and to meet the basic needs of the poor majority of the population. The \$22.5 million ESF will complete funding of two ongoing projects (conventional energy and winter snow pack augmentation) and finance a major new initiative in private sector development and export promotion. The \$19 million in DA will finance ongoing projects in agriculture, population, energy, and human resources development. PL 480 Title I (\$40 million) will help to meet grain import needs and provide local currency financing of development projects. PL 480 Title II (\$4.9 million) commodities will assist the Government in meeting basic nutritional needs of children of impoverished families.

For Oman, \$20 million is requested to continue supporting the operations of the United States-Oman Joint Commission for technical assistance and training, and for construction of public schools throughout the country.

For Tunisia, \$22.5 million in ESF and \$2.5 million in PL 480 Title I are requested. The reversal of the Administration's decision to discontinue bilateral economic assistance to Tunisia was prompted by a reassessment of United States' role after civil disturbances broke out in January 1984. ESF funds will support activities in the private sector and projects in agriculture, rural development and population. PL 480 commodities will help meet grain import needs while supporting policy reform in agriculture and promoting private sector and farm cooperative distribution of nitrogen fertilizer.

For Yemen, \$29.0 million in DA funds are requested. A.I.D. assistance to Yemen is focused on helping the Government develop the human resources and institutional capabilities needed to achieve broad-based and sustained development that will meet the basic human needs of the least developed country in the region. The \$29 million will principally support agricultural development, basic education, family health services, primary health care and improved water systems, and a new initiative in municipal planning and management. Proceeds from the sale of a requested \$5 million in PL 480 Title I food assistance will probably be used to fund part of the costs of establishing a faculty of Agriculture at the University of Sanaa.

NEAR EAST REGIONAL OVERVIEW

Europe

For Cyprus, \$3 million is requested to continue the scholarship program initiated in FY 1981.

For Portugal, \$80 million is requested for economic and social development of the Azores and other parts of Portugal in support of an expanded security relationship.

For Spain, \$12 million is requested to continue educational, cultural and scientific exchange programs administered by the Department of State and the United States Information Agency.

For Turkey, \$150 million is requested to continue support of Turkish economic reform and stabilization efforts. Turkey is a close, valued NATO ally located in an area of strategic importance to the United States. It is in the United States' interest to encourage and support the growth, development and stability of this democratic, Western-oriented country. The assistance funds will support the Government of Turkey in its continued efforts to develop the private sector, increase exports, and enhance the climate for foreign investment.

Regional Activities

In FY 1986, a total of \$26.2 million is requested for regional activities: \$22.0 million in Economic Funds and \$4.2 million in Development Assistance funds. ESF totalling \$10.0 million will be used for development projects in the West Bank and Gaza, such as health and sanitation, land reclamation and agricultural development, water storage and distribution, community and rural development, and vocational and higher education. A total of \$5.8 million will fund scientific and technical Regional Cooperation activities in such areas as the marine sciences, infectious diseases, agriculture technology exchange, and arid land use. Budget support totaling \$5.0 million in ESF will be provided to the American University of Beirut to repair war-damaged facilities and to offset income loss from declining tuition receipts. ESF funds totalling \$1.2 million will also be provided to supplement other regional programs in population/family planning activities, legal education and training, and for studies, technical assistance, and other activities related to project development and support in the Near East.

In addition, DA funds (totalling \$4.2 million) will support six other regional activities in: environmental activities; science and technology information transfer; private enterprise stimulation; small projects administered by the Peace Corps in Morocco, Tunisia and Yemen; dryland agricultural research network; and energy development. The last project will receive initial funding in FY 1986.

NEAR EAST REGIONAL OVERVIEW

Terminating Programs:

In accordance with the provisions of the Second Continuing Resolution of FY 1984 and the Department of State Authorization Act enacted in November 1983, all funds provided to Syria under the Foreign Assistance Act have been deobligated. Out of the total amount that was deobligated \$10 million was provided to Italy in FY 1984 to provide additional support to its earthquake reconstruction program, which began in FY 1981. Ongoing activities, such as school reconstruction and PVO-supported rehabilitation work, will be continued in FY 1985, along with a seismic detection project and a fellowship program.

The Congress, in its omnibus supplemental appropriation bill for FY 1984, authorized \$10 million in ESF to provide equipment and furnishings to the Clement J. Zablocki Outpatient Facility at the American Hospital in Krakow and medical supplies for private hospitals in Poland. Of that amount, the NE Bureau plans to make a grant to Project Hope of \$4 million to provide the needed medical supplies. The balance of funding will come from the American Schools and Hospitals Abroad program. For FY 1985 and FY 1986, Congress earmarked \$10 million in DA funds to provide support to the Catholic Church Foundation of Poland to carry out pilot agricultural projects in selected parts of the country. Half of the funds will be obligated in FY 1985 and the other half in FY 1986, as stipulated in the legislation. PL 480 Title II resources are also used to provide humanitarian assistance to Poland. For FY 1986, \$13.2 million in Title II is requested for the Catholic Relief Services to continue its direct distribution program aimed at the unemployed, families of detained individuals, invalids, low-income families and other needy individuals in Poland.

Cyprus

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FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (233) CYPRUS

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 661
 PER CAPITA GNP..... (DOLLARS,1982) 3,840
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-81) 11.1%
 ANNUAL RATE OF INFLATION (1970-81) 8.5%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1966) 7.9%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 74.1 MALE 72.2 FEMALE 76.0
 (1970) TOTAL 70.9 MALE 69.3 FEMALE 72.4

ADULT LITERACY RATE (1976) TOTAL 89% MALE 96% FEMALE 83%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1974 -1983) 2.2%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 10%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 121

MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY .. 35% (1983)
 CASH: GRAPES ,CITRUS FRUIT ,POTATOES 15% (1983)

MAJOR AGRICULTURAL EXPORTS:(1983) POTATOES ,CITRUS FRUIT ,GRAPES

MAJOR AGRICULTURAL IMPORTS:(1983) BARLEY ,SORGHUM ,WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1976) 25%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 386 (80) 492 (81) 485
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 499 (80) 640 (81) 627
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) -113 (80) -148 (81) -142
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 7.1% (80) 4.8% (81) 6.7%
 AS % OF GNP..... (1979) 1.9% (80) 1.4% (81) 2.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 388 (81) 443 (82) 538
 EQUIVALENT TO 4.1 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJDR EXPDRTS(1982)FOOD AND BEV. ,RAISINS ,POTATOES & WINE

EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981) 6 (1982) 6 (1983) 11
 AS % OF TOTAL EXPORTS (1980) 2% (1981) 1% (1982) 1%

MAJDR IMPORTS(1982)MANUFACTURD GOOD,MACH TRANSP EQ ,FUELS

IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981) 85 (1982) 86 (1983) 72
 AS % OF TOTAL IMPORTS (1980) 9% (1981) 10% (1982) 9%

TRADE BALANCE(\$ MILLIONS, U.S.)(1980) -453(81) -454(82) -544

TRADING PARTNERS: UNITED KINGDOM ,NO A.I.D. CODE ,ITALY

EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 31.9%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1982) 99
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 19.9%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.8% (1978) 0.8% (1984) 1.3%

POPULATION IN URBAN AREAS.....(1970) 41% (1984) 49%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1984) 22

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (.) %

POPULATION (1984) IN AGE GROUP:
 (0-14YRS) 25.2% (15-64YRS) 64.5% (65+ YRS) 10.1%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 17

PEOPLE PER PHYSICIAN..... (1980) 1,123

MAJOR CAUSES OF
 DISEASE (1981) CHICKEN POX ,TUBERCULOSIS ,SCARLET FEVER
 DEATH.. (1974) CIRCULATORY ,HEART DISEASE ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 123%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 95%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1981) TOTAL 72.7 MALE 68.5 FEMALE 77.7
 SECONDARY..... (1981) TOTAL 70.6 MALE 69.3 FEMALE 72.1
 POST SECONDARY.. (1981) TOTAL 2.8 MALE 3.4 FEMALE 2.2

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) %

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

COUNTRY	CYPRUS					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83	
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD							
		1979	1980	1981	1982				1983
I. ECONOMIC ASSISTANCE - TOTAL									
	Loans	16.5	15.2	14.0	15.0	15.0	193.3	0.6	192.7
	Grants	-	-	-	-	-	1.2	0.6	0.6
	Grants	16.5	15.2	14.0	15.0	15.0	192.1	-	192.1
a. A.I.D. and Predecessor Agencies									
	Loans	15.0	15.0	14.0	15.0	15.0	162.0	-	162.0
	Grants	-	-	-	-	-	-	-	-
	<i>(Economic Support Fund)</i>	15.0	15.0	14.0	15.0	15.0	162.0	-	162.0
	Grants	15.0	15.0	14.0	15.0	15.0	162.0	-	162.0
b. Food for Peace (PL 480)									
	Loans	1.5	0.2	-	-	-	31.0	0.6	30.4
	Grants	-	-	-	-	-	1.2	0.6	0.6
	Grants	1.5	0.2	-	-	-	29.8	-	29.8
	Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
	Repayable in U.S. Dollars - Loans	-	-	-	-	-	1.2	0.6	0.6
	Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
	Title II - Total Grants	1.5	0.2	-	-	-	1.2	0.6	0.6
	Emerg. Relief, Econ. Develop. & World Food Program	1.5	0.2	-	-	-	29.1	-	29.1
	Voluntary Relief Agencies	-	-	-	-	-	0.7	-	0.7
c. Other Economic Assistance									
	Loans	-	-	-	-	-	0.3	-	0.3
	Grants	-	-	-	-	-	-	-	-
	Peace Corps	-	-	-	-	-	0.3	-	0.3
	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	16.5	15.2	14.0	15.0	15.0	193.3	0.6	192.7
	Grants	-	-	-	-	-	1.2	0.6	0.6
	Grants	16.5	15.2	14.0	15.0	15.0	192.1	-	192.1
Other U.S. Government Loans and Grants									
	a. Export-Import Bank Loans	8.2	2.3	-	-	-	28.6	29.1	0.5
	b. All Other Loans	3.9	2.3	-	-	-	5.9	2.5	3.4
	Grants	4.3	-	-	-	-	22.7	26.6	3.9

LESS THAN \$50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

	A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			
	FY 1962	FY 1983	FY 1984	FY 1946-84
TOTAL.....	27.0	34.3	43.8	283.4
IBRD	12.2	26.2	43.9	242.7
IFC	2.5	0.0	0.0	5.1
IDA	0.0	0.0	0.0	3.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	3.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.3	0.1	0.0	19.8
OTHER-UN	0.0	0.0	0.0	0.8
EEC	12.0	8.0	0.0	20.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. O.A.C. COUNTRIES (Gross Disbursements)				
CYPRUS	CY 1982	CY 1983	CY 1978-83	
United States	-	1.0	52.0	
Germany, Fed. Rep.	11.3	4.0	37.5	
Austria	0.2	0.8	16.1	
France	2.2	2.2	10.1	
United Kingdom	1.1	0.6	7.1	
Other	0.1	0.3	1.5	
Total	14.9	8.9	124.3	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1982	CY 1983	CY 1978-82	
	0.4	N.A.	3.5	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1982	CY 1983	CY 1954-83	
USSR	-	-	14	
Eastern Europe	-	-	10	
China	-	-	-	
Total	-	-	24	

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1984 Actual	FY 1985 Estimated	FY 1986 Request
Grants	15.0	15.0	3.0

Development Overview

The economy of Cyprus was severely disrupted by the unrest of 1974. Approximately 200,000 Cypriots -- almost one-third of the total population -- were displaced. Substantial effort was required to settle displaced persons and provide employment and administrative, educational, medical and social services.

With contributions from the United States and other countries, both the International Committee of the Red Cross (ICRC) and the United Nations High Commission for Refugees (UNHCR) immediately initiated emergency humanitarian assistance to both Greek Cypriots (south) and Turkish Cypriots (north). As the immediate humanitarian needs were met, the emphasis of the UNHCR program -- which for the past several years has been almost entirely funded by the United States -- changed from relief to longer range reconstruction and development activities. In FY 1981, a scholarship program was started by A.I.D. to enable Cypriots to study at educational institutions in the United States.

The Government of Cyprus (GOC) has done an excellent job in managing its economic problems. After sharp economic reversals in 1974 and 1975, production for domestic use and for export grew rapidly. Per capita GNP in 1984 for the south is estimated to be about \$4,000. Unemployment has dropped from a 1974 high of about 30% to less than 3% and labor shortages exist in several skill areas.

In the north, living standards are below those of the south, and unemployment is believed to be higher. While there is little reliable data on economic conditions, we do know that GNP has increased since 1974 and is presently estimated at about 1/3 to 1/2 that of the south. Production and exports are rising. Economic progress is being made despite shortages of foreign exchange and of entrepreneurial and managerial skills.

U.S. Interests and Objectives

United States assistance demonstrates our continued concern for the people of Cyprus and an active interest in promoting a just and lasting settlement.

A.I.D. Development Strategy

A.I.D. assistance will continue to focus on Cypriot access to higher education in the United States. The program offers an alternative to the large number of training opportunities available in the Soviet Union and Eastern Europe. As appropriate opportunities arise, efforts will also be made to foster intercommunal cooperation and encourage confidence building measures.

CYPRUS

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	-	-	-
Grants	5,573	7,500	9,000
Total AID	5,573	7,500	9,000
P.L. 480 **			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	5,573	7,500	9,000

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

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)						
Title II ^{1/}						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

^{1/} See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

CYPRUS

PERSONNEL DATA			
Category	FY 1984		FY 1986
	(Actual)	(Estimated)	(Proposed)
U.S. National Personnel	-	-	-
AID Direct Hire ^a	-	-	-
PASA ^b	-	-	-
Total	-	-	-

^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

^b On board end of year.

PARTICIPANT TRAINING DATA						
Category	FY 1984		FY 1985		FY 1986	
	(Actual)		(Estimated)		(Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T /IT Managed ^c	-	-	-	-	-	-
Contract Managed ^d	98	-	101	21	200	25
Total	98	-	101	21	200	25

^a Degree seeking participants.

^b Non-degree seeking participants (may be at universities).

^c Participants programmed by Missions and sent to S&T/IT for management.

^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.

CYPRUS

A.I.D. Program (FYs 1984-1985)

Between FY 1975 and FY 1984, the United States provided \$176.5 million to Cyprus. Of this amount \$24 million was committed for the scholarship program. The remainder was used to support UNHCR administered programs of housing construction, construction and equipping of health and education facilities, agriculture development and social services. The \$15 million provided in FY 1984 was equally divided between the UNHCR program (\$7.5 million) and the Scholarship program (\$7.5 million). Additional funding will be provided for scholarships and UNHCR programs in FY 1985.

UNHCR projects are designed by the Cyprus Red Cross for both the Greek and Turkish Cypriot communities and submitted for review and approval to UNHCR in consultation with the United States and other donors. Funds are allocated on the basis of population: 19% for the Turkish Cypriot north and 81% for the Greek Cypriot south.

The Cyprus scholarship program is administered jointly by American-Mideast Educational and Training Services, Inc. (AMIDEAST) and the Fulbright Commission of Cyprus. The first students entered American educational institutions in the fall of 1982. To date, 144 students have matriculated at more than 70 institutions throughout the United States. The number of new students will significantly increase in 1985 as a program of partial scholarships is introduced to supplement that under which students receive full scholarships and living expenses. The scholarships are for both undergraduate and graduate study and range from two to four years in length.

A.I.D. is exploring opportunities for supporting intercommunal development and expects to obligate funds for such activities in FY 1985.

Requested Year Program (FY 1986)

Three million dollars is requested for FY 1986 to continue the scholarship program initiated in FY 1981.

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

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PROGRAM: CYPRUS

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
RELIEF AND REHABILITATION ACTIVITIES	G 233-0001	75	85	152,500	160,000	152,500	118,738	7,500	5,000	---	5,000
SCHOLARSHIP PROGRAM	G 233-0002	81	86	24,000	34,500	24,000	1,160	7,500	2,500	3,000	4,000
TOTAL FOR ACCOUNT GRANTS				176,500	194,500	176,500	119,898	15,000	7,500	3,000	9,000
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				176,500	194,500	176,500	119,898	15,000	7,500	3,000	9,000
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, 1984 are based on the authorized date.

For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

Egypt

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (263) EGYPT

BASIC DATA

 BASIC DATA

 TOTAL POPULATION.. (THOUSANDS,MID 1984) 47,049
 PER CAPITA GNP..... (DOLLARS,1982) 690
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 3.6%
 ANNUAL RATE OF INFLATION (1970-82) 11.9%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975) 5.1%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 58.0 MALE 56.2 FEMALE 59.9
 (1970) TOTAL 49.9 MALE 49.5 FEMALE 50.3
 ADULT LITERACY RATE (1976) TOTAL 44% MALE 57% FEMALE 29%

AGRICULTURE

 AGRICULTURE

 ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1974 -1983)-0.4%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 20%
 POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 1,514
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: CORN ,WHEAT ,SORGHUM 55% (1983)
 CASH: COTTON ,RICE ,VEGETABLES 23% (1983)
 MAJOR AGRICULTURAL EXPORTS:(1983) COTTON ,ORANGES ,POTATOES
 MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,CORN ,MEATS
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1981) 36%

CENTRAL GOVERNMENT FINANCES

 CENTRAL GOVERNMENT FINANCES

 TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1981) 11,429 (82) 12,572 (83) 14,143
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1981) 17,143 (82) 18,572 (83) 22,000
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1981) -5,714 (82) -6,000 (83) -7,857
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1981) 1.4% (82) 1.7% (83) 2.1%
 AS % OF GNP..... (1981) 11.4% (82) 13.4% (83) 13.8%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 1,149 (81) 1,491 (82) 1,276
 EQUIVALENT TO 1.4 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

 FOREIGN TRADE

 MAJOR EXPORTS(1982)CRUDE PETROLEUM,RAW COTTON ,COTTON GOODS
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981) 123 (1982) 147 (1983) 295
 AS % OF TOTAL EXPORTS (1980) 8% (1981) 4% (1982) 4%
 MAJOR IMPORTS(1982)FOODSTUFFS ,MACH AND EQ ,FERTILIZERS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981)1,737 (1982)1,726 (1983)3,094
 AS % OF TOTAL IMPORTS (1980) 18% (1981) 26% (1982) 25%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1980) -2,274(81) -3,324(82)-3,365
 TRADING PARTNERS: UNITED STATES ,ITALY ,FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 67.8%
 SERVICE PAYMENTS DN EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1982) 2,215
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 55.1%

SOCIAL DATA

 SOCIAL DATA

 POPULATION GROWTH RATE...(1970) 1.9% (1978) 2.9% (1984) 2.6%
 POPULATION IN URBAN AREAS.....(1970) 42% (1984) 46%
 LIVE BIRTHS PER 1,000 POPULATION.... (1970) (1984) 37
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1980) 24.5%
 POPULATION (1984) IN AGE GROUP:
 (0-14YRS) 38.7% (15-64YRS) 57.6% (65+ YRS) 3.6%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 67
 PEOPLE PER PHYSICIAN..... (1980) 971
 MAJOR CAUSES OF
 DISEASE (1981) HEPATITIS ,TYPHOID FEVER ,MEASLES
 DEATH.. (1981) GASTROINTESTINAL,CIRCULATORY ,ACUTE RESP INFE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 111%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 66%
 TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1980) TOTAL 73.6 MALE 86.1 FEMALE 60.5
 SECONDARY..... (1980) TOTAL 51.8 MALE 64.1 FEMALE 38.0
 POST SECONDARY.. (1976) TOTAL 11.5 MALE 15.7 FEMALE 7.1
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 197%

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

COUNTRY	EGYPT								
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83
		1979	1980	1981	1982	1983			
I. ECONOMIC ASSISTANCE - TOTAL	1088.1	1166.4	1130.4	1064.9	1005.1	9439.2	846.1	8563.1	
Loans	480.7	565.3	342.5	262.0	238.3	5046.7	846.1	4200.6	
Grants	607.4	601.1	787.9	802.9	766.8	4362.5	-	4362.5	
a. A.I.D. and Predecessor Agencies	835.0	865.0	829.0	771.0	750.0	6709.4	250.4	6459.0	
Loans	250.0	280.0	70.0	-	-	2734.1	250.4	2483.7	
Grants	585.0	585.0	759.0	771.0	750.0	3975.3	-	3975.3	
(Economic Support Fund)	835.0	865.0	829.0	771.0	750.0	6478.8	-	-	
b. Food for Peace (PL 480)	253.1	301.4	301.4	293.9	255.1	2688.6	585.0	2103.6	
Loans	230.7	235.3	272.5	262.0	238.3	2301.9	585.0	1716.9	
Grants	22.4	16.1	28.9	31.9	16.8	386.7	-	386.7	
Title I - Total Sales Agreements	230.7	285.3	272.5	262.0	238.3	2337.8	585.0	1752.8	
Payable in U.S. Dollars - Loans	230.7	285.3	272.5	262.0	238.3	1843.0	270.8	1572.2	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	494.8	314.2	180.6	
Title II - Total Grants	22.4	16.1	28.9	31.9	16.8	350.8	-	350.3	
Emerg. Relief, Econ. Develop. & World Food Program	6.3	3.3	6.4	17.9	5.2	80.8	-	80.8	
Voluntary Relief Agencies	15.6	12.8	22.5	14.0	11.6	270.0	-	270.0	
c. Other Economic Assistance	-	-	-	-	-	11.2	10.7	0.5	
Loans	-	-	-	-	-	10.7	10.7	-	
Grants	-	-	-	-	-	0.5	-	0.5	
Peace Corps	-	-	-	-	-	-	-	-	
Narcotics	-	-	-	-	-	0.1	-	0.1	
Other	-	-	-	-	-	0.4	-	0.4	
II. MILITARY ASSISTANCE - TOTAL	1500.4	0.8	550.3	902.4	1326.9	4281.5	607.1	3674.4	
Credits or Loans	1500.0	-	550.0	700.0	900.0	3650.0	607.1	3042.9	
Grants	0.4	0.8	0.8	202.4	426.9	631.5	-	631.5	
a. MAP Grants	-	-	-	-	-	-	-	-	
b. Credit Financing - FMS	1500.0	-	550.0	700.0	900.0	3650.0	607.1	3042.9	
c. Military Assistance Service-Funded (MASF) Grants	0.4	0.8	0.8	2.4	1.9	6.5	-	6.5	
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-	
e. Other Grants	-	-	-	200.0	425.0	625.0	-	625.0	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	2588.5	1167.2	1681.2	1967.3	2332.0	13690.7	1453.2	12237.5	
Loans	1980.7	565.3	892.5	962.0	1138.3	8696.7	1453.2	7243.5	
Grants	607.5	601.9	788.7	1005.3	1193.7	4994.0	-	4994.0	
Other U.S. Government Loans and Grants	91.4	9.5	18.0	44.4	8.4	320.5	283.0	37.5	
a. Export-Import Bank Loans	91.4	9.5	17.3	41.7	5.4	182.6	126.0	56.6	
b. All Other Loans	-	-	0.7	2.7	-	137.9	157.0	19.1	

* LESS THAN \$50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

	A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			
	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL	507.1	491.0	528.2	4115.8
IBRD	465.0	350.0	458.0	2537.0
IFC	12.2	110.9	8.0	205.6
IDA	0.0	0.0	0.0	980.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	10.7	0.0	23.8	84.6
UNDP	8.2	2.1	0.0	96.7
OTHER-UN	5.0	0.0	13.4	43.3
EEC	0.0	28.0	25.0	118.0
B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
EGYPT	CY 1982	CY 1983	CY 1978-83	
United States	928.0	1,031.0	5,017.0	
Germany, Fed. Rep.	125.7	98.7	615.3	
Japan	72.4	60.0	580.1	
France	49.1	21.9	255.0	
United Kingdom	13.1	16.0	118.6	
Other	96.5	70.8	389.8	
Total	1,284.8	1,298.4	6,975.8	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1982	CY 1983	CY 1978-82	
	11.8	N.A.	853.8	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1982	CY 1983	CY 1954-83	
USSR	-	-	1,439	
Eastern Europe	83	-	1,308	
China	-	-	193	
Total	83	-	2,940	

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PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire ^a	100*	112*	118*
PASA ^b	8	9	9
Total	108	121	127

^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).
^b On board end of year.

*Does not include 9 Regional Inspector General positions.

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T /IT Managed ^c	51	400	40	430	30	450
Contract Managed ^d	596	748	600	700	400	800
Total	647	1,148	640	1,130*	430	1,250*

^a Degree seeking participants.
^b Non-degree seeking participants (may be at universities).
^c Participants programmed by Missions and sent to S&T/IT for management.
^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.

*Third Country Participants (non-add)

Category	FY 1984		FY 1985		FY 1986	
	Academic	Technical	Academic	Technical	Academic	Technical
S&T/IT Managed	NA	--	50	--	25	--
Contract Managed	NA	--	50	--	25	--

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RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	47,724	31,910	21,542
Grants	864,758	1,063,180	1,074,733
Total AID	912,482	1,095,090	1,096,275
P.L. 480 **			
Title I <i>(of which Title III is)</i>	(250,000)	(225,000)	(213,000)
Title II	13,271	11,905	9,118
Total P.L. 480	263,271	236,905	222,118
Total AID and P.L. 480	1,175,753	1,331,995	1,318,393

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

P.L. 480						
<i>(in thousands of dollars)</i>						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I	1,658,700	250,000	1,448,000	225,000	1,330,000	213,000
Wheat /Flour						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total <i>(of which Title III is)</i>	1,658,700	250,000	1,448,000	225,000	1,330,000	213,000
Title II ^{1/}						
Voluntary Agencies	43,402	13,271	42,419	11,905	26,079	9,118
Government - to - Government						
Title II Total	43,402	13,271	42,419	11,905	26,079	9,118
Total P.L. 480	1,702,102	263,271	1,490,419	236,905	1,356,079	222,118

^{1/} See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1984 Actual	FY 1985 Estimated	FY 1986 Request
ESF	853.0 ^{1/}	815.0 ^{2/}	815.0

^{1/}Figure includes \$103 million in reobligation.

^{2/}Figure excludes planned reobligations for the balance of FY 1985.

COUNTRY OVERVIEW

Egypt has a crucial leadership role to play in achieving a comprehensive and lasting peace in the Middle East. Egypt's continued stability is central to that role. The U.S. economic assistance program supports Egypt's constructive contribution in the Middle East peace process by helping to sustain its economy through a difficult period of adjustment in the short run and by aiding the Egyptians to invest in the infrastructure, productive enterprises, and human resources necessary to sustain relatively vigorous levels of equitable growth over the longer term.

The present U.S.A.I.D. program in Egypt was an important element in the Camp David Agreements. The program has advanced both U.S. and Egyptian interests. Egypt's commitments to peace with Israel and to the Middle East peace process have been maintained. A.I.D. assistance is an important source of foreign exchange which is required for higher levels of national investment, and it provides technical assistance and training to major development programs. In FY 1984 the renewed program of U.S.-Egyptian economic cooperation completed a decade. From FY 1975 through FY 1984, \$9.6 billion of U.S. economic assistance was obligated, of which \$7.2 billion has been expended. A record \$1,176 million was expended under the program in 1984, exceeding that year's obligations by \$59.5 million.

Egypt's gross domestic product expanded at an average annual rate of about 9 percent between 1975 and 1982 (compared with 2.5 percent annually between 1967 and 1974), and at about 5 percent since 1982. The level of annual investment has steadied at around 25 percent of GNP, rising from a low of 16 percent in 1974. Foreign exchange receipts exceeded \$9 billion in 1983--up from \$2 billion in 1974. More than seventy-five foreign and Egyptian banks are now in operation as compared to six in 1974. Most importantly, the vast majority of Egyptians have a much higher standard of living today than they did in 1974. Wages, especially in agriculture and construction, have risen substantially in real terms. Remittances from Egyptian workers abroad have provided additional income to both rural and urban households. Real per capita income rose especially rapidly in the late 1970s and has continued to rise since 1980 at approximately 2 percent per year.

Despite this recent robust growth, severe structural problems and public policies constrain Egypt's prospects for sustained development. Productivity in agriculture and industry is low, due to insufficient economic infrastructure, pricing policies that misallocate resources, an education system inadequate for a modern labor force, and health standards unacceptable for a country approaching middle income

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status. Egypt can no longer depend on increasing oil earnings, workers' remittances, Suez Canal fees, and tourism to fuel growth of 9 percent per year. With the prognosis for these exogenous factors not encouraging, the country will have to rely on productivity increases in agriculture and industry for a major portion of the economic growth to sustain the economic and social gains of the past several years. Substantial growth is needed merely to keep pace with Egypt's continuing, rapid population growth rate, now estimated at 2.7 or 2.8 percent per year.

Egypt's current economic and social condition may be traced in large part to the revolution of 1952 and to the debilitating effects of long-term war mobilization. With the revolution came a series of far-reaching structural changes in Egypt's economy during the 1950s and 1960s aimed at dramatically reducing the gap between rich and poor. This period witnessed an extraordinary investment of financial and human capital in the extension of social services to the Egyptian people. By the mid-1960s Egypt was in the vanguard of developing countries in terms of equity, social services, and physical quality of life indices.

However, these economic and social policies were costly and well beyond the capacity of the economy to sustain. Resources were inadequate to finance consumption for a fast growing population, let alone for adequate new investment. The industrial structure reflected a strategy of import substitution and inefficient state-run enterprises. The agricultural sector was virtually ignored, and farmers were taxed, through low government fixed procurement prices, to pay for industrialization. At the same time, diversion of resources to defense expenditures left social and industrial infrastructure inadequately supported, with huge operating costs and deferred maintenance needs.

The "Open Door" policies promulgated by former President Sadat to revive the Egyptian economy, ensuing economic liberalization measures, and the establishment of peace with Israel as part of the regional peace process, set the stage for Egypt's entry into a period of economic revival.

The key requirements for this transition are movement toward market oriented systems for establishing prices and allocating resources, the rehabilitation and expansion of Egypt's infrastructure and capital plant, strengthening private enterprise, and investment in human resources. As enunciated by Sadat's successor, President Mubarak, the nation's commitment to equity and social welfare remains strong, but Egypt's policymakers are increasingly aware that sustainable social programs must be financed through economic growth. Translating this into action is a slow and difficult process, however, and progress in policy change must be balanced with the needs for equity and political stability.

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UNITED STATES INTERESTS AND OBJECTIVES

The overriding objectives of the United States are to achieve regional peace, stability, and security, broaden the base of the present Egyptian-Israeli peace agreement, and bring all of the principal countries of the Arab-Israeli dispute into a comprehensive peace settlement. Egypt is central to these objectives. Accordingly, while both countries recognize the desirability of an eventual phase-down in A.I.D. assistance, an additional period of basically undiminished U.S. economic assistance is anticipated. A.I.D. and the Government of Egypt will continue to discuss the policy reforms necessary to support stability and growth and to help the Egyptians redress structural weaknesses in their economy.

The essential political premises remain those articulated in the joint communique issued in February, 1982 on the occasion of the first meeting between President Reagan and President Mubarak:

- "-- Egypt and the United States are full partners in the pursuit of regional stability and in the continuation of peace in the Middle East;
- "-- The United States has cooperated in the economic development of Egypt through a program of assistance to the Egyptian Government in recognition of the sacrifices made by the Egyptian people;
- "-- The Government of Egypt has announced its intentions to undertake its own program of economic reform that utilizes the initiative and capabilities of the Egyptian people;
- "-- Egypt has, with substantial U.S. assistance and the infusion of other external resources, strengthened its economy and rebuilt much of the capital and social infrastructure base;
- "-- Egypt has entered a period of economic progress that will require its own management of substantial external resources, including continued U.S. assistance;
- "-- It is in the interest of both nations to ensure the success of the economic reform program in Egypt in a manner that recognizes the substantial capabilities of the Government of Egypt to accomplish its intentions and the continuing commitment of the U.S. to provide resources that may be utilized to this end."

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ECONOMIC PERFORMANCE

Economic Growth: Growth of the Egyptian economy has slowed recently, due to the moderation of major external stimuli--oil exports, workers' remittances, Suez Canal receipts, foreign aid--that propelled Egypt's rapid growth during the late 1970s. Gross domestic product has expanded at about a 5 percent annual rate during the past couple of years, after growing at about 9 percent from 1974 to 1982. Petroleum, construction, government, and services have been the most rapidly growing sectors of the economy during the past decade.

Balance of Payments: During the past two years, there has been a sharp reduction in the current account deficit from about \$1.9 billion in 1981/82 to \$1.0-1.1 billion. This favorable performance was due to tightened import restraints and to a surge in worker remittances flowing through official channels. Remittances now are expected to be level over the next few years, and little growth is expected from non-petroleum exports. With only limited proven oil reserves (5 to 6 billion barrels) and rapidly increasing domestic energy consumption (stimulated by unrealistically low domestic energy prices), oil export revenues may decline substantially in the next decade. Since export and service receipts are expected to advance slowly, the rising trend in imports portends a deteriorating balance of payments over the next few years.

Fiscal and Monetary Conditions: A major force for internal inflation has been the large fiscal deficits of the public sector. The overall budgetary deficit has risen from LE 2.7 billion in 1980/81, LE 3.9 billion in 1981/82, LE 4.2 billion in 1982/83, to LE 5.6 billion in 1983/84. Significant elements of the expansion in current expenditures have been rapid rises in salary costs for government employees, defense outlays, subsidies and interest payments. The GOE's 1984/85 budget implies maintaining the deficit at approximately last year's level. Although the financing of the deficit has required an unduly rapid expansion of bank credit to the public sector, the overall rates of growth of bank credit and of the domestic money supply have declined slightly since 1980. Inflation is estimated to have continued at a relatively steady 15-20 percent annual rate.

Strategy for Future Growth: Egyptian Government officials are hopeful that future growth of the economy can be based primarily upon expansion of the industrial and agricultural sectors of the economy. This objective for the economy is strongly supported by the World Bank, AID, and other donors. However, to encourage development of efficient industrial and agricultural activities, the Government must correct some of the serious distortions in the price structure, must reduce its regulatory restrictions on enterprises, and--since the public sector accounts for about three-fourths of gross investment--must improve the productivity of investments within the public sector.

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The Government of Egypt has taken steps recently to correct some of the deterrents to growth in the commodity producing sectors:

- The exchange rate regime was modified during 1983 and 1984 to shift the vast majority of international transactions-- including those of most public sector enterprises--to a realistic market exchange rate;
- Government procurement prices and regulations for several major crops (wheat, onions, rice, oranges, potatoes, cotton) have been improved but are not yet to the levels necessary to reverse the undesirable drift of agricultural production toward uneconomic fodder crops and meat/milk production; and
- Public sector enterprises have been reorganized under the framework of new general organizations (e.g., the textiles organization) which may have greater autonomy, incentives, and ability to make sound operating and investment decisions than in the past.

However, several severe distortions remain--namely, industrial subsidies (especially for energy), government price controls, regulatory barriers to imports, and other interferences with market signals. In addition, the risks of continuing misallocations of the Government's investment budget into uneconomic activities, like the reclamation of desert lands for agricultural purposes, remain very high.

Economic Reforms Relating to Consumption: The Government of Egypt recognizes that reforms in economic policies are needed to improve the pattern of consumption within the country, as well as the pattern of investment and production. The most important direct and indirect consumer subsidies are those for energy (especially electricity, kerosene, and bottled gas) and for basic food and fiber (especially bread, flour, cooking oil, sugar, and cotton cloth). Internal studies undertaken in 1982 and 1983 by the government Shura Council, an appointed consultative body, generated several proposals for reducing these subsidies. At the same time, other Government officials announced that dramatic changes should be made in the system to target subsidies toward the poor. President Mubarak has more recently highlighted the need for subsidy reform and is currently convening a national council for this purpose.

In past years, the Government of Egypt has taken little significant action to curb the major subsidies provided to consumers, despite levels of consumption of major subsidized products (especially energy, cotton, and wheat) that are very high by international standards and that have been rising much faster than national income. In September 1984, the Government raised bread and flour prices. Electricity tariffs have been rising periodically since 1982, although for household customers at an average annual rate of less than 10 percent. Petroleum product prices have remained frozen at levels that, in most cases, have prevailed for many years.

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A.I.D. ASSISTANCE STRATEGY

The past ten years have marked a shift of the Egyptian economy from one which was inward looking and almost completely public-sector dominated to one which is open to international participation and more favorable to private sector initiatives and investments.

During that decade the A.I.D. program has demonstrated U.S. support for Egypt's engagement in the peace process and its new, increasingly market-based economic orientation. U.S. financial resources partially replaced those lost from other official donors after 1979, when Egypt boldly signed a peace treaty with Israel.

U.S. assistance has repaired war-damaged Egyptian infrastructure, rehabilitated other infrastructure that was neglected as a result of Egypt's extraordinary defense expenditures, and built new infrastructure at both the national and local levels. The program has sustained Egypt's industrial production with the provision of raw materials and equipment and helped modernize the critical Suez Canal and Port of Alexandria. Important relationships have been built between Egyptian and American agricultural research institutions, contributing substantially to the agricultural technology base. PL-480 has helped feed Egypt's people. A.I.D. projects have touched the lives of millions who attend schools, visit medical clinics, or use other facilities built, expanded, or refurbished with U.S. assistance.

Program Characteristics

Over the past few years, A.I.D. and the Egyptian Government have undertaken an intensive review of the content and structure of the U.S. assistance program to Egypt. As a result, A.I.D. intends to give the following emphases to its program:

- The program will fit within the general priorities of the Egyptian Five Year Plan (1982/83 - 1986/87), which emphasizes production, efficiency based productivity gains, and basic human needs. More specifically, A.I.D. will help achieve Egypt's highest priority within the Plan--improvement and expansion of water and wastewater systems.
- The U.S. assistance program will continue to encourage, support, and respond to specific Government of Egypt policy changes, particularly in the area of economic reforms. Where effective and appropriate, sector rather than project assistance will be used to support such reforms.
- U.S. assistance will focus on fewer projects, building on the most successful and highest priority projects of the current program.

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- Egypt's Five Year Plan includes \$40.5 billion of investment capital, some \$9.5 billion of which is expected to be private sector investment. A.I.D. will support these investment aims in the private sector while encouraging the movement of the public sector into a "market economy" framework.
- Based on past experience with problems in construction, future large infrastructural investment will be limited for the most part to those areas in which American abilities are decisive: erection of power facilities, major water and sewage systems, and roads. Egyptian consultants will be used increasingly for necessary surveys and analyses and for design, architectural, and engineering studies.
- U.S. assistance increasingly will emphasize the application of appropriate technological innovations. Building on local research institutions' capabilities, on professional ties with the U.S. scientific community, and on policy changes that recognize appropriate resource allocations, A.I.D. will assist Egypt to identify and solve its priority development problems.
- The program will continue to build on the lessons learned in recent years to improve the performance and the impact of A.I.D. activities in Egypt.

Sectoral Programs

The U.S. program of economic assistance to Egypt will have four major emphases: balance of payments support, development of economic infrastructure, improvement of productivity in agriculture and industry, and development of human resources.

To promote stability and fuel overall economic growth, the Commodity Import Program (CIP) and Food For Peace remain the principal balance of payments tools. In FY 1984, 1985 and 1986 they are supplemented by cash transfers. These programs provide direct support of near-term economic stability and will be increasingly shaped to play a role in attaining the Mission's longer-term productivity objectives. While the A.I.D. strategy has been effective since 1975 in supporting short-term economic stability, the United States and the Government of Egypt recognize that policy changes will be required to ensure self-sustaining growth and stability over the longer term. Eventually, the CIP and PL-480 will be gradually reduced as the Egyptians restructure their economy and are able to finance more of their import needs through their own production.

To lay the foundation for increased production and facilitate the delivery of community services, A.I.D. will finance the rehabilitation, modernization, and expansion of Egypt's physical infrastructure. This

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program will embrace water and wastewater systems (the highest priority in the Egyptian Five Year Plan), energy generation and distribution, telecommunications, and possibly a key transportation link. Individual investments in infrastructure will be determined in the light of current sectoral public policies. In conjunction with the infrastructure activities, A.I.D. will support technical assistance and training for Egyptian institutions, so that once physical changes and improvements have been made, there will be a strengthened domestic capability to maintain and operate the infrastructure. At the community level, A.I.D. will continue to support development of improved infrastructure by village and urban jurisdictions as part of the Government's decentralization program. In this area, A.I.D. and the GOE will focus on generating adequate revenues to undertake and maintain local development projects.

To promote gains in industrial and agricultural productivity, A.I.D. will encourage improvement of GOE policies, promote private sector responses to economic needs, support public industries selectively, and assist with the development and dissemination of productive technologies. Support to the Egyptian research and development community and in resource planning and management will increase productive efficiency economy-wide in the medium and long term. In the agriculture sector A.I.D. will support research and extension activities to continue the development of improved technologies and to facilitate the adoption by farmers of both new and existing technologies.

In the public policy arena, overly centralized state management of the economy, statutory rigidities in the financial system, "pricing by fiat" rather than market prices, inadequate investments in maintenance activities to sustain capital investments, and an unbalanced approach to welfare and economic objectives contribute to present low levels of productivity. Consistent with its strategy of recent years, and building on the lessons learned in implementing that strategy to improve future performance, A.I.D. will continue to support development activities that address these problems and will yield a more permanent, self-sustaining impact on industrial and agricultural productivity.

A.I.D. will provide increasing support to Egypt's private sector, because private enterprises are more efficient than government agencies or enterprises at the production and distribution of most goods and many services. The program will take the form of short and medium term credit to help entrepreneurs finance imports, support to small businesses and artisans in the "informal" economy, credit and extension services for small farmers, support for increased private marketing of agricultural inputs and outputs, and technical assistance and feasibility studies for private investments. A special effort will be made to increase the production for export of horticultural crops in which Egypt has a comparative advantage. A.I.D. will also support a number of management training activities. Through these programs, A.I.D. will endeavor to foster a greater degree of liberalization of the economy and a more balanced mix between the public and private sectors.

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A.I.D. assistance for public sector industry must be linked to efforts to reduce the economic and managerial inefficiencies of public sector enterprises in Egypt. The economic inefficiencies are a reflection of the wide-ranging input and output price distortions in the Egyptian economy. The managerial inefficiencies are partly due to the lack of managerial autonomy for public sector enterprise managers. The system of industrial licensing by the Ministry of Industry and the General Organization for Industry (GOFI) adds to market distortions by restricting the entry of the private sector into product lines that would compete with existing or planned public sector enterprises.

To improve the physical quality of life of the Egyptian people and to improve their productivity in the workplace, U.S. assistance will continue to support the development of human resources. In the health sector, A.I.D. will focus on improving child survival rates and on the development of private health services on a cost-recovery basis. In population, A.I.D. will support Egyptian public and private programs to spread modern family planning methods. In education, A.I.D. resources will continue to improve access to primary schooling and to upgrade professional training through training programs in the United States and in Egypt.

PROGRAM MANAGEMENT

In FY 1984 program implementation continued to accelerate. ESF expenditures totalled a record \$912.482 million. Total expenditures, including PL-480, totalled \$1,175.753 million. For the second consecutive year the pipeline of obligated but unexpended funds fell, from a peak of \$2.7 billion at the end of FY 1982 to \$2.5 billion a year later and \$2.4 billion at the end of FY 1984. Large increases in expenditures were recorded in the construction of major infrastructure (notably grain silos and water and sewerage) and in the private sector production credit program, which was extensively utilized by Egyptian businesses in FY 1984. But more aggressive monitoring by A.I.D. staff across the board and the maturing of the program as a whole are the basic reasons for continued improvement in implementation.

Performance in FY 1985 and 1986 should remain strong. Expenditures will peak in FY 1985 due largely to the disbursement of two cash grants. \$102 million in previous years' funding was deobligated and then reobligated as a cash grant at the end of FY 1984. The GOE has agreed to obligate an equal amount of local currency to programs in housing and health. Another \$100 million cash transfer of FY 1985 funds will be expended during FY 1985. Project expenditures should exceed obligations in both FY 1985 and 1986. In FY 1985 projects in population, agriculture, telecommunications and electricity generation and distribution are expected to register significant increases in expenditures. In FY 1986

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the sewerage and health programs will reach their peak implementation phases, and the decentralization program will continue to maintain high disbursement rates while developing local infrastructure and institutional capacities.

In an effort to concentrate program focus and set clearer program direction, the U.S.A.I.D. developed a comprehensive set of sector game plans (strategies and approaches) during FY 1984. The strategies were designed to ensure that A.I.D.'s sectoral programs clearly addressed critical development problems, were in accord with GOE priorities, took into account relevant policy issues, and had clear scenarios for implementation. Strategies were written for physical infrastructure sectors (water/wastewater, energy, telecommunications, roads, and local development), social infrastructure sectors (population, health, nutrition, and education and training), production sectors (agriculture, industry), and cross-sectoral programs (science and technology, private sector, urban development, and commodity imports). Each strategy included funding projections contingent upon progress in needed policy changes and in implementation. These plans were reviewed in Washington and used to establish clear guidelines for U.S. assistance programs in Egypt.

Consolidation of the program into fewer, larger projects has better enabled A.I.D. to direct management attention to implementation and has increased the impact of the program in key sectors. Community development projects have already been brought together under the Decentralization Sector Support program. The water and wastewater projects are currently being consolidated. Plans have been developed to focus the A.I.D. assistance programs in health, population, and education on fewer, key sectoral problems. In spite of an increase in total ESF funding in FY 1985, the A.I.D. project portfolio is expected to decline from 78 active projects at the end of FY83 to 69 in FY84, 65 in FY85, and approximately 54 at the end of FY 1986.

For the first time in FY 1985 A.I.D. has a large shelf of alternative projects. This shelf allows greater flexibility in programming and permits A.I.D. to shift emphasis from one sector to another in response to changing conditions, especially in the policy environment.

Another important step toward improved and more flexible program administration was taken late in FY 1983 when, exercising the authority just then provided, A.I.D. and the GOE deobligated \$103.0 million from thirteen project loans and grants and eight CIP agreements. This action conforms with a bilateral agreement to improve program implementation and to achieve greater flexibility in the use of assistance funds. It also permitted the orderly closing of several old projects. This authority continues to be an important management tool by which the Ministry of Planning and International Cooperation (MPIC) and U.S.A.I.D. have been able to take corrective action on slow-moving activities and channel resources into higher priority areas.

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Internal management of the program has improved significantly with the expanded use of computer and word processing equipment. A detailed portfolio review system linked to a central financial data base was put into use in FY 1983 and refined in FY 1984. This Management Information System provides a highly reliable flow of information on the implementation status of all activities and allows early identification of problems. Using this system, A.I.D. and the MPIC review the project portfolio semiannually to identify and resolve implementation issues. Senior A.I.D. officials also use the system for regular in-house portfolio reviews. Internal financial management is being further improved by the introduction of the new computer-based Mission Accounting and Control System. The level of financial detail covered in this system and its ease of retrievability is further enhancing portfolio management control and vulnerability assessments.

Increased reliance on evaluations is another way in which A.I.D. is improving the performance of its projects and enhancing their development impact. Evaluations serve to correct the courses of ongoing projects and to provide information applicable to the design and implementation of other projects. The FY 1984 evaluation of the Applied Science and Technology Project, for example, identified managerial and administrative problems that are being remedied by a revision of the project's implementation plan and new emphasis on improving management and establishing an information system. The evaluation of the 1984 Peace Fellowship Project resulted in several implementation changes including extension of the project, use of project funds for English language training in the U.S., and improved follow-up activities when fellows return to Egypt. Other project evaluations, such as Suez Community Health Personnel Training and Agriculture Management Development, identified minor implementation problems, but generally reported satisfactory progress toward the achievement of project objectives.

Several U.S.A.I.D. evaluations have contributed to decisions on follow-on activities. All four 1984 project evaluations in the decentralization sector identified the increased importance of local revenue generation, coverage of recurrent costs, and planned institutionalization. These areas will be addressed in the second generation decentralization program. The Provincial Cities Project evaluation contributed to the Mission's decision not to design the follow-on activity for \$25 million as a decentralization project, but rather to focus on capital development. Similarly, the Production Credit Project was evaluated in early FY85 so that lessons learned on the issues of interest rates, foreign exchange, and the real cost of investment capital can be incorporated into the design of Production Credit II later the same year.

Cross-sectoral evaluations in FY 85 will serve to identify sector issues and provide a means of identifying U.S.A.I.D. impact on major sectors of

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the Egyptian economy, such as water/wastewater and electricity. An assessment of construction contracting will provide the Mission with options on how to more effectively contract construction activities for maximum impact and efficiency. The utilization of evaluation findings in program management is being enhanced through the listing of pending evaluation recommendations on the U.S.A.I.D. Management Information System. The wider dissemination of evaluation findings is also indicative of efforts to thoroughly and systematically incorporate lessons learned from evaluation into new project design and redesign of ongoing projects.

A.I.D. PROGRAM (FY 1984 - 1985)

In FY 1984, \$1,011.2 million was obligated by the A.I.D. program in Egypt, \$750 million in ESF (excluding reobligation of previous years' funds) and \$263.2 million under PL-480. \$1,051.9 million in obligations is planned for FY 1985, \$815 million of which will be ESF and \$236.9 million PL-480. The program is concentrated in four broad areas: commodity imports, economic infrastructure, agricultural and industrial production, and human resources development.

Commodities

Over 50 percent of U.S. economic assistance to Egypt in FY 1984 was provided under the CIP (\$300 million) and PL-480 Title I (\$250 million) programs. A similar percentage is planned for FY 1985. \$300 million will provide foreign exchange relief through a combination of CIP and cash grant. In FY 1985 the PL-480 Title I program will decline moderately to \$225 million.

A.I.D. and the Egyptian Government are making a conscious effort to expand the role of the CIP program beyond traditional balance of payments support to also include support of the capital needs of the GOE development budget. Currently the program provides funding for two distinct categories of commodities: (1) grains and industrial raw materials, and (2) capital goods. The grains and raw materials group includes such items as corn, tallow, sulphur, coking coal, tobacco, wood pulp, polyester fiber, tinsplate, and industrial chemicals. Capital goods include machinery, equipment, spare parts, and other such items that are essentially targeted toward modernization and enhanced efficiency and productivity of commercial and manufacturing ventures. For FY 1984, \$300 million was provided. Another \$200 million is planned for FY 1985. \$100 million will be obligated in the form of a cash grant. The cash grant mechanism allows immediate disbursement in support of the balance of payments. The GOE will program an equivalent amount in Egyptian pounds for development programs.

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The PL-480, Title I program provided \$250 million of wheat and wheat flour to Egypt in FY 1984, and \$225 million is planned for FY 1985. The "self help" provisions of the Title I Sales Agreement include GOE efforts to improve public policies and programs designed to facilitate increased agricultural production. Under the FY 1984 and FY 1985 agreements, the GOE has begun to address such important issues as farm prices and subsidies, input pricing and distribution, and emphasis on production campaigns. Starting in FY 1984, the Egyptian government has agreed to engage in a yearly dialogue with the object of improving price incentives facing the Egyptian farmer. In 1984 the government raised prices for wheat grain, onions, cotton, groundnuts and oranges. In addition, the government agreed in principle to raise domestic prices in line with world price levels by the end of the Five Year Plan, that is by the end of 1987.

Infrastructure

In this area, A.I.D. obligated \$338 million in FY 1984 and plans to obligate \$345 million in 1985 for the rehabilitation, modernization, and expansion of Egypt's capital infrastructure base, including local infrastructure under the decentralization program.

The largest component of this infrastructure program is in the water and sewerage sector. Activities in this sector focus on the rehabilitation and expansion of water and wastewater services, primarily in Cairo and Alexandria. Achieving the necessary policy and institutional changes to ensure a continuing GOE capacity to manage, operate, maintain, replace, and expand water and wastewater systems are also a key component of this effort. Egypt and the United States signed a Memorandum of Understanding in January 1984, establishing the intention of A.I.D. to provide up to \$200 million per year to the sector if the GOE makes satisfactory progress in the policy and institution-building areas. Over \$197 million was obligated in FY 1984, \$165 million of it in Cairo as the first tranche of funding for the \$816 million Cairo Sewerage II Project. The balance provided the final funding for the Alexandria Sewerage Project. Assuming satisfactory performance by the GOE in the areas of water tariffs and operations and maintenance for water and wastewater systems, A.I.D. will provide another \$200 million in FY 1985: \$195 million to the Cairo Sewerage Project and \$5 million for institutional development in the sector. Results of ongoing efforts in this area are encouraging. Flooding has been significantly reduced in neighborhoods housing over a million residents of Cairo as a result of the Cairo Sewerage Project, now under implementation. Another 250,000 Cairo residents will be relieved of regular flooding when the Awkaf forcemain is completed early in 1985.

In the energy sector, A.I.D. provided \$18 million in FY 1984 to complete construction of the three generating units at the Shoubra El Kheima

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Thermal Power Plant and \$20 million to continue the program of rehabilitation and expansion of the electrical distribution systems of Cairo, Alexandria, and two provincial cities. In FY 1985 A.I.D. will provide \$21.2 million for the Urban Electrical Distribution Project. If the GOE makes significant progress in raising electricity tariffs, AID will also consider further investments in power generation, up to \$50 million per year for projects currently on the shelf.

In transportation A.I.D. is financing a feasibility study for a Cairo-Assiut road just outside the Nile Valley on the edge of the western desert. The results of this study will be reviewed prior to a decision on whether to construct the road.

Although A.I.D. provided no new funding for telecommunications in FY 1984 and has made no commitments for this sector in FY 85, the option of a Telecommunications IV project is being maintained on the shelf for possible funding in FY 1985 or 1986. Telecommunications projects currently under implementation are having considerable impact. During FY 1984, for example, three A.I.D.-financed electronic exchanges provided excellent telephone service to approximately 21,000 new subscribers in Cairo. In addition, the A.I.D.-financed, computerized Center of Operations and Maintenance has resulted in greatly improved telephone service throughout the city.

A major program that encompasses both economic and social infrastructure is the local government/decentralization program. The program supports local investment initiatives in community infrastructure (potable water, sewerage, small roads, schools, health clinics, etc.), as well as local enterprise activities and indigenous PVO programs benefitting low income people. These small projects are helping local officials develop their capabilities to select, design, implement, and maintain these investments. Under the four-year, \$525 million Development Decentralization I program, \$103 million was obligated in FY 1984, and the final \$63 million will be obligated in FY 1985. Over 23,000 local councilmen have decided how U.S. assistance would be combined with their own resources for the benefit of their constituents. Already the program has provided improved services and income producing activities to 32.5 million Egyptians through over 5,500 completed or ongoing subprojects. At the end of FY 1984, 1731 projects had extended or improved village potable water systems; 2650 kilometers of feeder roads had been built or improved; and 523 classrooms had been built serving 280,000 students in three shifts per day. A Phase II program will begin in FY 85 with \$61 million in A.I.D. funding. The focus will again be on developing and maintaining basic infrastructure, but increased emphasis will be placed on mobilizing local resources and creating a climate conducive to the development of private enterprise.

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Agricultural and Industrial Productivity

A.I.D. assistance to Egyptian agriculture totalled \$44 million in FY 1984 and will rise to \$50 million in FY 1985. The current program is generating and disseminating improved agricultural technologies, providing credit so that small farmers can adopt existing technologies, and encouraging the reform of pricing policies that influence farmers' production decisions. Under the ongoing Major Cereals and Rice Research Training projects, over 13,000 small farmers have demonstrated improved rice, wheat, and maize cultivation to millions of their farming neighbors. Since its inception in 1979, the experimental Small Farmer Production Project (\$24 million in FY 1984 funding) has served 19,300 farmers in three governorates with a combination of credit and extension services through the agricultural banking system. The project has been so successful that A.I.D. will fund a successor project with an initial \$15 million in FY 85, and the GOE has decided to replicate the project in 7 more governorates using its own revenues. \$20 million was obligated in FY 1984, and another \$15 million is planned for FY 1985 in support of a national water use and management extension program aimed at increased efficiency in irrigation. In response to the growing gap between food consumption and production, the Egyptian Ministry of Agriculture will begin a long-term National Agriculture Production campaign with \$20 million in A.I.D. funding in FY 1985. The project will respond to Egypt's urgent need to increase production of major crops, beginning with rice, wheat, and maize, by the small farmers who account for over ninety percent of agricultural production. It will focus on the link between research and extension and will concentrate responsibility for program coordination in the Agricultural Research Center.

A.I.D.'s assistance to Egyptian industry focuses largely on the private sector. The ongoing Production Credit project will provide an additional \$20 million in short-term foreign exchange credits in FY 1985 to finance imports for private sector firms. Production Credit II will begin in the same year, providing term credit for private sector productive investments. Private Sector Feasibility Studies identifies investment possibilities for private companies (\$3 million in FY 1985). In addition to this core program, A.I.D. is developing a shelf of projects that will focus on specific industrial sectors, going beyond the provision of generalized credit. A.I.D. will use these shelf projects to respond to signals by the Government of Egypt that its desire to increase the role of productive enterprise in Egypt is founded in improvement of public policies and in increased opportunities for private sector growth. Examples of these shelf options include projects in the automotive industry and the fertilizer industry.

A.I.D. cross-sectoral assistance in science and technology amounted to \$11.5 million in FY 1984 and will rise to \$16 million in FY 1985. The program includes a joint development planning effort between Cairo University and the Massachusetts Institute of Technology; assessment of

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mineral, petroleum, and groundwater resources; planning for energy policies and the development of renewable energy resources; and a program in S&T cooperation to support increased productivity and human needs objectives.

Human Resources

A.I.D.-financed programs in education and training, population, health, and nutrition were funded at \$63.9 million in FY 1984 and are planned at \$53.2 million in FY 1985.

\$46 million was obligated for the Basic Education Project in FY 1984 to improve access to primary schooling in rural areas. The project specifically addresses the needs of girls. Since its inception in 1981, this project has provided teaching materials to over 3 million children. 1141 classrooms have been built, and another 2289 are currently under construction. \$18 million will be obligated for training programs in FY 1985, including \$6 million for a new development training project, providing training for future Egyptian leaders and technical training in sectors critical to Egypt's development.

A total of \$6.4 million will be obligated in fiscal years 1984 and 1985 to reduce fertility through the spread of family planning services. This temporary reduction in obligations will allow the \$30 million pipeline of prior year funding to be drawn down. A.I.D. expects implementation of the GOE program and A.I.D. expenditures to gain momentum during 1985 with an administrative reorganization and renewed commitment to family planning from the GOE. U.S.A.I.D. funding currently provides family planning services to 800,000 Egyptian couples. The most successful element of the program has been the contraceptive retail sales program, Family of the Future, which now provides modern contraception to 550,000 couples.

A.I.D. resources in the health sector are concentrated on efforts to improve the delivery of services in rural and urban areas, particularly to the most vulnerable maternal and child groups. In FY 1984, the final \$2.6 million was obligated under the Rural Health Project which trains health personnel and improves health delivery systems in four rural governments. An additional \$2.7 million was also provided for Suez Community Health to improve the medical education of community physicians and improve the effectiveness of health services at urban and rural clinics in three governorates bordering the Suez Canal. The introduction of oral rehydration therapy (ORT) under the National Control of Diarrheal

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Diseases Project has had particularly dramatic impact. Since introduction of the program in 1982, infant mortality rates in Alexandria Governorate have decreased during the high diarrheal season (May to August) from 30 per thousand to 20 per thousand. In FY 1985 the ORT initiative will be combined with other basic health interventions (immunizations, nutritional supplements, MCH education programs) in a new Child Survival Project, with a first-year funding of \$3 million. Final funding for the Suez Community Health Project (\$5.1 million) and the Urban Health Project (\$8.3 million for construction of clinics in Cairo) will also be provided in FY 1985.

The PL-480 Title II program addresses nutritional deficiencies through the distribution of food by CARE and CRS. In FY 1984, 900,000 mothers and children received supplementary feeding under a maternal-child health program; 1,200,000 children were given lunches at school; 72,000 children were fed in orphanages and day care centers; and 22,800 Sinai Bedouins received dietary supplements. The Title II program in Egypt was funded at \$13.3 million in FY 1984 (excluding U.S. contributions through the World Food Program), and \$11.9 million is planned for FY 1985.

REQUESTED YEAR PROGRAM (FY 1986)

A.I.D. requests \$815 million in ESF funds and \$222.1 million in PL-480 commodities for FY 1986 economic assistance to Egypt.

Commodity Imports, Cash Transfer, and PL 480, Title I

CIP funding of \$200 million is requested to finance U.S. imports in such categories as machinery, equipment, spare parts, industrial raw materials, grains, and semi-finished goods needed to increase domestic production and maintain essential public services. A cash transfer of \$100 million is requested for balance of payments support.

\$213 million in PL-480 Title I resources will provide approximately 1.5 million metric tons of wheat and wheat flour (equivalent) against estimated import requirements of 7.0 million tons. Self-help measures will continue to be focussed on key constraints to increased agricultural production.

Economic Infrastructure

\$300 million is requested for economic infrastructure support to assist the Government of Egypt to continue to rehabilitate, modernize, and expand the country's capital infrastructure base. This program includes \$200 million for continuing water and sewerage projects, and \$15 million to rehabilitate the turbines of the Aswan Dam. This request also includes \$85 million to continue U.S. assistance for the development of local infrastructure and the enhancement of popular participation in local government processes through the decentralization program.

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Production

A.I.D.'s FY 1986 request includes \$78 million to promote increased agricultural production. In addition to continued funding for the ongoing Irrigation Management, Small Farmer Credit II, and National Agricultural Production projects, this request includes \$10 million to promote the production, distribution, storage, and marketing of horticulture exports by the private sector.

The \$52 million proposed FY 1986 program of assistance for industrial production once again focuses on the private sector. Ongoing production credit projects and industry feasibility studies will be funded at \$47 million. A new project to promote small and informal sector industrial production will begin in FY 1986 with \$5 million in A.I.D. funding.

Ongoing cross-sectoral programs in science and technology will be continued in FY 1986 with \$12 million in U.S. assistance. With this funding U.S.A.I.D. will assist the GOE to marshal Egyptian technical and management capabilities to pinpoint critical problems and structure comprehensive S&T projects to develop both technological solutions and their practical application.

Human Resources

A.I.D. requests \$82.4 million for human resources development in FY 1986, including \$9.1 million in PL-480, Title II assistance. \$36 million is requested for education and training programs: \$21 million for continuation of the Development Training Project and \$15 million for a new project, Basic Education II. This latter project will continue many of the initiatives begun under the Basic Education Project (provision of instructional materials, construction of schools). As a result of a project evaluation finding that teachers often do not use instructional materials effectively, Basic Education II will include a teacher training program.

The U.S.-funded health and population programs will focus on two major areas in FY 1986. A.I.D. requests \$14 million to continue the child survival project and \$5 million to begin a private sector health initiative aimed at increased cost recovery and more cost-effective provision of health services. \$9.1 million in PL-480 Title II resources is requested for PVO feeding programs. FY 1986 will mark the beginning of a phased reduction in the Title II maternal-child nutrition program and an end to the Title II school lunch program in favor of more development oriented objectives. A.I.D. requests \$18 million for the critical expansion of family planning services in FY 1986.

MISSION DIRECTOR: FRANK B. KIMBALL

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

PROGRAM: EGYPT

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84-		-ESTIMATED FY85-		-PROPOSED FY86-		
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
COMMODITY IMPORT PROGRAM VIII	L 263-K052	79	79	250,000	248,575	250,000	247,374	---	1,200	---	---
COMMODITY IMPORT PROGRAM IX	L 263-K053	80	80	30,000	29,579	30,000	29,479	---	100	---	---
COMMODITY IMPORT PROGRAM XI	L 263-K054	80	80	250,000	247,623	250,000	245,623	---	2,000	---	---
COMMODITY IMPORT PROGRAM XII	L 263-K055	81	81	70,000	69,744	70,000	68,544	---	1,200	---	---
COMMODITY IMPORT PROGRAM	G 263-K602	80	80	55,000	53,811	55,000	53,311	---	500	---	---
COMMODITY IMPORT PROGRAM	G 263-K603	81	81	230,000	230,000	230,000	193,860	---	25,000	---	11,140
COMMODITY IMPORT PROGRAM	G 263-K604	82	82	350,000	350,000	350,000	248,442	---	60,000	---	41,423
COMMODITY IMPORT PROGRAM	G 263-K606	83	84	301,055	301,055	301,055	126,983	---	95,000	---	79,072
COMMODITY IMPORT PROGRAM	G 263-K607	84	84	300,000	300,000	401,894	---	---	75,000	---	78,365
CASH TRANSFER	G 263-K608	84	84	101,894	101,894	---	---	---	101,894	---	---
COMMODITY IMPORT PROGRAM	G 263-K609	85	85	---	100,000	---	---	100,000	100,000	---	---
COMMODITY IMPORT PROGRAM	G 263-K613	85	85	---	200,000	---	---	200,000	---	---	50,000
COMMODITY IMPORT PROGRAM	* G 263-K610	86	86	---	200,000	---	---	---	---	200,000	---
CASH TRANSFER	• G 263-K610	86	86	---	100,000	---	---	---	---	100,000	100,000
ISMAILIA THERMAL POWER PLANT	G 263-0009	76	83	250,000	250,000	250,000	153,808	---	50,100	---	22,000
STRENGTHENING RURAL HEALTH DELIVERY	G 263-0015	76	84	14,900	14,900	14,900	8,186	---	1,445	---	3,771
APPLIED SCIENCE AND TECHNOLOGY RESEARCH	G 263-0016	77	80	24,400	24,400	24,400	14,242	---	4,300	---	5,858
WATER USE AND MANAGEMENT	G 263-0017	76	81	13,000	13,000	13,000	12,860	---	140	---	---
PVC PIPE DRAINAGE	L 263-0019	76	76	20,025	19,109	20,025	16,029	---	3,080	---	---

* Refers to the planned project summary sheet

• Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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

PROGRAM: EGYPT

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ACTIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ACTIONS	FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ACTIONS	FY86- EXPENDI TURES
NATIONAL ENERGY CONTROL CENTER	G 263-0023	76	80	2,500	2,500	445	---	---	---	1,724
NATIONAL ENERGY CONTROL CENTER	L 263-0023	76	80	41,000	41,000	35,975	---	4,200	---	925
TECHNOLOGY TRANSFER AND MANPOWER DEV III	G 263-0026	77	85	34,500	40,500	28,582	6,000	5,000	---	4,920
RICE RESEARCH AND IRRIGATION	G 263-0027	77	81	21,767	21,767	8,793	---	11,651	---	3,939
GRAIN SILOS STORAGE	G 263-0028	75	83	13,500	13,500	5,017	---	1,883	---	1,500
GRAIN SILOS STORAGE	L 263-0028	75	83	44,275	44,275	42,864	---	1,411	---	---
FAMILY PLANNING	G 263-0029	77	85	67,400	67,400	51,889	---	6,000	---	9,512
SHOUBRA EL KHEIMA THERMAL POWER PLANT	G 263-0030	79	84	208,000	208,000	160,650	---	28,535	---	7,501
AGRICULTURAL MECHANIZATION	G 263-0031	79	80	40,000	40,000	25,122	---	9,080	---	5,798
URBAN ELECTRIC DISTRIBUTION	G 263-0033	77	85	51,188	51,188	30,000	21,188	9,408	---	17,000
URBAN ELECTRIC DISTRIBUTION	L 263-0033	77	85	46,012	46,012	40,990	---	5,022	---	---
CAIRO WATER SUPPLY	G 263-0038	77	82	61,400	61,400	29,701	---	20,123	---	11,000
CAIRO WATER SUPPLY	L 263-0038	77	82	30,000	30,000	29,623	---	377	---	---
IRRIGATION PUMPING	G 263-0040	77	80	8,000	8,000	7,612	---	388	---	---
IRRIGATION PUMPING	L 263-0040	77	80	11,000	11,000	10,966	---	34	---	---
AGRICULTURAL DEVELOPMENT SYSTEMS	G 263-0041	77	83	14,900	14,900	13,598	---	1,302	---	---
TECHNICAL AND FEASIBILITY STUDIES IV	G 263-0042	78	81	31,000	31,000	23,244	---	4,000	---	3,756
DEVELOPMENT INDUSTRIAL BANK II	G 263-0045	78	78	2,000	1,509	1,111	---	398	---	---

*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 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHD	PROJECT COST PLANNED	-THROUGH FY84- OBLIG ACTIONS	EXPENDI TURES	-ESTIMATED FY85- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ACTIONS	EXPENDI TURES
SUEZ PORT DEVELOPMENT	L 263-0047	78	78	11,321	9,721	11,321	7,751	---	1,970	---	---
CANAL CITIES WATER AND SEWERAGE	G 263-0048	78	83	109,000	109,000	109,000	43,638	---	34,372	---	15,000
CANAL CITIES WATER AND SEWERAGE	L 263-0045	78	83	60,000	60,000	60,000	59,384	---	616	---	---
QUATTAMIA CEMENT PLANT	L 263-0052	78	78	95,000	95,000	95,000	85,683	---	3,600	---	5,717
DEVELOPMENT PLANNING STUDIES	G 263-0061	78	84	22,800	22,800	22,800	15,614	---	2,800	---	3,200
AQUACULTURE DEVELOPMENT	G 263-0064	78	80	27,500	27,500	27,500	10,399	---	5,400	---	6,700
URBAN LOW-COST HEALTH DELIVERY	G 263-0065	79	85	45,553	45,553	37,253	12,464	8,300	8,474	---	16,659
HOUSING AND COMMUNITY UPGRADING	G 263-0066	78	81	80,000	80,000	80,000	34,983	---	11,370	---	28,646
MAJOR CEREALS IMPROVEMENT SYSTEM	G 263-0070	79	80	47,000	47,000	47,000	36,992	---	10,008	---	---
PORT SAID SALINES PLANT	G 263-0072	77	77	13,000	12,346	13,000	12,046	---	300	---	---
TELECOMMUNICATIONS II	G 263-0075	79	79	80,000	80,000	80,000	67,220	---	12,780	---	---
SMALL FARMER PRODUCTION	G 263-0079	79	84	49,000	49,000	49,000	19,306	---	11,870	---	13,000
ALEXANDRIA SEWAGE I	L 263-0089	77	77	15,000	14,762	15,000	14,762	---	---	---	---
INDUSTRIAL PRODUCTIVITY IMPROVEMENT	G 263-0090	80	81	39,000	39,000	39,000	13,083	---	12,335	---	10,285
CAIRO SEWAGE	G 263-0091	78	81	129,000	129,000	129,000	62,736	---	23,900	---	30,000
PRIVATE INVESTMENT ENCOURAGEMENT FUND	G 263-0097	79	79	10,805	10,805	10,805	805	---	6,000	---	4,000
ALEXANDRIA WASTEWATER SYSTEM EXPANSION I	G 263-0100	79	84	198,700	198,700	198,621	31,112	---	20,000	---	32,000
INDUSTRIAL PRODUCTION	G 263-0101	78	81	83,555	83,555	83,555	21,936	---	9,500	---	9,000
INDUSTRIAL PRODUCTION	L 263-0101	78	81	46,445	46,445	46,445	9,040	---	7,100	---	15,000

* 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 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY84- OBLIG ACTIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ACTIONS	FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ACTIONS	FY86- EXPENDI TURES
TECH TRANSFER AND FEASIBILITY STUDIES	G 263-0102	33	89	15,000	40,000	15,000	93	10,000	2,500	---	5,000
MINERAL, PETROLEUM AND GROUNDWATER ASSES	G 263-0105	30	87	37,200	37,200	20,700	8,311	9,000	3,630	4,500	6,000
PEACE FELLOWSHIPS	G 263-0110	80	85	34,000	60,000	54,000	33,313	6,000	14,400	---	10,288
PRIVATE SECTOR FEASIBILITY STUDY	G 263-0112	79	86	5,000	10,000	5,000	2,353	3,000	618	2,000	1,500
VEHICLE MAINTENANCE TRAINING	G 263-0114	80	80	4,500	4,500	4,500	4,191	---	309	---	---
TAX ADMINISTRATION	G 263-0115	80	83	3,700	2,921	3,700	1,660	---	1,261	---	---
AGRICULTURAL MANAGEMENT DEVELOPMENT	G 263-0116	80	80	5,000	5,000	5,000	2,616	---	1,225	---	1,159
TELECOMMUNICATIONS III	G 263-0117	80	82	122,000	122,000	122,000	31,740	---	47,420	---	28,300
UNIVERSITY LINKAGES	G 263-0118	80	80	17,500	17,500	17,500	8,559	---	8,450	---	489
ENERGY POLICY AND RENEWABLE ENERGY FIELD	G 263-0123	82	86	32,600	16,800	12,300	780	2,000	3,860	1,500	5,000
WORKFORCE PLANNING AND DEVELOPMENT	G 263-0125	35	90	---	60,000	---	---	6,000	---	21,000	4,150
IRRIGATION WATER MANAGEMENT	G 263-0132	91	87	139,000	139,000	58,000	23,455	15,000	15,980	23,000	21,494
SUEZ COMMUNITY HEALTH PERSONNEL TRAINING	G 263-0136	80	85	17,100	15,900	10,800	7,278	5,100	2,245	---	2,800
CONTROL OF DIARRHEAL DISEASES	G 263-0137	81	81	26,000	26,000	26,000	4,246	---	4,300	---	5,000
BASIC EDUCATION	G 263-0139	31	84	85,000	85,000	85,000	29,800	---	16,000	---	21,000
SCIENCE AND TECHNOLOGY FOR DEVELOPMENT	G 263-0140	35	89	---	51,000	---	---	5,012	400	6,000	3,000
AG DATA COLLECTION AND ANALYSIS	G 263-0142	80	80	5,000	5,000	5,000	1,214	---	1,381	---	1,652
POPULATION	G 263-0144	33	91	102,600	102,600	20,000	1,858	6,400	14,400	18,000	10,142

* 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 86

PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY84- OBLIGATIONS	FY84- EXPENDITURES	-ESTIMATED FY85- OBLIGATIONS	FY85- EXPENDITURES	-PROPOSED FY86- OBLIGATIONS	FY86- EXPENDITURES
PRIVATE SECTOR PRODUCTION CREDIT	G 263-0147	82	88	62,000	198,000	69,000	22,902	20,000	31,250	15,000	13,726
NATIONAL PRODUCTION CAMPAIGN	G 263-0152	85	91	---	200,000	---	---	20,000	---	20,000	20,000
BUSINESS SUPPORT AND INVESTMENT	G 263-0159	83	83	9,100	9,100	9,100	303	---	465	---	1,370
REHAB AND MODERN OF ASWAN HIGH DAM	G 263-0160	82	86	100,000	100,000	85,000	14,525	---	15,050	15,000	13,850
DECENTRALIZATION PAAD	G 263-0161	82	85	525,200	525,200	462,200	329,181	63,000	79,247	---	80,744
SAFAGA GRAIN SILOS COMPLEX	G 263-0165	82	82	80,000	80,000	80,000	24,106	---	15,400	---	16,400
PRIVATE HEALTH SECTOR INITIATIVES	* G 263-0170	86	90	---	50,000	---	---	---	---	5,000	---
GREATER CAIRO WASTEWATER	G 263-0173	84	90	165,300	316,000	165,300	---	195,000	---	195,000	95,000
WSS INSTITUTIONAL DEVELOPMENT	G 263-0176	85	88	---	25,000	---	---	5,000	500	5,000	2,000
DECENTRALIZATION SECTOR SUPPORT II	G 263-0182	85	90	---	550,000	---	---	61,000	---	85,000	50,000
BASIC EDUCATION II	* G 263-0187	86	90	---	93,000	---	---	---	---	15,000	---
PRIVATE HORTICULTURAL EXPORTS	* G 263-0198	86	90	---	40,000	---	---	---	---	10,000	---
PRODUCTION CREDIT II	G 263-0201	85	90	---	205,000	---	---	30,000	2,500	30,000	10,000
SMALL FARMER CREDIT II	G 263-0202	85	90	---	115,000	---	---	15,000	---	20,000	15,000
CHILD SURVIVAL	G 263-0203	85	90	---	66,000	---	---	3,000	100	14,000	2,900
INFORMAL PRIVATE SECTOR	* G 263-0204	86	89	---	20,000	---	---	---	---	5,000	---
TOTAL FOR ACCOUNT				5,770,195	8,600,549	5,455,928	3,049,965	815,000	1,095,057	815,000	1,096,275
GRANTS				4,750,117	7,587,704	4,435,850	2,105,878	815,000	1,063,147	815,000	1,074,733
LOANS				1,020,078	1,012,845	1,020,078	944,087	---	31,910	---	21,542

* 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, 1984 are based on the authorized date.

For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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

PROGRAM: EGYPT

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84-		-ESTIMATED FY85-		-PROPOSED FY86-	
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR COUNTRY			5,770,195	8,600,549	5,455,928	3,049,965	815,000	1,095,057	815,000	1,096,275
GRANTS			4,750,117	7,587,704	4,435,350	2,105,878	815,000	1,063,147	815,000	1,074,733
LOANS			1,020,078	1,012,845	1,020,078	944,087	---	31,910	---	21,542

FY 1984: Figures include \$102,949 in reobligations.

FY 1985: Figures exclude planned reobligations for the balance of FY 1985.

* 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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PLANNED PROGRAM SUMMARY SHEET

PROGRAM: Egypt

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION <i>(In thousands of dollars)</i>		
Commodity Import Program		ESF			FY 86 \$200,000	Life of Project Funding \$200,000	
Number 263-K61C	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 86	FY 86	FY 89

Purpose: To finance 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: The Commodity Import Program (CIP) provides balance of payments support and contributes to Egyptian stability and productivity by financing much needed commodity imports from the U.S. Egypt is unable to import with its own foreign exchange earnings all of the goods it needs to revitalize its economy and address poverty. Growth of foreign exchange earnings from petroleum exports, worker remittances, Suez Canal tariffs, and tourism has slowed. The current account deficit for 1984/85 is projected at about \$1.1 billion.

The CIP supplements discrete A.I.D. projects. It finances imports essential to the industrial and agricultural sectors and to the development of infrastructure and social services. In addition, significant funds have been used to finance capital equipment and replacement elements for a broad grouping of public sector organizations.

FY 1975-83 Commodity Import Program allocations centered on:

Industry	\$1,153 million
Infrastructure	833
Basic Human Needs	338
Agriculture	308
Private Business	137
Other	56
	<u>\$2,825</u>

The FY 84 and FY 85 programs are financing machinery, equipment, spare parts, raw materials, semi-finished goods and consumables. Transactions under the Trade Financing Facility (TFF) will be eligible for CIP financing, but no specific set-aside for the TFF will be made. The TFF is designed to encourage Egyptian purchasers to use U.S. suppliers by matching more favorable mixed credit financing packages offered by non-U.S. suppliers for international tender, in situations where the U.S. suppliers are the lowest bidders.

Relationship to A.I.D. Country Strategy: By continuing the use of the Commodity Import Program, the United States demonstrates its active support of moderate Egyptian leadership while helping to ensure domestic stability and development by encouraging increased production, employment, and the availability of basic goods. Increasingly in FY 1985 and FY 1986, the program will finance more capital goods and repair/maintenance parts to further increase industrial productivity, a key goal of A.I.D.'s country strategy.

Country and Other Donor Support: Previously, Belgium, Finland, the Netherlands, Jordan, France, and West Germany have provided similar assistance for commodity imports. As of 1984, however, the United States is the only country known to be funding a Commodity Import Program.

Beneficiaries: The commodities imported under this program affect the lives of a significant portion of Egyptian consumers and users of public services.

PROGRAM: Egypt

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION <i>(In thousands of dollars)</i>		
Cash Transfer		ESF 100,000			FY 1986 100,000	Life of Project Funding 100,000	
Number 263-K61D	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 1986	FY 1986	FY 1986

Purpose: To provide immediately available foreign exchange resources to support Egyptian efforts to stabilize their economy and promote economic growth.

Background: Egypt's export earnings result primarily from petroleum exports, workers' remittances, Suez Canal revenues and tourism. While earnings from these sectors increased in FY 83/84, Egypt's trade and current account balances remained in deficit. Trade and current account deficits for FY 83/84 are projected at: \$5 billion and \$1 billion, respectively.

Activity Description: Egypt has insufficient foreign exchange earnings to finance all of the goods and services needed to revitalize its economy and to help improve the daily life of its poor. By providing quick disbursing foreign exchange resources, which the Egyptian government can apply to its trade and current account deficits, the United States can help alleviate this problem.

Relation of Project to AID's Country Strategy: With this assistance, the United States will demonstrate its continued support of moderate Egyptian leadership and help assure domestic stability and development. Additional foreign exchange will provide an important complement to the projects included in the AID country program.

Beneficiaries: The Egyptian people will benefit from the imports made possible as a result of this assistance, which will encourage greater domestic production and help maintain stable prices.

Host-Country and Other Donors: Arab financing, which constituted a large portion of Egyptian concessional assistance up until the signing of the Camp David Accords, largely ended in 1977, and has not been renewed. Egypt, however, is receiving economic assistance from a number of bilateral donors and the World Bank.

PROGRAM: Egypt

PLANNED PROGRAM SUMMARY SHEET

Title Private Health Sector Initiatives		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 263-0170		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	FY 86 \$5,000	Life of Project Funding \$50,000
<input checked="" type="checkbox"/> GRANT	<input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING				Initial Obligation FY 86	Estimated Final Obligation FY 90
							Estimated Completion Date of Project FY 92

Purpose: To establish mechanisms to provide curative health services to the public on a cost recovery basis.

Project Description: The Ministry of Health, which is charged with the promotion and protection of the public's health, is underfinanced and overextended. The project will expand the potentially important role of private and autonomous public sector medical care in Egypt.

The proposed Private Health Sector Initiatives Project will support private and autonomous public sector health financing schemes. The project will help rationalize health sector financing and improve non-government curative health delivery systems, enabling the Ministry of Health system to conserve more of its scarce resources for preventative health activities involving primary health care for the poor.

Funds will be used to provide capital and technical assistance to groups such as the Health Insurance Organization, the Curative Care Organization, the Medical Syndicate's Medical Professions Corporation for Investment, group health maintenance organization practices, and private practices.

Relationship to A.I.D. Country Strategy: The Mission's strategy in health is to improve the health status of Egypt's population through expanded water and sewerage services, increased child survival rates, expanded family planning services, and private sector health initiatives. Over the next five years, emphasis will be placed on the role of the private sector in providing health care to the people of Egypt, lessening the GOE's financial burden in operating expensive curative care facilities.

Host Country and Other Donor Support: No other donor is promoting the development of the private health sector in Egypt. The possible future involvement of other donors, as well as GOE commitment to the private sector, will be fully explored during the conduct of a feasibility study for this project.

Beneficiaries: The target groups for this project will cover a broad spectrum of the Egyptian population -- including the middle class and poorer groups as well. Studies have shown that the general public in Egypt, including the poor, is willing to pay for health services.

PROGRAM: Egypt

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)			
Basic Education II		ESF			FY 86	\$15,000	Life of Project Funding \$93,000	
Number	263-0187	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT	<input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING				FY 86	FY 90	FY 91

Purpose: To increase the relev nce, efficiency, and effectiveness of basic education (public school grades 1-9) and expand school enrollment.

Project Description: Since 1981, the Basic Education I project has been funded in two phases. The first phase concentrated on building rural schools and providing instructional materials such as carpentry tools, sewing machines and microscopes. In phase two, construction continued, but greater emphasis was placed on improving the quality of instruction and planning. Three thousand four hundred and thirty new classrooms have been built.

The proposed follow-on project will replace inadequate school buildings, but also will give increased emphasis to improving the quality of instruction through improved teacher training, additional equipment and instructional materials and the development and use of an improved logistical system to assure that such items are available to needy schools, pupils and teachers.

Relationship of the Project to A.I.D. Country Strategy: A.I.D. supports the GOE's quantitative goals for increasing access to basic education. A.I.D. education strategy calls for concentration in four project areas, one of which is basic education. Further, the strategy recommends the establishment of a series of university-based model schools to provide support to up-grading primary school teachers through training of teacher-trainers, and to provide textbooks, instructional materials and equipment to all basic education schools.

Host Country and Other Donors: The GOE regularly budgets major sums for school construction, teacher training, and materials. It does not devote sufficient funds to educational planning or evaluation. The International Development Research Center (IDRC) in Canada has recently completed a study on Egyptian primary school teachers. The World Bank has funded teacher training programs at Ain Shams University and plans to continue assistance in this area.

Beneficiaries: Seven million school children will benefit from instructional materials provided by the project. 125,000 pupils will be able to attend improved and enlarged schools. 100,000 teachers will be trained.

PROGRAM: Egypt

PLANNED PROGRAM SUMMARY SHEET

Title Private Horticultural Exports		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 263-0198		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	FY 86 \$10,000	Life of Project Funding \$40,000
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING						Initial Obligation FY 86	Estimated Final Obligation FY 90
							Estimated Completion Date of Project FY 92

Project Purpose: To expand the Egyptian horticultural export industry, and thereby increase the productivity, employment and income of the small farmers and others engaged in this section of the economy.

Project Description:

The project will address two widely recognized key constraints to increased horticultural exports: (1) the absence of packing stations equipment and materials needed to handle high quality vegetables and fruits for both the domestic and export markets; and (2) high transportation costs and losses of perishable exports due to dependence on airfreight. The proposed means for removing these two constraints are (a) technical assistance for management and operation of packing and transport systems, and (b) a specialized bank credit program to improve the financial capacity of export-oriented companies and to advise them on their investment and operating plans. As needed, the project also will provide technical assistance to farmers to ensure production of high-quality produce.

Relationships to A.I.D. Country Strategy:

A.I.D. strongly supports the objective of shifting the use of Egypt's scarce agricultural land toward higher value crops, including horticultural crops for the domestic and export markets. A.I.D. foresees a need for both investment resources and changes in price and regulatory policies to achieve such shifts. Horticultural exports are among the highest priorities for export development identified by the Government of Egypt's Ministries of Economy, Planning and Agriculture.

Host Country and Other Donor Support:

Substantial loan funds for this project will be provided by the GOE's autonomous Export Development Bank of Egypt, using either its own resources or those obtained from the World Bank. Other host country counterpart organizations and private investors will also provide local budgetary resources.

Beneficiaries:

Primary beneficiaries will be farm producers, packers, shippers, and their employees. Since most fresh vegetable production in Egypt occurs on (and is expected under the project to continue to come from) small farms, low income farm families will be among the principal project beneficiaries.

PROGRAM: Egypt

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Informal Private Sector		ESF			FY 1986	Life of Project Funding	
Number	263-0204	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT	<input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING			\$5,000	\$20,000	
					FY 1986	FY 89	FY 90

Purpose: To speed the growth of the informal private sector and increase its contribution to the economy of Egypt.

Project Description: Over the past several years, the USAID has undertaken a series of studies that have examined the status and development potential of those small business units that are too small, too fragmented or too dispersed to otherwise be assisted directly by ongoing A.I.D. industry programs. These studies, whether focused on traditional small scale industry, the smaller artisan/handicrafts sector, or on the smallest entrepreneural units, revealed that the informal sector is considerably larger and more important to the economy and is growing at a much faster rate than official government statistics reveal. At present, the government organization responsible for this economic group is the Handicraft Industries and Productive Organization (HIPCO), an agency of the Ministry of Local Government of Egypt. In the private sector, there is also some ongoing micro-business support activity sponsored by PVOs and private community organizations.

The previously mentioned studies generally identified a potential and role for the informal sector in addressing key problem areas within the Egyptian economy, such as employment generation and increased output, in a cost effective manner. While the USAID has not yet determined the best institutional means of providing assistance to the informal private sector, the Mission plans to examine the sector over the next twelve months, to better define its needs. Technical and managerial assistance are expected to be the primary components of the project. More extensive use of PVO's will be considered.

Relationship to A.I.D. Country Strategy: This project directly supports A.I.D. strategy calling for increased employment opportunities, increased production and growth of the private sector. Efforts will be made to integrate micro and small business activities into ongoing decentralization, agricultural infrastructure and urban development projects through Egypt.

Host Country and Other Donor Support: This Project will complement the World Bank/Development Industrial Bank program and others that address small scale industry.

Beneficiaries: The small entrepreneur will be the direct beneficiary. The poor will benefit from increased access to employment for skilled, semi-skilled, and unskilled labor.

Israel

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ISRAEL

The FY 1986 Economic Support Fund request for Israel will be presented
at a later date. •

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (271) ISRAEL

BASIC DATA

 BASIC DATA

 TOTAL POPULATION.. (THOUSANDS,MID 1984) 4,021
 PER CAPITA GNP..... (DOLLARS,1982) 5,090
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 3.2%
 ANNUAL RATE OF INFLATION (1970-82) 52.3%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1980) 6.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 74.0 MALE 72.3 FEMALE 75.9
 (1970) TOTAL 71.5 MALE 70.0 FEMALE 73.0
 ADULT LITERACY RATE (1972) TOTAL 88% MALE 93% FEMALE 83%

 AGRICULTURE

 ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1974 -1983)-0.0%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 5%
 POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 320
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT 22% (1983)
 CASH: CITRUS FRUIT 9% (1983)
 MAJOR AGRICULTURAL EXPORTS:(1983) CITRUS FRUIT ,COTTON ,VEGETABLES
 MAJOR AGRICULTURAL IMPORTS:(1983) SOYBEANS ,WHEAT ,CORN
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 6%

 CENTRAL GOVERNMENT FINANCES

 TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 8,168 (79) 12,442 (80) 14,017
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 10,007 (79) 15,151 (80) 17,955
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -1,839 (79) -2,709 (80) -3,938
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 33.3% (79) 36.5% (80) 36.8%
 AS % OF GNP..... (1978) 23.6% (79) 29.9% (80) 31.2%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 3,405 (81) 3,545 (82) 3,881
 EQUIVALENT TO 3.6 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

 FOREIGN TRADE

 MAJOR EXPORTS(1982)POL. DIAMONDS ,FRUITS ,TEXTILE PROD.
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981)1,222 (1982)1,119 (1983)1,224
 AS % OF TOTAL EXPORTS (1980) 20% (1981) 24% (1982) 22%
 MAJOR IMPORTS(1982)MILITARY EQ ,ROUGH DIAMONDS ,OIL
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981)1,630 (1982)1,542 (1983)1,666
 AS % OF TOTAL IMPORTS (1980) 22% (1981) 20% (1982) 19%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1980) -2,442(81) -2,980(82)-2,985
 TRADING PARTNERS: UNITED STATES ,GERMANY, FEDER ,UNITED KINGDOM
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 67.3%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1982) 2,119
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 38.0%

 SOCIAL DATA

 POPULATION GROWTH RATE...(1970) 3.2% (1978) 2.4% (1984) 1.6%
 POPULATION IN URBAN AREAS.....(1970) 84% (1984) 90%
 LIVE BIRTHS PER 1,000 POPULATION....(1970) 27 (1984) 23
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (.) . %
 POPULATION (1984) IN AGE GROUP:
 (0-14YRS) 33.1% (15-64YRS) 58.6% (65+ YRS) 8.4%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 15
 PEOPLE PER PHYSICIAN..... (1979) 371
 MAJOR CAUSES OF
 DISEASE (1980) SHIGELLOSIS ,CHICKEN POX ,MUMPS
 DEATH.. (1978) ILL-DEFINED CAUS,STROKE ,HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 122%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(.) .%
 TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1981) TOTAL 125 MALE 124 FEMALE 127
 SECONDARY..... (1981) TOTAL 48.5 MALE 43.4 FEMALE 50.0
 POST SECONDARY.. (1979) TOTAL 22.1 MALE 22.9 FEMALE 21.3
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 1.1%

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

A. ASSISTANCE FROM INTERNATIONAL AGENCIES -- COMMITMENTS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAYMENTS AND INTEREST 1946-83	TOTAL LESS REPAYMENTS AND INTEREST 1946-83
	1979	1980	1981	1982	1983			
I. ECONOMIC ASSISTANCE -- TOTAL	790.1	786.0	764.0	806.0	785.0	7941.0	913.9	7027.1
Loans	265.1	261.0	-	-	-	2079.6	913.9	1165.7
Grants	525.0	525.0	764.0	806.0	785.0	5861.4	-	5861.4
a. A.I.D. and Predecessor Agencies	785.0	785.0	764.0	806.0	785.0	7276.8	403.5	6873.3
Loans	260.0	260.0	-	-	-	1509.3	403.5	1105.8
Grants	525.0	525.0	764.0	806.0	785.0	5767.5	-	5767.5
(Economic Support Fund)	785.0	785.0	764.0	806.0	785.0	6694.5	-	-
b. Food for Peace (PL 480)	5.1	1.0	-	-	-	664.1	510.4	153.7
Loans	5.1	1.0	-	-	-	570.3	510.4	59.9
Grants	-	-	-	-	-	93.8	-	93.8
Title I - Total Sales Agreements	5.1	1.0	-	-	-	601.7	510.4	91.3
Repayable in U.S. Dollars - Loans	5.1	1.0	-	-	-	323.1	239.1	84.0
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	278.6	271.3	7.3
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	4000.0	1000.0	1400.0	1400.0	1700.0	17404.2	4137.4	13266.8
Credits or Loans	2700.0	500.0	900.0	350.0	950.0	10354.2	4137.4	6216.8
Grants	1300.0	500.0	500.0	550.0	750.0	7050.0	-	7050.0
a. MAP Grants	-	-	-	-	-	-	-	-
b. Credit Financing - FMS	2700.0	500.0	900.0	850.0	950.0	10354.2	4137.4	6216.8
c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	1300.0	500.0	500.0	550.0	750.0	7050.0	-	7050.0
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	4790.1	1786.0	2164.0	2206.0	2435.0	25345.2	5051.3	20293.9
Loans	2965.1	761.0	900.0	850.0	950.0	12433.8	5051.3	7382.5
Grants	1825.0	1025.0	1264.0	1356.0	1535.0	12911.4	-	12911.4
Other U.S. Government Loans and Grants	68.7	305.9	217.4	24.0	-	1135.9	733.5	402.4
a. Export-Import Bank Loans	68.7	305.9	217.4	6.5	-	1118.4	726.1	390.3
b. All Other Loans	-	-	-	17.5	-	17.5	5.4	12.1

* LESS THAN \$50,000.

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	30.0	0.0	0.0	341.3
IBRD	0.0	0.0	0.0	284.2
IFC	0.0	0.0	0.0	10.5
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	0.0	0.0	0.0	15.4
OTHER-UN	0.0	0.0	0.0	1.2
EEC	30.0	0.0	0.0	30.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

ISRAEL	CY 1982	CY 1983	CY 1978-83
United States	804.0	1,314.0	5,766.0
Germany, Fed. Rep.	106.5	81.0	480.2
Netherlands	0.8	0.7	4.9
France	0.5	2.1	3.2
Switzerland	0.3	0.4	2.0
Other	0.7	0.5	2.9
Total	912.8	1,398.7	6,259.2

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

Jordan

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FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (278) JORDAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 2,689

PER CAPITA GNP..... (DOLLARS,1982) 1,690

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 6.9%

ANNUAL RATE OF INFLATION (1970-82) 9.6%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(.) %

LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 63.8 MALE 61.9 FEMALE 65.7
 (1970) TOTAL 54.1 MALE 52.5 FEMALE 55.8

ADULT LITERACY RATE (1976) TOTAL 68% MALE 81% FEMALE 54%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1974 -1983)-0.5%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 6%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 204

MAJOR CROP(S) ARABLE LAND YEAR LIVE BIRTHS PER 1,000 POPULATION.....(1970) (1984) 46
 SUBSISTENCE: WHEAT ,BARLEY ,LENTILS 70% (1983)
 CASH: VEGETABLES ,OLIVES ,FRUIT 25% (1983)

MAJOR AGRICULTURAL EXPORTS:(1983) VEGETABLES ,CITRUS FRUIT ,TOBACCPOPULATION (1984) IN AGE GROUP:
 (0-14YRS) 45.5% (15-64YRS) 51.9% (65+ YRS) 2.6%

MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,LIVESTOCK ,RAW SUGAR

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1979) 10%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 1,286 (80) 1,397 (81) 1,533

TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 1,535 (80) 1,765 (81) 1,890

DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) -249 (80) -368 (81) -356

DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 22.7% (79) 24.9% (81) 22.4%
 AS % OF GNP..... (1978) 12.1% (79) 13.1% (81) 10.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 1,143 (81) 1,087 (82) 884
 EQUIVALENT TO 2.6 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(1982)FRUIT AND VEG ,PHOSPHATE ROCK

EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981) 0 (1982) 6 (1983) 4
 AS % OF TOTAL EXPORTS (1979) 0% (1981) 0% (1982) 1%

MAJOR IMPORTS(1982)PETROLEUM PROD ,TEXTILES ,CAPITAL GOODS

IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981) 511 (1982) 682 (1983) 479
 AS % OF TOTAL IMPORTS (1980) 13% (1981) 21% (1982) 26%

TRADE BALANCE(\$ MILLIONS, U.S.)(1980) -1,196(81) -1,792(82)-1,932

TRADING PARTNERS: SAUDI ARABIA ,NO A.I.D. CODE ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 61.4%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1982) 193
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 25.7%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.7% (1978) 3.9% (1984) 3.8%

POPULATION IN URBAN AREAS.....(1970) 51% (1984) 60%

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1976) 37.2%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 53

PEOPLE PER PHYSICIAN..... (1980) 1,704

MAJOR CAUSES OF DISEASE (1981) CHICKEN POX ,MUMPS ,MEASLES
 DEATH.. (1975) HEART DISEASE ,ILL-DEFINED CAUS,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 86%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982) 80%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1981) TOTAL 88.4 MALE 89.9 FEMALE 86.7
 SECONDARY..... (1981) TOTAL 66.8 MALE 70.6 FEMALE 60.8
 POST SECONDARY.. (1980) TOTAL 11.7 MALE 12.2 FEMALE 11.2

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) %

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									A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS					
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83	FY 1982	FY 1983	FY 1984	FY 1946-84		
	1979	1980	1981	1982	1983				TOTAL	IBRD	IFC	IDA	IDB	ADB
I. ECONOMIC ASSISTANCE - TOTAL	100.8	72.7	10.5	15.4	20.1	1468.2	51.1	1417.1	75.6	35.8	145.2	510.3		
Loans	63.1	31.0	-	10.0	10.0	329.1	51.1	278.0	60.0	35.8	130.0	350.8		
Grants	37.7	41.7	10.5	5.4	10.1	1139.1	-	1139.1	10.3	0.0	0.7	90.1		
a. A.I.D. and Predecessor Agencies	93.0	69.0	10.0	15.0	20.0	1255.9	17.6	1248.3	0.0	0.0	0.0	83.8		
Loans	58.0	30.0	-	10.0	10.0	266.2	17.6	248.6	0.0	0.0	0.0	0.0		
Grants	35.0	39.0	10.0	5.0	10.0	999.7	-	999.7	1.9	0.0	0.0	39.7		
(Economic Support Fund)	93.0	69.0	10.0	15.0	20.0	954.7	-	954.7	0.5	0.0	0.0	7.4		
b. Food for Peace (PL 480)	7.8	3.7	0.5	0.4	0.1	200.8	33.5	167.3	3.0	0.0	14.5	32.5		
Loans	5.1	1.0	-	-	-	62.9	33.5	29.4	-	-	-	-		
Grants	2.7	2.7	0.5	0.4	0.1	137.9	-	137.9	0.0	0.0	0.0	0.0		
Title I - Total Sales Agreements	5.1	1.0	-	-	-	62.9	33.5	29.4	-	-	-	-		
Repayable in U.S. Dollars - Loans	5.1	1.0	-	-	-	59.2	30.1	29.1	-	-	-	-		
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.7	3.4	0.3	-	-	-	-		
Title II - Total Grants	2.7	2.7	0.5	0.4	0.1	137.9	-	137.9	-	-	-	-		
Emerg. Relief, Econ. Develop. & World Food Program	0.8	0.5	-	-	-	91.9	-	91.9	-	-	-	-		
Voluntary Relief Agencies	1.9	2.2	0.5	0.4	0.1	46.0	-	46.0	-	-	-	-		
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	109.6	79.3	44.3	56.9	52.8	1149.0	370.5	778.5						
Credits or Loans	67.0	50.0	42.1	54.9	51.5	591.3	370.5	220.8						
Grants	42.6	29.3	2.2	2.0	1.3	557.7	-	557.7						
a. MAP Grants	41.0	28.3	1.4	-	-	497.3	-	497.3						
b. Credit Financing - FMS	67.0	50.0	42.1	54.9	51.5	591.3	370.5	220.8						
c. Military Assistance Service-Funded (MASF) Grants	1.6	1.0	0.8	2.0	1.3	14.4	-	14.4						
d. Transfers from Excess Stocks	-	-	-	-	-	46.0	-	46.0						
e. Other Grants	-	-	-	-	-	-	-	-						
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	210.4	152.0	54.8	72.3	72.9	2617.2	421.6	2195.6						
Loans	130.1	81.0	42.1	64.9	61.5	920.4	421.6	498.8						
Grants	80.3	71.0	12.7	7.4	11.4	1696.8	-	1696.8						
Other U.S. Government Loans and Grants	63.8	276.3	-	-	-	354.4	146.5	217.9						
a. Export-Import Bank Loans	63.8	276.3	-	-	-	359.7	141.1	216.6						
b. All Other Loans	-	-	-	-	-	4.7	5.4	0.7						

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
JORDAN	CY 1982	CY 1983	CY 1978-83	
United States	34.0	24.0	286.0	
Germany, Fed. Rep.	19.4	18.6	134.2	
United Kingdom	5.8	4.2	70.1	
Japan	12.4	20.0	55.5	
France	3.0	10.5	27.5	
Other	3.3	7.0	47.6	
Total	77.9	84.3	620.9	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
JORDAN	CY 1982	CY 1983	CY 1978-82	
	636.1	N.A.	4,054.4	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
JORDAN	CY 1982	CY 1983	CY 1954-83	
USSR	-	-	31	
Eastern Europe	-	-	N.A.	
China	-	40	40	
Total	-	40	71	

* LESS THAN \$50,000.

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1984 Actual	FY 1985 Estimated	FY 1986 Request
Loans	7.0	8.0	3.0
Grants	13.0	12.0	17.0
Total	20.0	20.0	20.0

DEVELOPMENT OVERVIEW

Jordan's economic growth has continued, albeit at a reduced rate from recent years, reflecting adverse external developments. Real GDP increased approximately 5.4 percent in 1983 following increases of 5.5 percent in 1982 and 9 to 10 percent per year during 1975-81. Despite the slowdown, Jordan remains an advanced developing country. Per capita GDP is about \$1,605, and per capita GNP, including the remittances from the 320,000 Jordanians working abroad, is about \$2,000.

Except for phosphates and potash production from the Dead Sea, the country lacks natural resources. Its major development resource is its well educated and trained labor force. The services industry accounts for 61 percent of GDP; manufacturing, mining and construction for 29 percent; and agriculture for only 7.5 percent. Over 60 percent of the 2.7 million population reside in urban areas, and over 70 percent are literate.

Rapid population growth, (estimated at 3.8 percent per annum), a persistent shortage of water, limited arable land and the paucity of natural resources constitute major constraints to economic growth. Despite traditional attitudes favoring large families, the Government has been showing increasing concern with population growth as reflected in recent public conferences dealing with population issues sponsored by the Government of Jordan. The Government of Jordan's Five-Year Plan for 1981-85 has stressed: development in the areas of water, energy and transportation; the further extension of services to lower income groups; and the narrowing of regional disparities in income. In agriculture, attention is increasingly turning from the irrigated sector, i.e. the Jordan Valley, to the rainfed highland and desert range areas. The Government is anxious to reduce its heavy dependence on imported foodstuffs; about 60 percent of all food consumed is imported.

Jordan's vulnerability to adverse external developments has been underscored by the events of recent years, especially the recessionary conditions in the Gulf States. Wage earner remittances, Jordan's principal foreign exchange earner by far, levelled off at about \$1.1 billion in 1982 and 1983, following a decade of rapid growth; Arab grant aid (including Baghdad payments) fell from a peak of \$1.2 billion in 1981 to \$800 million in 1983, and is expected to drop to \$550 million in 1984; and exports, hard hit by the effects of the Iran-Iraq War, declined in 1983 by 22 percent. As a result, imports rose by only 2% in 1982, then fell by 6% in 1983, following a phenomenal 28 percent annual rate of increase during 1975-81. The decline in imports has both reflected and contributed to the current growth slowdown.

JORDAN

RESOURCE FLOWS			
<i>(In thousands of dollars)</i>			
Program	FY 1984		FY 1986
	(Actual)	FY 1985 (Estimated)	(Proposed)
Aid *			
Loans	16,163	16,164	35,668
Grants	10,076	12,711	21,349
Total AID	26,239	28,875	57,017
P.L. 480 **			
Title I <i>(of which Title III is)</i>	(-)	(-)	(-)
Title II			
Total P.L. 480			
Total AID and P.L. 480	26,239	28,875	57,017

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

P.L. 480						
<i>(in thousands of dollars)</i>						
Program	FY 1984		FY 1985		FY 1986	
	(Actual)		(Estimated)		(Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total <i>(of which Title III is)</i>						
Title II ^{1/}						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

^{1/} See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

JORDAN

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire ^a	15.2	17.8 _{1/}	19.0
PASA ^b _{2/}	1.0	1.0	1.0
Total	16.2	18.8	20.0

^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).
^b On board end of year.

1/ Includes Agricultural Economics IDI.

2/ Excludes Program-funded PASA Employees.

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T /IT Managed ^c	25	67	35	76	52	101
Contract Managed ^d	-	4	2	29	4	3
Total	25	71	37	105	56	104

^a Degree seeking participants.
^b Non-degree seeking participants (may be at universities).
^c Participants programmed by Missions and sent to S&T/IT for management.
^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.

Participants in third-country training: FY 84-11, FY 85-19, FY 86-13.

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Despite the decline in external resource availabilities, the Five Year Plan remained essentially intact through 1983. Cutbacks, however, became widespread in 1984, and development will inevitably fall short of targets in a number of areas. Austerity has extended to current Government expenditures, which are budgeted to rise by only 0.8 percent in 1984. At the same time, the Government of Jordan is making strenuous efforts to increase domestic tax revenues. The Government's 1984 budget calls for a balance between current expenditures and current revenues, one year ahead of the current Plan goal of balance by 1985.

The Government of Jordan borrowed some \$400 million abroad to offset the decline in resource availabilities, and to maintain import and reserve levels in 1983. Further borrowings of roughly this magnitude are expected to take place in 1984. While the reported debt service ratio in 1983 was a moderate 11 percent, rising external debt repayment obligations could prove an eventual constraint to growth. Foreign exchange holdings by the Central Bank and commercial banks combined declined by \$161 million since August 1983, but at \$1.7 billion they remained sufficient to finance seven months imports at the 1983 rate.

In short, economic growth continues, albeit barely positive on a per capita basis. Inflation has held in the area of 5 percent for the past year and a half. In showing a willingness to accept reduced growth rather than pursue a growth-at-all-costs course leading inevitably to high level inflation and a rapid accumulation of external debt, the Government of Jordan has made a sensible adjustment to adverse economic developments beyond its control.

U.S. INTERESTS AND OBJECTIVES

Jordan's survival as a moderate, pro-western state is a vital U.S. regional interest. In addition to its intrinsic regional importance, Jordan plays a key role in a negotiated resolution of the Arab-Israeli conflict. King Hussein's support for President Reagan's Middle East peace initiative is critically important for the rejuvenation of the peace process.

Economic assistance is an important part of U.S. efforts to promote Jordanian stability. Our economic assistance has played a visible and important part in the U.S. presence in Jordan, assisting in building both the physical and human infrastructure that has helped foster recent socio-economic development progress. Over the years, A.I.D.-supported activities have generated much good will toward the United States.

A.I.D. ASSISTANCE STRATEGY

U.S. economic assistance is directed toward enhancing U.S.-Jordanian relationships by increasing Jordan's capability for self-sustaining growth and reducing dependence on foreign aid. A.I.D.'s strategy is to finance projects and programs in areas which are important to Jordan's continued economic and social development and consistent with A.I.D.'s development assistance priorities.

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Primarily through institution building and the transfer of technology, A.I.D. is assisting Jordan in: providing safe water and sewerage services to its people; fully exploiting, conserving and managing its limited water resources; increasing agricultural productivity and improving economic opportunities in rural areas; increasing public awareness of and action to ameliorate health and population problems; and meeting the requirements for technically trained labor and managerial expertise in critical development areas.

A.I.D. Program: FY 1984-1985

Water: In FY 1984, A.I.D. provided the final tranche of \$7 million in loan and \$1 million in grant funds for the Water Systems and Services Management project (278-0259). This important project - the centerpiece of A.I.D.'s water sector program - contributes to the transfer of U.S. technology and training to strengthen Jordanian public and private sector capabilities to protect, conserve, deliver and adequately manage known water resources. With a concurrent objective of improving the private sector's capability to design and construct water and sewerage systems for public sector utilities, this project buttresses Jordanian efforts to extend and improve the distribution of water, collect and treat wastewater, and provide other related services in nine secondary cities. On-going projects, covering the cities of Amman, Aqaba, Irbid, Zarqa and Ruseifa, assist Jordan in constructing needed water and wastewater treatment facilities. More than 50% of Jordan's urban population will be provided with increased amounts of water, in addition to sewage collection and treatment services. Another on-going project, Groundwater Resources Investigation (278-0243), has provided assistance to the GOJ in investigating the availability of groundwater resources. An evaluation of this project, conducted in late FY 1984, revealed the need for further technical assistance and training in support of the Government of Jordan's groundwater program.

Education: The Management Development project (278-0261) initiated in FY 1984 with a \$5 million grant, provides assistance to institutionalize an education/training process and to transfer the necessary technology to improve the quality and increase the quantity of professionally competent Jordanian business managers. The A.I.D. grant finances the cost of U.S. technical advisors working with the University of Jordan and the Jordan Institute of Management to expand and up-grade management programs offered by these institutions. The grant also covers the cost of some training aids, establishes a research fund for university professors, and provides training in the U.S. for the staff of both institutions. A.I.D. also provided an additional \$2 million grant for the Development Administration Training (DAT) III project (278-0257) which provides training to a broad range of Jordanian public and private sector officials in the field of management, public administration, finance, education, health and other technical areas related to Jordan's development. DAT III contributes to A.I.D.'s participant training effort, which has been one of the most important and successful elements of U.S. economic assistance to Jordan for more than thirty years.

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Population: Jordan's limited resource base, high population growth rate and health status indicators require that efforts be directed to assuring that couples have the knowledge and services available to them on child spacing options. A.I.D. maintains a continuing dialogue with key Government of Jordan policy makers on population concerns and works with centrally-funded PVOs which serve as intermediaries in such areas as education, demography, medical training, family planning, and in particular, child-spacing. A fertility and health conference, sponsored by the Government of Jordan and funded in part by A.I.D. was held in FY 1984, and the rejuvenation of the National Population Commission attracted considerable attention to population activities and provided important forums for discussion of population issues.

Health: Two on-going health projects, Health Management and Services Development (278-0208) and Health Education (278-0245), provide assistance to the Ministry of Health for strengthening management and delivery of primary health care services and in improving the dissemination of information to the populace on health problems and measures to counteract them. A.I.D.'s water and wastewater projects also have important linkages to improving health conditions.

Agriculture and Rural Development: In FY 1985, A.I.D. plans to initiate the Highland Agricultural Development project (278-0264) with \$5 million in grant and \$6 million in loan funds. This important effort aims at improving agricultural productivity in Jordan's rainfed highlands. Agriculture in these areas has lagged behind production gains made in other countries and in Jordan's irrigated agricultural areas because of the lack of a sustained and coordinated research and extension effort, land ownership fragmentation, farm labor shortages, and a failure to promote adaptations of new technology. A.I.D. loan funds will be used to set up an Agricultural Technology Development Center and four regional agricultural service centers which will supply research and extension services, improved seed, nursery stock, annual production credit, and other inputs to highland farmers. Grant funds will be used to provide technical assistance and training for the Ministry of Agriculture's Directorate of Research and Extension and to promote greater collaborative research efforts with the University of Jordan's Faculty of Agriculture.

The Rural Community Development project (278-0255) is designed to encourage income and revenue-generating projects in the small towns and villages of two sub-regions of Jordan. This pilot effort, to be funded by an AID loan of \$2 million and a grant of \$1 million in FY 85, will encourage the development of small-scale enterprises to meet local needs, and builds upon complementary Government of Jordan efforts to promote socio-economic linkages between communities and encourage participation in local development projects. A.I.D. grant funds will finance technical assistance

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in the design and implementation of local development projects, and will fund feasibility studies of potential projects. The loan will be used to assist individuals and private organizations in starting up small businesses and to fund public sector projects which directly benefit the expansion of private enterprise and increase local revenues.

Industry: In FY 1985 A.I.D. will provide \$3 million in grant funds to begin the Center for Industrial Development project (278-0265), the objective of which is to institutionalize a process for providing industrial extension and information services needed to accelerate growth in small and medium scale enterprises. A.I.D. grant funds will finance technical assistance to the Center with the emphasis on increasing productivity, promoting product quality and improving investment and export support mechanisms. U.S. consultants will work with the National Planning Council, the Ministry of Industry and Trade, the Industrial Development Bank and other appropriate public and private entities. The grant will also finance training for Jordanians, particularly in industrial science and technology.

Others: Also in FY 1984, a \$4 million grant was added to the Technical Services and Feasibility Studies (TSFS) IV project (278-0260) to continue the technology transfer and technical assistance activities started by previous TSFS projects. These projects have been, and continue to be, important vehicles for addressing development problems in a number of sectors, to include the improvement of traffic flow in the Municipality of Amman; institutionalizing a seismic monitoring program; initiating a flight safety operations program for the Government of Jordan's Civil Aviation Authority; and conducting a study of wholesale fruit and vegetable marketing. These projects have also benefitted Jordan's private business sector through the funding of consultancy services to the Arab Potash Company, assisting with the financing of production costs for a children's educational television series in Arabic, and assisting a U.S. PVO in beginning an income generation project for rural women. A.I.D. plans to obligate an additional \$3 million in grant funds in FY 1985 for the Technical Services and Feasibility Studies IV project (278-0260) to provide additional resources to the GOJ for the identification, development, implementation and appraisal of priority development projects.

Requested Year Program (FY 1986): A.I.D.'s FY 1986 program provides continued support for the institution building and technology transfer needs of Jordan, especially in agricultural development and water.

In agriculture A.I.D. proposes a second tranche of \$3 million in loan and \$6 million in grant funds for the Highland Agricultural Development project (278-0264). This important project will continue to support Jordan's development priority of stimulating more geographically balanced growth in the Kingdom and to expand agricultural efforts to rationalize, modernize and increase production in Jordan's extensive highland agricultural areas.

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In further support of the Government of Jordan's priority of identifying and exploiting water resources, A.I.D. proposes \$4 million in grant funds for the Groundwater Assessment of Jordan project (278-0268). Building upon the Groundwater Resources Investigation I pilot project (278-0243) which concentrated on North Jordan, this new project will continue to assist the Water Authority of Jordan (WAJ) in systematically locating, assessing and monitoring groundwater resources throughout the country. A.I.D. funds will finance U.S. consultant services to assist WAJ in defining aquifers and analyzing hydrologic characteristics of groundwater systems. Technology transfer and institution building will be stressed through on-the-job training and specialized academic training for WAJ employees.

In education A.I.D. proposes \$2 million in grant funds for the Development Administration Training (DAT) IV project (278-0267). The grant will provide training in economic and technical skill areas assigned priority in the Government of Jordan's Development Plan. An approximately equal mix of long-term and short-term practical programs is planned. Graduate level training will expose key and promising Jordanians to U.S. educational systems and technology. Short term practical programs will assist Jordanians in confronting the increasingly complex technological and social challenges of their society.

Other plans include the provision of an additional \$2 million grant to complete funding of the Center for Industrial Development project (278-0265) and the beginning of the fifth Technical Services and Feasibility Studies (TSFS) project (278-0266) with a grant of \$3 million.

A.I.D. DIRECTOR: GERALD F. GOWER

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

PROGRAM: JORDAN

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PROJECT TITLE	* L / G PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG . EXPENDI ATIONS TURES	-ESTIMATED FY85- OBLIG EXPENDI ATIONS TURES	-PROPOSED FY86- OBLIG EXPENDI ATIONS TURES				
ECONOMIC SUPPORT FUND											
AQABA SEWERAGE	L 278-0206	79	79	7,500	7,500	7,500	3,028	---	2,000	---	2,472
HEALTH MGMT AND SERVICES DEVELOPMENT	G 278-0203	77	83	2,875	2,875	2,875	2,082	---	793	---	1,207
AMMAN WATER AND SEWERAGE	L 278-0220	78	79	39,000	39,000	39,000	34,836	---	4,164	---	---
IRBID WATER AND SEWERAGE	G 278-0233	80	80	2,500	2,500	2,500	293	---	2,207	---	---
IRBID WATER AND SEWERAGE	L 278-0233	80	80	21,000	21,000	21,000	2,304	---	4,000	---	14,696
ZARQA RUSEIFA WATER AND WASTEWATER	G 278-0234	82	83	5,000	5,000	5,000	102	---	500	---	4,398
ZARQA RUSEIFA WATER AND WASTEWATER	L 278-0234	82	83	10,000	10,000	10,000	---	---	3,000	---	7,000
JORDAN VALLEY AGRICULTURAL SERVICES	G 278-0241	81	81	5,620	5,620	5,620	2,294	---	1,700	---	1,626
GROUNDWATER RESOURCES INVESTIGATION	G 278-0243	80	81	5,000	5,000	5,000	3,952	---	1,048	---	---
HEALTH EDUCATION	G 278-0245	80	81	980	980	980	150	---	300	---	530
INCOME TAX ASSISTANCE	G 278-0247	81	84	2,000	2,000	2,000	801	---	563	---	636
TOWN & VILLAGE ENTERPRISE DEVELOPMENT	G 278-0255	85	85	---	1,000	---	---	1,000	200	---	500
TOWN & VILLAGE ENTERPRISE DEVELOPMENT	L 278-0255	85	85	---	2,000	---	---	2,000	---	---	500
DEVELOPMENT ADMINISTRATION TRAINING III	G 278-0257	83	84	3,000	3,000	3,000	512	---	800	---	1,688
TECH SERVICE AND FEASIBILITY STUDIES III	G 278-0258	82	82	5,000	5,000	5,000	1,397	---	1,500	---	2,103
WATER SYSTEMS AND SERVICES MANAGEMENT	G 278-0259	83	84	4,000	4,000	4,000	1,139	---	1,200	---	1,661
WATER SYSTEMS AND SERVICES MANAGEMENT	L 278-0259	83	84	17,000	17,000	17,000	537	---	3,000	---	8,000

* Refers to the planned project summary sheet

G Level of effort activity

74

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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

PROGRAM: JORDAN

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	FY86- EXPENDI TURES	
TECH SERVC AND FEASIBILITY STUDIES IV	G 278-0260	84	85	4,000 7,000	4,000	---	3,000	1,100	---	2,000	
MANAGEMENT DEVELOPMENT	G 278-0261	84	84	5,000 5,000	5,000	---	---	800	---	1,300	
HIGHLAND AGRICULTURAL DEVELOPMENT	G 278-0264	85	86	--- 11,000	---	---	5,000	---	6,000	3,200	
HIGHLAND AGRICULTURAL DEVELOPMENT	L 278-0264	85	86	--- 9,000	---	---	6,000	---	3,000	3,000	
INDUSTRIAL DEVELOPMENT	G 278-0265	85	86	--- 5,000	---	---	3,000	---	2,000	500	
TECH SERVICES - FEASIBILITY STUDIES V	* G 278-0266	86	87	--- 5,000	---	---	---	---	3,000	---	
DEVELOPMENT ADMIN TRAINING IV	* G 278-0267	86	88	--- 5,000	---	---	---	---	2,000	---	
GROUND WATER ASSESSMENT OF JORDAN	* G 278-0268	86	86	--- 4,000	---	---	---	---	4,000	---	
TOTAL FOR ACCOUNT				139,475	184,475	139,475	53,427	20,000	28,875	20,000	57,017
GRANTS				44,975	78,975	44,975	12,722	12,000	12,711	17,000	21,349
LOANS				94,500	105,500	94,500	40,705	8,000	16,164	3,000	35,668
TOTAL FOR COUNTRY				139,475	184,475	139,475	53,427	20,000	28,875	20,000	57,017
GRANTS				44,975	78,975	44,975	12,722	12,000	12,711	17,000	21,349
LOANS				94,500	105,500	94,500	40,705	8,000	16,164	3,000	35,668

* 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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title Technical Services and Feasibility Studies V		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 278-0266		Population	ED. & HR	Sel. Act.	FY 1986 3,000	Life of Project Funding 5,000	
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> NEW					Initial Obligation FY 1986	Estimated Final Obligation FY 87	Estimated Completion Date of Project FY 89

PROJECT PURPOSE: To assist the Government of Jordan to identify, develop, appraise, and implement priority development projects included in the Five Year Development Plan and to address key development issues which may develop during implementation of the Plan.

PROJECT DESCRIPTION: The Technical Services and Feasibility Studies (TSFS) V project will continue the activities started under previous TSFS projects, providing the GOJ with the needed technical advisory services and auxiliary equipment for mutually agreed-upon activities that are consistent with A.I.D. and GOJ development priorities. The project will fund activities involving institution building and transfer of technology in such areas as energy conservation, environment, housing, urbanization, family health care, nutrition, and management training in the public and private sectors. The previous TSFS projects have assisted the GOJ to (1) improve the control of traffic flow in the Municipality of Amman, (2) institutionalize a seismic monitoring system, (3) initiate a flight safety operations program for the GOJ Civil Aviation Authority, and (4) conduct a study of wholesale fruit and vegetable marketing. The earlier projects rendered assistance to the private sector by providing consultants to the Arab Potash Company and partially financing the production costs for a children's television series in Arabic. A U.S. PVO was also assisted in beginning an income generation project for rural women. The project will also continue to fund small projects (in the range of \$50,000 - \$500,000) that hold promise of attracting GOJ or other donor funding for expanded activities. Seed money to establish relationships between U.S. institutions and Jordanian institutions and agencies in key technical areas will also be made available.

RELATIONSHIP OF PROJECT TO A.I.D. COUNTRY STRATEGY: TSFS V will supplement GOJ and A.I.D. development efforts. It will assist the GOJ in obtaining the know-how needed to efficiently implement development activities aimed at assisting Jordan to become more self-sufficient, which is a major goal of A.I.D.'s program in Jordan.

HOST COUNTRY AND OTHER DONORS: As in the past the GOJ contribution in cash and in kind will be not less than 25% of project costs. No contribution by other donors is planned.

BENEFICIARIES: Due to the wide range of activities to be undertaken by TSFS V, the number of beneficiaries cannot readily be determined. However, it is expected that Jordanians at all economic levels will benefit in one form or another.

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title Development Administration Training IV		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 278-0267	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	FY 1986 2,000	Life of Project Funding 5,000	
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
					FY 1986	FY 1988	FY 1992

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 supply of trained personnel 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. 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 is not only a regional source for trained personnel who bring in significant foreign exchange earnings, but is a potential regional training center as well.

Training needs are being addressed by the three universities in Jordan, and other education institutions ranging from community colleges and polytechnics to post-junior high school skill training programs. While the efforts of the training infrastructure are expanding and effective, demands for trained manpower will continue to exceed local output for the foreseeable future.

A.I.D., 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 2600 Jordanians trained under A.I.D. 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. Evaluation of prior Development Administration Training projects concluded that most participants were successfully utilizing their AID-funded training.

The planned activity includes provision for an estimated 40

long-term and 250 short-term training programs in such fields as economics, administration, management, engineering, planning, and business. Training will be in priority development sectors such as water, health, agriculture and commerce.

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 strategy and a high priority for the Government of Jordan. 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 \$2.0 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 and offices they serve. Ultimate beneficiaries will be the large percentage of the Jordanian population that will benefit from improved productivity and more effective development programs.

PROGRAM: JORDAN

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Groundwater Assessment of Jordan		ESF			FY 1986 4,000	Life of Project Funding 4,000	
Number 278-0268	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 1986	FY 86	FY 90

PROJECT PURPOSE: (1) To assist the Water Authority of Jordan (WAJ) to systematically locate, define, evaluate and manage Jordan's groundwaters and deep aquifers, including, where applicable, the design and supervision of construction of small earthen structures to enhance runoff recharge of shallow aquifers. (2) To strengthen WAJ's water-related research, protection, and development capabilities.

PROJECT DESCRIPTION: Socio-economic development in Jordan is being hindered by the ever increasing water requirements of a growing population, municipalities, light industries, and irrigated farming. Further, known tapped and untapped supplies are not only proving inadequate, but their quantity and quality may even now be endangered. In order for WAJ to determine and wisely manage Jordan's water resources, it must acquire as soon as possible much more extensive knowledge of their location, extent, characteristics, chemical composition, and potential threats (including salt water intrusion). This project will first assist WAJ through the provision of consulting services to help acquire and utilize the urgently needed missing hydrologic and other data. Concomitantly, it will continue to impart the technological and management skills required, through training in both Jordan and the U.S., to continuously expand the area coverage initiated under the Groundwater Resources Investigation project (278-0243) to the entire country.

RELATIONSHIP OF PROJECT TO A.I.D. COUNTRY STRATEGY: A.I.D. strategy gives high priority to activities in the water sector, particularly emphasizing assistance to the GOJ to fully exploit, conserve and manage its limited water resources.

HOST COUNTRY AND OTHER DONORS: There are no other donors directly supporting this project. It is estimated that the GOJ contribution will exceed \$4 million.

BENEFICIARIES: Primary beneficiaries will be the Water Resources Directorate of the WAJ, comprising some 300 technical and middle management personnel. Secondary

beneficiaries will be the population of most of Jordan.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (268) LEBANON

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1984) 2,601

PER CAPITA GNP..... (DOLLARS, .)

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960- .) . %

ANNUAL RATE OF INFLATION (1970-80) 25.7%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 4.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 66.1 MALE 64.2 FEMALE 68.1
 (1970) TOTAL 64.0 MALE 62.1 FEMALE 65.9

ADULT LITERACY RATE (1970) TOTAL 68% MALE 79% FEMALE 58%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1974 -1983) 0.2%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1974) 9%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 736

MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,PULSES ,BARLEY 10% (1983)
 CASH: CITRUS FRUIT ,APPLES ,TOBACCO 10% (1983)

MAJOR AGRICULTURAL EXPORTS:(1983) CITRUS FRUIT ,APPLES ,VEGETABLES
 MAJOR AGRICULTURAL IMPORTS:(1983) MEATS ,GRAPES ,DAIRY PRODS.

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1975) 17%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (.) (.) (.)

TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (.) (.) (.)

DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (.) (.) (.)

DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (.) . % (.) . % (.) . %
 AS % OF GNP..... (.) . % (.) . % (.) . %

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 1,978 (81) 1,906 (82) 2,997
 EQUIVALENT TO . MONTHS OF IMPORTS (.)

FOREIGN TRADE

MAJOR EXPORTS(1982)

EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981) 18 (1982) 18 (1983) 16
 AS % OF TOTAL EXPORTS (.) . % (.) . % (.) . %

MAJOR IMPORTS(1982)

IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981) 325 (1982) 323 (1983) 533
 AS % OF TOTAL IMPORTS (.) . % (.) . % (.) . %

TRADE BALANCE(\$ MILLIONS, U.S.)(.) (.) (.)

TRADING PARTNERS: SAUDI ARABIA ,ITALY ,UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1973) 3.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1982) 64
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (.) . %

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.7% (1978) -0.6% (1984) 0.7%

POPULATION IN URBAN AREAS.....(1970) 59% (1984) 79%

LIVE BIRTHS PER 1,000 POPULATION....(1970) (1984) 29

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1971) 53.0%

POPULATION (1984) IN AGE GROUP:
 (0-14YRS) 38.3% (15-64YRS) 57.2% (65+ YRS) 4.8%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 43

PEOPLE PER PHYSICIAN..... (1979) 536

MAJOR CAUSES OF DISEASE (1975) DIABETES ,TUBERCULOSIS ,UNKNOWN AILMENTS
 DEATH.. (1975) CANCER ,CIRCULATORY ,UNKNOWN AILMENTS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 101%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970) 92%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1980) TOTAL 99.2 MALE 120 FEMALE 107
 SECONDARY..... (1980) TOTAL 74.9 MALE 150 FEMALE 0.7
 POST SECONDARY.. (1981) TOTAL 21.5 MALE 27.0 FEMALE 16.0

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 4.8%

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							A. ASSISTANCE FROM INTERNATIONAL AGENCIES -- COMMITMENTS							
PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83	FY 1982	FY 1983	FY 1984	FY 1946-84				
	1979	1980	1981	1982	1983				TOTAL.....	ISPD	IFC	IDA	ICE	ADB	AFDc	UNDP
I. ECONOMIC ASSISTANCE -- TOTAL	3.4	0.5	4.0	11.2	52.2	251.7	23.0	228.7	12.0	0.6	5.0	258.4				
Loans	-	-	-	-	-	33.0	23.0	10.0	0.0	0.0	0.0	166.6				
Grants	3.4	0.5	4.0	11.2	52.2	218.7	-	218.7	1.0	0.0	0.0	9.3				
a. A.I.D. and Predecessor Agencies	0.4	0.5	4.0	9.0	52.2	163.4	6.4	157.0	0.0	0.0	0.0	0.0				
Loans	-	-	-	-	-	4.9	6.4	1.5	0.0	0.0	0.0	0.0				
Grants	0.4	0.5	4.0	9.0	52.2	158.5	-	158.5	0.0	0.0	0.0	0.0				
(Economic Support Fund)	0.4	0.5	4.0	6.0	9.6	40.4	-	-	0.0	0.0	0.0	8.0				
b. Food for Peace (PL 480)	3.0	-	-	2.2	-	86.6	14.9	71.7	0.0	0.0	0.0	0.0				
Loans	-	-	-	-	-	26.5	14.9	11.6	0.0	0.0	0.0	0.0				
Grants	3.0	-	-	2.2	-	60.1	-	60.1	0.0	0.0	0.0	0.0				
Title I - Total Sales Agreements	-	-	-	-	-	26.5	14.9	11.6	0.0	0.0	0.0	0.0				
Repayable in U.S. Dollars - Loans	-	-	-	-	-	26.5	14.9	11.6	0.0	0.0	0.0	0.0				
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0				
Title II - Total Grants	3.0	-	-	2.2	-	60.1	-	60.1	0.0	0.0	0.0	0.0				
Emerg. Relief, Econ. Develop. & World Food Program	0.3	-	-	1.3	-	48.7	-	48.7	0.0	0.0	0.0	0.0				
Voluntary Relief Agencies	2.7	-	-	0.4	-	11.4	-	11.4	0.0	0.0	0.0	0.0				
c. Other Economic Assistance	-	-	-	-	-	1.7	1.7	*	0.0	0.0	0.0	0.0				
Loans	-	-	-	-	-	1.6	1.7	0.1	0.0	0.0	0.0	0.0				
Grants	-	-	-	-	-	0.1	-	-	0.0	0.0	0.0	0.0				
Peace Corps	-	-	-	-	-	-	-	-	-	-	-	-				
Narcotics	-	-	-	-	-	-	-	-	-	-	-	-				
Other	-	-	-	-	-	0.1	-	0.1	-	-	-	-				
II. MILITARY ASSISTANCE -- TOTAL	43.1	22.4	20.3	10.6	101.7	248.2	30.2	168.0								
Credits or Loans	42.5	22.0	20.0	10.0	100.0	228.7	30.2	148.5								
Grants	0.6	0.4	0.3	0.6	1.7	19.5	-	19.5								
a. MAP Grants	-	-	-	-	-	13.6	-	13.6								
b. Credit Financing - FMS	42.5	22.0	20.0	10.0	100.0	228.7	30.2	148.5								
c. Military Assistance Service-Funded (MASF) Grants	0.6	0.4	0.3	0.6	1.7	5.6	-	5.6								
d. Transfers from Excess Stocks	-	-	-	-	-	0.3	-	0.3								
e. Other Grants	-	-	-	-	-	-	-	-								
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	46.5	22.9	24.3	21.8	153.9	499.9	103.2	396.7								
Loans	42.5	22.0	20.0	10.0	100.0	261.7	103.2	158.5								
Grants	4.0	0.9	4.3	11.8	53.9	238.2	-	238.2								
Other U.S. Government Loans and Grants	-	-	-	-	-	83.2	92.7	9.5								
a. Export-Import Bank Loans	-	-	-	-	-	71.4	79.5	8.1								
b. All Other Loans	-	-	-	-	-	11.8	13.2	1.4								
LESS THAN \$50,000.																

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
1. D.A.C. COUNTRIES (Gross Disbursements)				
LEBANON	CY 1982	CY 1983	CY 1978-83	
United States	14.0	28.0	80.0	
France	7.2	17.7	56.8	
Austria	0.6	3.0	32.6	
Germany, Fed. Rep.	6.1	3.5	22.1	
Italy	6.6	8.7	18.6	
Other	31.9	18.5	68.4	
Total	66.4	79.4	278.5	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1982	CY 1983	CY 1978-82	
	112.5	N.A.	878.2	
C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
	CY 1982	CY 1983	CY 1954-83	
USSR	-	-	-	
Eastern Europe	-	-	9	
China	-	-	-	
Total	-	-	9	

ECONOMIC SUPPORT FUND PROGRAM SUMMARY					
<i>(In millions of dollars)</i>					
	FY 1984 Actual		FY 1985 Estimated		FY 1986 Request
Grants	27.8	<u>1/</u>	73.2	<u>2/</u>	10.0
			5.0	<u>3/</u>	

1/ Balance from FY 1983 supplemental appropriation of no-year funds. Figure includes \$557,000 in reobligations. Figure does not include \$285,000 in International Disaster Assistance.

2/ Balance from FY 1983 supplemental appropriation of no-year funds. Figure does not include \$1,107,000 in International Disaster Assistance.

3/ FY 1985 Appropriation.

DEVELOPMENT OVERVIEW

Lebanon experienced continuing confessional (sectarian) domestic strife during 1984, centered in Beirut and the Shuf, with Israeli troops remaining in the south and Syrian troops in the north and east. In the spring a National Unity Government was formed under President Amin Gemayel, but the continuing rivalries among Cabinet ministers representing different confessional groups have severely hampered efforts by the government to restore civil calm, restore the economy, undertake a reconstruction program, and negotiate the withdrawal of foreign troops from Lebanon. The U.S. Embassy annex in East Beirut was bombed by terrorists in September. As of the fall of 1984, PVO programs are the only A.I.D.-funded activities being implemented.

This civil strife has caused considerable damage to private and public property and is now having a pronounced negative effect on the national economy and the ability of the government to function effectively. Foreign exchange reserves are being depleted in an attempt to protect the value of the Lebanese pound. The pound has fallen from a high of 4.5 to the U.S. dollar in mid-1983 to a low of 12 to the dollar in early 1985. The balance of payments is negative. In late 1984 the Cabinet decided on a series of steps to shore up the Lebanese pound and rejuvenate the economy. Illegal ports were ordered closed and new banking regulations were put into effect. Few results are evident as yet. Donor countries are reluctant to provide economic support until the situation in Lebanon stabilizes. Actual payments against earlier external Arab aid pledges have remained very low with less than 20 percent of the \$2 billion pledged in 1979 yet received.

United States Interests and Objectives

The United States' objective in Lebanon continues to be to help restore stability to Lebanon through a strengthened and unified national government, the full withdrawal of all foreign forces, and a reconciliation of all elements within Lebanese society. Economically, the United States seeks to assist the Government to reduce the hardships of the Lebanese people brought on by years of conflict and to support the process of reconstruction for humanitarian reasons. The United States is also committed to assisting the Government of Lebanon because of its history as a strong, free government committed to private sector support and as a

LEBANON

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	-	-	-
Grants	19,685	42,030	41,190
Total AID	19,685	42,030	41,190
P.L. 480 **			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	19,685	42,030	41,190

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

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)						
Title II ^{1/}						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

^{1/} See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

LEBANON

PERSONNEL DATA			
Category	FY 1984		FY 1986
	(Actual)	(Estimated)	(Proposed)
U.S. National Personnel			
AID Direct Hire ^a	4	5	5
PASA ^b	0	0	0
Total	4	5	5

^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

^b On board end of year.

PARTICIPANT TRAINING DATA						
Category	FY 1984		FY 1985		FY 1986	
	(Actual)	(Estimated)	(Actual)	(Estimated)	(Proposed)	(Proposed)
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T /IT Managed ^c	0	0	0	0	0	15
Contract Managed ^d	0	0	0	0	0	0
Total						15

^a Degree seeking participants.

^b Non-degree seeking participants (may be at universities).

^c Participants programmed by Missions and sent to S&T/IT for management.

^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.

LEBANON

center of economic leadership in the region. The United States seeks stable relations between a strengthened Government of Lebanon and its neighbors in the region as part of a comprehensive peace.

A.I.D. Assistance Strategy

United States assistance seeks to support national reconciliation through projects benefitting those most affected by the years of conflict and through projects which enhance the capacity of the central government to meet the basic needs of the people. As of late 1984, this assistance is limited to PVOs providing immediate relief to victims of the fighting and the homeless. A.I.D. will reactivate other projects as civil order and the more effective functioning of the government make this reactivation of reconstruction feasible.

U.S. assistance is also intended to:

- a. finance construction, capital equipment, and related technical services from the United States in such sectors as health and social welfare;
- b. help stimulate and revive the Lebanese private sector;
- c. ease hardship by helping economically disadvantaged Lebanese obtain credit, technical skills, better education and better health care; and
- d. encourage active and substantial participation by the World Bank, the EEC, and bilateral donors in a multilateral rebuilding program.

A.I.D. Program (FY 1984-1985)

As of the end of FY 1983, \$9.6 million had been obligated for reconstruction activities from the initial no-year appropriation of \$150 million. During FY 1984 \$40 million of this appropriation was reprogrammed for Grenada. An additional \$27.8 million was obligated for assistance to the International College of Beirut, YMCA Vocational Training, Reconstruction Activities of Catholic Relief Services, the American University of Beirut, Telecommunications Rehabilitation, Potable Water and Sanitation, Lebanon Relief Assistance, and Beirut University College. The remaining \$73.2 million may be obligated during FY 1985 for further relief and reconstruction activities. These activities include further support for rehabilitation of the telecommunications system, water and sanitation systems, and relief activities, and may include support for a capital equipment fund and a small-scale credit program. A.I.D.'s ability to activate these projects depends on the security situation and the institutional strength and organization of the Government of Lebanon.

Requested Year Program (FY 1986)

The A.I.D. mission in Beirut is now operating with a very limited U.S. staff. Additional American staff could be assigned to Beirut should

LEBANON

conditions improve, in order to accelerate the design and implementation of this assistance program. Assuming no-year funds voted in 1983 will have been largely obligated, new funding will be required for:

-- \$5 million for a project to improve the delivery of health services in the Greater Beirut area where the number of displaced families and people injured in the fighting remains high;

-- \$3 million for PVOs to continue reconstruction and rehabilitation of housing and other small-scale infrastructure activities; and

-- \$2 million to assist the Government of Lebanon to improve its capacity to plan and implement reconstruction activities.

MISSION DIRECTOR: TERRY LAMBACHER

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

PROGRAM: LEBANON

CP 86

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	FY86- EXPENDI TURES	
INTERNATIONAL DISASTER ASSISTANCE											
DISASTER ASSISTANCE ADMIN BY STATE	G 268-DRST	83	C	---	---	2,999	487	---	---	---	---
NEW PROJECTS TO BE DEVELOPED	G 268-XXXX	85	85	---	1,107	---	---	1,107	500	---	607
TECHNICAL SUPPORT	G 268-0000	83	83	5,000	5,000	5,000	2,506	---	2,494	---	---
UNICEF	G 268-0323	83	83	10,000	10,000	10,000	8,000	---	2,000	---	---
AMERICAN UNIVERSITY OF BEIRUT	G 268-0324	82	84	10,000	10,000	10,000	2,000	---	3,000	---	3,000
SMALL VALUE PROCUREMENT	G 268-0326	84	84	296	296	296	---	---	142	---	143
REHABILITATION PLANNING	G 268-0327	83	83	1,000	597	597	---	---	297	---	298
BEIRUT UNIVERSITY COLLEGE	G 268-0328.01	83	83	1,500	1,700	1,500	---	---	600	---	400
INTERNATIONAL COLLEGE	G 268-0328.02	83	83	800	800	800	---	---	400	---	400
TELECOMMUNICATIONS REHABILITATION	G 268-0329	83	83	7,700	7,700	7,700	---	---	2,850	---	2,850
POTABLE WATER AND ENVIRON SANITATION	G 268-0330	83	83	2,800	2,800	2,750	---	---	1,375	---	1,375
EMERGENCY HOUSING REPAIR	G 268-0331	83	83	5,000	5,000	5,000	---	---	2,500	---	2,500
ECONOMIC AND DEV PLANNING ASSIST TO CDR	G 268-0341	83	83	2,250	2,250	2,250	---	---	1,125	---	1,125
TOTAL FOR ACCOUNT				46,346	47,250	48,892	12,993	1,107	17,283	---	12,698
GRANTS				46,346	47,250	48,892	12,993	1,107	17,283	---	12,698
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
NEW PROJECTS TO BE DEVELOPED	G 268-XXXX	85	85	---	19,931	---	---	19,931	---	---	---
TECHNICAL EDUCATION	G 268-0300	78	78	1,500	1,500	1,500	999	---	501	---	---
HEALTH SECTOR REHABILITATION	G 268-0305	78	83	4,900	4,900	4,900	3,108	---	1,300	---	492

* Refers to the planned project summary sheet

C Level of effort activity

87

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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

PROGRAM: LEBANON

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	EXPENDI TURES
RECONSTRUCTION AND REHABILITATION-CRS	G 268-0313	81	87	11,824	11,824	6,824	1,324	---	2,500	---	2,500
CREDIT COOPERATIVES - SCF (OPJ)	G 268-0317	81	85	8,060	18,060	8,060	6,801	10,000	2,000	---	3,000
VOCATIONAL TRAINING IN BLDG TRADES/YMCA	G 268-0318	81	84	3,090	3,090	3,090	2,340	---	750	---	---
TELECOMMUNICATIONS REHABILITATION	G 268-0329	83	85	13,481	13,000	4,000	4,000	9,000	2,000	---	2,000
POTABLE WATER AND ENVIRON SANITATION	G 268-0330	84	85	7,680	15,930	4,930	---	11,000	6,000	---	6,000
CAPITAL EQUIPMENT FUND	G 268-0336	85	85	5,000	18,000	---	---	18,000	2,000	---	5,000
ECONOMIC AND DEV PLANNING ASSIST TO CDR	G 268-0341	83	85	4,500	4,750	2,250	---	2,500	1,725	---	2,600
LEBANON RELIEF ASSISTANCE	G 268-0342	84	85	10,000	9,728	6,928	4,327	2,800	5,401	---	---
TECHNICAL ASSISTANCE FOR NATIONAL RECONS	* G 268-0344	86	87	---	5,000	---	---	---	---	2,000	900
PVO HOUSING RECONSTRUCTION	* G 268-0345	86	87	---	5,000	---	---	---	---	3,000	1,200
DECENTRALIZATION OF BASIC HEALTH SERVICE	* G 268-0346	86	87	---	10,000	---	---	---	---	5,000	2,300
AMERICAN UNIVERSITY OF BEIRUT	G 268-1336	85	85	---	5,000	---	---	5,000	---	---	2,500
AMERICAN UNIVERSITY IN BEIRUT	G 913-0221	84	84	7,613	7,613	7,613	7,600	---	13	---	---
INTERNATIONAL COLLEGE (IC)	G 913-0222	84	84	130	130	130	---	---	130	---	---
BEIRUT UNIVERSITY COLLEGE (BUC)	G 938-1308	84	84	427	427	427	---	---	427	---	---
TOTAL FOR ACCOUNT				78,205	153,883	50,652	30,499	78,231	24,747	10,000	28,492
GRANTS				78,205	153,883	50,652	30,499	78,231	24,747	10,000	28,492
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, 1984 are based on the authorized date.

For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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

PROGRAM: LEBANON

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84-		-ESTIMATED FY85-		-PROPOSED FY86-	
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR COUNTRY GRANTS LOANS			124,551	201,133	99,544	43,492	79,338	42,030	10,000	41,190
			---	---	---	---	---	---	---	---

FY 1984: Figure includes \$557 in reobligation.

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: LEBANON

PLANNED PROGRAM SUMMARY SHEET

Title Technical Assistance for National Reconstruction Planning		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 268-0344		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					FY 1986	FY 1987	FY 1987
					FY 1986	Life of Project Funding 5,000	
					2,000		

Purpose: To assist the Government of Lebanon to improve its capability to plan and implement programs for national reconstruction.

Project Description: The project will fund technical assistance and data management equipment to the Council for Development and Reconstruction (CDR). U.S. experts will assist the officials of CDR in devising national plans and programs for reconstruction and rebuilding the economic systems of the country. This activity will be coordinated with the ongoing economic planning assistance project to the CDR.

Relationship of Project to AID Country Strategy: A primary goal of the A.I.D. program in Lebanon is to help the Government provide necessary services to all Lebanese. This project will assist the Government of Lebanon improve its reconstruction effort.

Host Country and Other Donors: Recent economic deterioration in Lebanon has impressed upon the Lebanese Government the urgent need to rebuild its infrastructure and its economy through all available instruments. While external assistance is important, it is finite and is not a long-term solution. The Government of Lebanon must draw on its domestic resources and tap the significant private sector resources to manage the rebuilt infrastructure and contribute to the rebuilding of the economy.

Beneficiaries: This project will indirectly aid all Lebanese who will receive the benefits of much-needed social services and rebuilt infrastructure as a base for individual initiative for improving their economic situation.

PROGRAM: LEBANON

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)			
PVO Housing Reconstruction		ESF			FY 1986	Life of Project Funding		
					3,000	5,000		
Number	268-0345	<input type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input type="checkbox"/> GRANT	<input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING						
						FY 1986	FY 1987	FY 1988

Purpose: To assist in the reconstruction of war-damaged housing using private voluntary organizations (PVOs).

Project Description: The project will involve the YMCA in physically reconstructing housing (\$2.5 million) and Save the Children Federation (SCF) in providing credit for housing reconstruction (\$2.5 million). Both voluntary agencies have related on-going projects. SCF is providing credit to small shop keepers to rebuild their businesses and to farmers to purchase items needed to increase agriculture productivity. This program would be expanded to provide additional funds to provide low-interest loans for the rebuilding of war-damaged housing. The program would operate in the Southern Suburbs of Beirut and the South.

The YMCA program will operate in the Shuf Mountains and the North. The "Y" is conducting a vocational training program which teaches building trades to young Lebanese. The Housing Reconstruction Project would provide on-the-job training by using these young people after 30 days of intensive training to reconstruct housing. Their skilled instructors along with the home owners would also be involved in the building program. In some cases, the only requirement would be labor, cement and window panes; in other cases where complete destruction of the house had taken place, a new core unit (bathroom, kitchen, and bed-living room) would be built.

Relationship of Project to A.I.D. Country Strategy: The project builds on on-going successful activities to assist the Lebanese reconstruct their homes. Housing has been one of the highest priorities of the Government of Lebanon's reconstruction program and has been a significant part of AID's strategy there.

Host Country and Other Donors: Both the Minister of Housing and the Minister of Social Affairs have voiced strong support for the project; and successful implementation will encourage further government involvement. The Government of Norway is considering the provision of funds to the YMCA portion of the project; and CARE, which does not have a program in Lebanon,

has provided funds to both SCF and the YMCA to support their on-going activities.

Beneficiaries: The SCF project will initially assist 400 families rebuild their homes. Repayment of these funds into a revolving account will allow 1,500 additional families to take advantage of the project. The YMCA will assist 1,600 families rehabilitate partially damaged housing and 800 families rebuild totally destroyed housing.

PROGRAM: LEBANON

PLANNED PROGRAM SUMMARY SHEET

Title Decentralization of Basic Health Services		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 268-0346		<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	FY 1986	Life of Project Funding 10,000
<input checked="" type="checkbox"/> GRANT	<input type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING				Initial Obligation	Estimated Final Obligation
						FY 1986	FY 1987
						\$5,000	Estimated Completion Date of Project FY 1989

PURPOSE: To provide more efficient and equitable delivery of primary health services and basic emergency medical services to Lebanese affected by civil unrest through a decentralized system of regional health centers.

PROJECT DESCRIPTION: The present delivery of medical and health services by the Government of Lebanon is through a highly centralized system. This system has had difficulty responding rapidly to the needs of the people affected by civil strife because of this centralization of authority. This project will assist the Government of Lebanon in providing more rapid delivery of primary care and relief services through a decentralized system of regional centers. The project will support five such centers. These centers will be a model for a national health care system. The project will provide funding for relief assistance and basic health services through these centers. Assistance will include basic emergency medical services. The project will also provide technical assistance to Government of Lebanon agencies to undertake their responsibilities within this decentralized system.

RELATIONSHIP OF PROJECT TO A.I.D. COUNTRY STRATEGY: The primary purpose of A.I.D.'s program in Lebanon is to provide relief assistance to people affected by civil unrest. This project would enable the Government of Lebanon to deliver relief services effectively to people in need on an equitable basis. The Project also provides the institutional base to ensure that this stream of benefits continues into the future. This project draws on the work of the earlier Health Sector Rehabilitation Project. Design and management aspects of it will be undertaken by the Unit for Health Systems Planning already established at the Ministry through the Health Sector Rehabilitation Project.

HOST COUNTRY AND OTHER DONORS: The Ministry of Health and Social Affairs is expected to provide the staff, operating expenses, and medical supplies necessary to operate these centers. Services provided under this project will be supplemented by ongoing activities undertaken by SCF, ICRC,

and other international agencies. Funding for the activities of the agencies is provided by A.I.D. and other donors.

BENEFICIARIES: The immediate beneficiaries from this project would be those serviced by the five regional centers to be established by the project. With each center serving an average of 50,000 people, the project would initially benefit 250,000 people. As the reorganization plan proceeds at the central and peripheral levels, the whole population of Lebanon would potentially benefit, both through better health service delivery and through significant health care expenditure savings.

Morocco

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (608) MOROCCO

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 23,565

PER CAPITA GNP..... (DOLLARS,1982) 870

ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 2.6%

ANNUAL RATE OF INFLATION (1970-82) 8.3%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1970) 4.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 54.3 MALE 52.7 FEMALE 56.0
 (1970) TOTAL 50.6 MALE 49.3 FEMALE 52.1

ADULT LITERACY RATE (1971) TOTAL 21% MALE 34% FEMALE 10%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1974 -1983)-1.7%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 14%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 95

MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY 49% (1983)
 CASH: WHEAT ,ORANGES ,SUGAR BEETS 34% (1983)

MAJOR AGRICULTURAL EXPORTS:(1983) ORANGES ,TOMATOES ,FRUIT

MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,VEGETABLE OILS ,SUGAR

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 52%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1980) 3,859 (81) 3,449 (82) 3,400

TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1980) 6,363 (81) 5,430 (82) 5,699

DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1980) -2,504 (81) -1,981 (82) -2,299

DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1980) 20.0% (81) 19.7% (82) 24.9%

AS % OF GNP..... (1978) 5.7% (81) 6.5% (82) 8.3%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 428 (81) 253 (83) 122

EQUIVALENT TO 0.5 MONTHS OF IMPORTS (1983)

FOREIGN TRADE

MAJOR EXPORTS(1983)PHOSPHATES PHOSPHORIC ACI, FRUITS & VEGET

EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981) 26 (1982) 26 (1983) 26
 AS % OF TOTAL EXPORTS (1980) 2% (1981) 1% (1982) 1%

MAJOR IMPORTS(1983)CAPITAL GOODS ,FOODSTUFFS ,PETROLEUM PROD

IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981) 298 (1982) 258 (1983) 385
 AS % OF TOTAL IMPORTS (1980) 9% (1981) 9% (1982) 7%

TRADE BALANCE(\$ MILLIONS, U.S.)(1981) -1,536(82) -1,748(83)-1,098

TRADING PARTNERS: FRANCE ,SAUDI ARABIA ,SPAIN

EXTERNAL PUBLIC DEBT AS % OF GNP (1982) 78.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1982) 1,647
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 79.3%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.5% (1978) 2.9% (1984) 2.9%

POPULATION IN URBAN AREAS.....(1970) 35% (1984) 43%

LIVE BIRTHS PER 1,000 POPULATION....(1970) 48 (1970) 48

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1984) 25.4%

POPULATION (1984) IN AGE GROUP:
 (0-14YRS) 44.8% (15-64YRS) 52.2% (65+ YRS) 3.0%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 124

PEOPLE PER PHYSICIAN..... (1980) 10,750

MAJOR CAUSES OF
 DISEASE (1981) MEASLES ,GONORRHEA ,TRACHOMA
 DEATH.. (1971) GASTROINTESTINAL,ACUTE RESP. INFE,MEASLES

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1981) 115%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 55%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1981) TOTAL 67.7 MALE 83.4 FEMALE 51.4
 SECONDARY..... (1981) TOTAL 30.9 MALE 35.1 FEMALE 22.1
 POST SECONDARY.. (1977) TOTAL 3.4 MALE 5.2 FEMALE 1.4

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 16.7%

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

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83
	1979	1980	1981	1982	1983			
I. ECONOMIC ASSISTANCE — TOTAL	27.2	27.1	55.8	62.9	53.9	1176.9	396.6	780.3
Loans	9.7	5.8	25.0	35.0	27.5	606.6	396.6	210.0
Grants	17.5	21.3	30.8	27.9	26.4	570.3	-	570.3
a. A.I.D. and Predecessor Agencies	4.1	9.1	12.1	11.7	11.2	435.2	277.0	158.2
Loans	-	-	-	-	-	341.5	277.0	64.5
Grants	4.1	9.1	12.1	11.7	11.2	93.7	-	93.7
(Economic Support Fund)	-	-	-	-	-	71.1	-	-
b. Food for Peace (PL 480)	20.9	15.7	41.2	48.4	40.2	710.5	119.6	590.9
Loans	9.7	5.8	25.0	35.0	27.5	265.1	119.6	145.5
Grants	11.2	9.9	16.2	13.4	12.7	445.4	-	445.4
Title I - Total Sales Agreements	9.7	5.8	25.0	35.0	27.5	265.1	119.6	145.5
Repayable in U.S. Dollars - Loans	9.7	5.8	25.0	35.0	27.5	213.9	74.7	139.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	51.2	44.9	6.3
Title II - Total Grants	11.2	9.9	16.2	13.4	12.7	445.4	-	445.4
Emerg. Relief, Econ. Develop. & World Food Program	-	-	1.4	2.7	4.0	193.6	-	193.6
Voluntary Relief Agencies	11.2	9.9	14.8	10.7	8.7	251.8	-	251.8
c. Other Economic Assistance	2.2	2.3	2.5	2.8	2.5	31.2	-	31.2
Loans	-	-	-	-	-	-	-	-
Grants	2.2	2.3	2.5	2.8	2.5	31.2	-	31.2
Peace Corps	2.2	2.3	2.5	2.8	2.5	31.2	-	31.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE — TOTAL	46.1	25.9	34.4	31.1	101.3	483.1	264.7	218.4
Credits or Loans	45.0	25.0	33.4	30.0	75.0	397.8	264.7	133.1
Grants	1.1	0.9	1.0	1.1	26.3	85.3	-	85.3
a. MAP Grants	-	-	-	-	25.0	54.6	-	54.6
b. Credit Financing - FMS	45.0	25.0	33.4	30.0	75.0	397.8	264.7	133.1
c. Military Assistance Service-Funded (MASF) Grants	1.1	0.9	1.0	1.1	1.3	18.8	-	18.8
d. Transfers from Excess Stocks	-	-	-	-	-	11.9	-	11.9
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	73.3	53.0	90.2	94.0	155.2	1660.0	661.3	998.7
Loans	54.7	30.8	58.4	65.0	102.5	1004.4	661.3	343.1
Grants	18.6	22.2	31.8	29.0	52.7	655.6	-	655.6
Other U.S. Government Loans and Grants	7.8	10.5	22.3	16.6	-	225.7	215.2	10.5
a. Export-Import Bank Loans	7.8	10.5	22.3	16.6	-	136.3	111.5	24.8
b. All Other Loans	-	-	-	-	-	89.4	103.7	14.3

* LESS THAN \$50,000.

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	316.3	351.0	312.5	2862.8
IAPD	276.0	308.2	265.8	2496.4
IFC	2.3	40.0	0.0	102.0
IDA	0.0	0.0	0.0	50.0
IDB	0.0	0.0	0.0	0.0
ADP	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	10.7	37.5
UNDP	3.0	2.8	0.0	62.9
OTHER-UN	0.0	0.0	0.0	22.0
EEC	30.0	0.0	35.0	92.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

MOROCCO	CY 1982	CY 1983	CY 1978-83
United States	60.0	47.0	233.0
France	92.6	116.2	702.9
Germany, Fed. Rep.	48.0	25.8	216.8
Belgium	9.0	9.1	77.5
Japan	17.2	11.3	36.7
Other	19.2	9.5	78.6
Total	246.0	218.9	1,345.5

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

	CY 1982	CY 1983	CY 1978-82
	226.4	N.A.	1,435.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1982	CY 1983	CY 1954-83
USSR	-	-	2,098
Eastern Europe	-	-	214
China	-	-	55
Total	-	-	2,367

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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
Loans								
Grants	26,435	9,900	5,260 ^{3/}	-	3,105 ^{1/}	1,170	7,000	-
Total	26,435	9,900	5,260	-	3,105	1,170	7,000	-
Loans	13,500						13,500	
Grants	20,745	9,975	3,500 ^{2/}	500	1,800	3,470	1,500	-
Total	34,245	9,975	3,500	500	1,800	3,470	15,000	
Loans	12,500						12,500	
Grants	29,000	13,499	2,000	-	1,901	1,600	10,000	-
Total	41,500	13,499	2,000	-	1,901	1,600	22,500	-

^{1/} Figure includes \$170 in reobligation.

^{2/} Figure excludes \$150 in planned reobligation for the balance of FY 1985.

^{3/} Figure includes \$290 in reobligations.

FY 1986 PROGRAM HIGHLIGHTS	
<p>\$40 million in PL 480 Title I to help meet grain import needs and provide local currency financing of development projects.</p>	
<p>\$22.5 million in ESF to complete funding of two ongoing projects and to finance a major new initiative in private sector development/export promotion.</p>	
<p>\$19 million in DA to finance ongoing projects in Agriculture, Population, Energy, and Human Resources Development.</p>	
<p>\$4.9 million in PL 480, Title II to assist in meeting basic nutritional needs of children of impoverished families.</p>	

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	353	13,085	13,000
Grants	15,390	28,623	31,370
Total AID	15,743	41,708	44,370
P.L. 480 **			
Title I (of which Title III is)	45,000 (9,553)	45,000 (8,794)	40,000 (4,875)
Title II			
Total P.L. 480	54,553	53,794	48,875
Total AID and P.L. 480	70,296	95,502	93,245

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

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	286,100	40,000	290,000	40,000	256,000	40,000
Rice			18,000	5,000		
Feedgrains	43,000	5,000				
Vegoil						
Non-food						
Title I Total (of which Title III is)	329,100	45,000	308,000	45,000	256,000	40,000
Title II ^{1/}						
Voluntary Agencies Government - to - Government	32,572	9,553	31,363	8,794	17,661	4,875
Title II Total	32,572	9,553	31,363	8,794	17,661	4,875
Total P.L. 480	361,672	54,553	339,363	53,794	273,661	48,875

^{1/} See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

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PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel	17.2	26	27
AID Direct Hire ^a	1.0	3	4
PASA ^b			
Total	18.2	29	31

^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

^b On board end of year.

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T /IT Managed ^c	30	30	42	32	60	34
Contract Managed ^d	126	15	134	55	119	44
Total	156	45	176	87	179	78

^a Degree seeking participants.

^b Non-degree seeking participants (may be at universities).

^c Participants programmed by Missions and sent to S&T/IT for management.

^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.

*3rd COUNTRY PARTICIPANT TRAINING DATA: (TECHNICAL)

FY 84 - 4
 FY 85 - 3
 FY 86 - 2

Development Overview

Morocco is currently addressing a broad array of critical economic and development problems. In response to these difficulties, the Government of Morocco (GOM) has taken a series of policy measures over the past two years to reduce public spending, create a climate for increased foreign and domestic investment, and open the economy to greater competition. The government faces an extensive period of economic stabilization and structural adjustment over the next several years during which per capita GNP can only grow marginally, and might actually decline. Nonetheless, performance to date indicates that the government is willing and capable of meeting this challenge.

Notwithstanding positive action by the government, the Moroccan economy has had to adjust to factors beyond the government's control. The economy has suffered from the accumulated effects of four years of drought, deteriorating terms of trade, increasing restriction of traditional foreign markets, and rising high interest rates on its foreign borrowings. Since the late 1970s Morocco has been struggling to overcome a declining demand for phosphates, its principal export, and growing protectionism in traditional markets that have limited agricultural exports, another major earner of foreign exchange. These difficulties have coincided with dramatic increases in Morocco's import bills for foodstuffs and energy. The government continues to seek to diversify the country's exports and markets and to decrease dependence on external sources of cereals and petroleum. The persistent decline in phosphate prices since 1975, the global recession, rapid population growth and stagnation in domestic agricultural production have curtailed the overall impact of the government's adjustment efforts to date. Like most other developing countries during the 1970s, Morocco borrowed heavily to finance both trade and budget deficits. It now has an accumulated foreign debt of over \$11 billion, giving it a higher ratio of debt to GNP than Argentina.

The Government of Morocco has received the assistance of major international donors in responding to its economic problems, largely because of its willingness to apply a program of fiscal austerity and economic adjustment under IMF and World Bank guidance. It has taken the tough "belt-tightening" steps of devaluing its currency, rigorously restricting public consumption and borrowing, while also removing many government controls over agro-industrial exports.

In September of 1983, Morocco entered into a new 18-month Stand-By Arrangement with the IMF which included \$315 million in assistance predicated on positive government performance. The government's broad program of austerity has included a number of politically difficult measures such as the reduction or elimination of subsidies on certain consumer goods, water, electricity and petroleum products. This effort was accompanied by cuts in the 1983 and 1984 investment budgets to further reduce the deficits previously financed by borrowing. Additionally, other important elements of the government's program have included: a freeze on government hiring; trade liberalization (e.g.

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simplification of exporting procedures, removal of licensing requirements, reduction of import duties); maintenance of a flexible exchange rate policy; and a major reform in the educational system to redirect resources toward appropriate skill-training for a modernizing economy. The Government of Morocco has adhered assiduously to this austerity program.

Morocco also rescheduled its official debt in 1984. However, it has become clear to all concerned that the Government must further reschedule its debt for 1985, 1986, and 1987 in order to manage its financial crisis. The Government of Morocco presented the outlines of its medium term strategy to an IBRD led Consultative Group meeting of donors in January 1985. This strategy, which relies heavily on continued opening of the economy to market forces, on private sector development, and on improved export performance, will form the basis for a new three year economic plan covering the 1986-88 period.

Management of the current financial crisis of the country is the Government's overriding priority. Nonetheless, the Government of Morocco remains fully aware of the need to address longer-term development requirements. Average annual per capita productivity in agriculture continues to decline, and food imports continue to exceed agricultural exports by a substantial margin. Urban unemployment remains high at an estimated 22 percent, and is accelerating because of rapid rural-to-urban migration and limited new investment in employment generating enterprises. These problems are exacerbated by an annual population growth rate of 2.9% per year and poor agricultural yields during the last four years of drought. The conflict in the Sahara also continues, utilizing a significant share of limited investment resources and contributing to a climate of uncertainty.

Morocco's near-term challenge is to implement effectively its austerity program and to follow through on the structural adjustments required to make its economy more efficient and productive. For the three year planning period ahead, real per capita growth is expected to remain close to zero, a result of the austerity measures that the Government intends to pursue. The development challenge over the longer term will be to maintain an adequate rate of sustainable economic growth while integrating more fully its rural and urban poor into the modernizing economy.

U.S. Interests and Objectives

Morocco and the United States have enjoyed friendly relations for over two centuries. The Government of Morocco has frequently evidenced its support of U.S. policies, and has agreed to permit access and transit by U.S. forces at Moroccan bases in certain contingencies. The Government also provides facilities and support for what will eventually be the free world's most powerful radio transmitter. The Government has effectively assumed leadership in a moderating role in the Arab World in general, and in the Middle East peace process in particular. This role should not change, despite the recent Moroccan treaty with Libya.

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Long-term U.S. interests in the economic viability of Morocco remain essentially unchanged by events of the past year, and are well served by an active foreign assistance program. Such a program manifests U.S. concern over the near-term difficulties facing the Moroccan economy as well as with longer-term development problems. Morocco has made measurable progress in achieving its short term adjustment objectives, but continued high levels of U.S. program assistance as a catalyst within the Consultative Group will be an important factor in encouraging the Government of Morocco in its program of economic reform and adjustment. Continued Development Assistance during this difficult period will assure progress in programs essential in addressing the needs of the Moroccan poor.

A.I.D. Assistance Strategy

A.I.D. in Morocco is increasing the effectiveness of its programs by concentrating resources on a few key sectors in which the constraints to development are relatively well defined and susceptible to being addressed through U.S. technical assistance. The three principal sectors in A.I.D.'s country strategy are agriculture, population/health, and energy. Overall goals in these sectors are: (1) to increase the country's capability to feed itself and to reduce the current deficit in foodgrains through increased cereals production in rainfed areas; (2) to reduce the high rate of population growth while simultaneously addressing basic health needs; and (3) to strengthen the Government's capability in energy planning and to reduce growing energy imports by identifying and exploiting domestic sources of conventional and renewable energy.

In addition to these three sectors, A.I.D. is in the process of undertaking a major new initiative to strengthen the role of Morocco's private sector as an engine of national economic development, and to provide support to small and medium enterprises, particularly in the export sector.

Agriculture: The trend toward growing dependence on food imports and declining cereals production in Morocco has been compounded by extended drought conditions in regions of major production. Nevertheless, with normal rainfall Morocco's extensive rainfed agricultural regions have considerable potential for increased cereals production. Production in these zones is constrained by a combination of outdated technology, inadequate access to inputs and credit, increasing fragmentation of land ownership, and weak institutional services. Development Assistance, P.L. 480 Title I and ESF resources in FY 85 are being combined in a concerted effort to bring about increased domestic production of cereals through technology transfer, training, credit, institutional development and policy changes. The focus of the policy dialogue is shifting from past emphasis on assuring adequate public sector resources for rainfed cereals production into new policy-related steps to encourage optimal use of resources in the sector, with particular emphasis on rationalizing price and marketing policies.

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Population: Morocco's current high rate of population growth of 2.9 percent per year makes the achievement of basic development objectives very difficult. Morocco's chronic and growing food deficit, for example, is a direct consequence of the current population growth rate in the context of an average annual agricultural growth rate of 1.3 percent. A.I.D.'s population strategy seeks to reduce the birth rate by the extension of family planning information and services into the country's most populous provinces. A principal component of this strategy is to strengthen the capacity of Moroccan institutions to deliver family planning and health services effectively on a nationwide scale. Family planning education and commodity distribution are combined with the delivery of basic health services to utilize limited personnel most effectively and to increase the attractiveness of the combined approach.

Energy: More than 40% of Morocco's foreign exchange earnings are spent on energy imports, and the 1983 oil bill exceeded one billion dollars. A.I.D.'s strategy is to alleviate dislocations caused by this heavy dependence on imported energy through the establishment and strengthening of an energy policy analysis and planning unit in the Ministry of Energy and Mines, and by hastening the development of domestic conventional and renewable energy sources. These projects complement World Bank efforts in petroleum exploration and guidance in rationalizing energy investments.

Private Sector Development: It has become increasingly apparent that many of Morocco's economic problems stem largely from relatively low levels of new productive investment and low competitive capability in world markets. State participation in the economy has been excessive, and private Moroccan enterprises have failed to fulfill their export potential. Initial studies indicate that if financial and procedural bottlenecks are alleviated, a relatively limited amount of additional assistance to the private sector is likely to result in significant increases in productivity and exports. A.I.D. is currently studying ways in which these constraints may be addressed, and new incentives to investment and exports may be provided through a major ESF-funded private sector support/export promotion initiative in FY 1986. In the meantime, smaller interventions will be made during 1985 with development assistance funding to address specific needs in the private sector.

In addition to the foregoing sectoral programs, the A.I.D. Mission will continue to support effective on-going programs in human resources development, nutrition via P.L. 480 (Title II), and low-cost housing.

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A.I.D. Program (FYs 1984 - 1985)

1. Agriculture: FY 1984 was a year of extensive project redesign and consolidation of the A.I.D. agricultural portfolio. Recent evaluations have resulted in improvements in implementation of all projects in the sector. Project management techniques have been enhanced through the establishment of integrated annual work plans and budgets which better coordinate A.I.D. and Government of Morocco resources and establish more realistic targets. The portfolio of existing projects in the sector is sound, and provides a base from which it will be possible to plan and implement new agricultural initiatives in FYs 1985 and 1986.

A.I.D. will continue its efforts to develop appropriate technologies for increased production of cereals in the rainfed agricultural zones. The adaptation of existing technology and the development of new or improved technologies in plant varieties, seed preparation and production, cultivation and harvesting practices, and small farm mechanization continue to be the principal components of the Dryland Agriculture Applied Research Project (608-0136). This project began in 1978 as a limited initiative to increase cereal production in arid and semi-arid areas. A 1983 evaluation concluded that the project had overcome early difficulties and that its emphasis on cereals production in rainfed areas had contributed to greatly increased priority being given to non-irrigated lands by the Moroccan Government. Consequently, a major expansion of this activity was initiated in FY 1984 to establish an integrated network of dryland research stations through the National Institute for Agricultural Research (INRA). An enlarged team of resident advisers from Mid-America International Agricultural Consortium (MIAC), a consortium of U.S. land grant universities, has been recruited; increased training of Moroccan staff in various U.S. universities has been initiated; and additional U.S. agricultural equipment has been purchased to carry out this expanded effort. This Title XII project is an institution-building and technology transfer project designed to create a "farming systems" research capacity in Morocco to improve the production of cereal/livestock farmers in the semi-arid areas regions dominating most of Morocco's agriculture. U.S. Peace Corps Volunteers have supported this project in the outlying research stations.

The 1984 mid-project evaluation of the Agronomic Institute Project (608-0160) concluded "that this is an excellent project and one which should be used as a model for innovative participant training projects ... and for the establishment of viable agronomic and veterinary training institutions in other countries." The project was extended in FY 1984 for an additional 5 years. It is being implemented through a collaborative arrangement between the University of Minnesota and the Hassan II National Agricultural and Veterinary Institute (INAV). The expanded project is giving greater attention to developing INAV's library and data processing

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facilities in addition to strengthening the faculties in selected disciplines to provide the trained professional manpower needed to develop Morocco's agriculture.

Livestock remains an important facet of rainfed agriculture in Morocco, and a large portion of the income of the rural population is earned from animals. Through the Range Management Improvement Project (608-0145), Utah State University is assisting the Ministry of Agriculture's Livestock Service and local communities to use more effectively communal rangelands not suited to other crops. U.S. Peace Corps Volunteers are active in the implementation of this project. Plans for FY 1985 include implementation of improved range management practices and reseeding on public and private rangelands. This project was evaluated in FY 1984 and, as a result of the evaluation recommendations, was redesigned to focus more directly on its institution-building objective of creating a Moroccan capacity to plan and implement range management projects.

The United States Department of Agriculture is managing the Planning, Economics and Statistics for Agriculture Project (608-0182), initiated in FY 1984. USDA will draw on U.S. private sector expertise for many of this project's requirements for technical assistance, commodities and training. Through a combination of staff training, technical assistance and up-dated data processing facilities, the project will improve the capacity of the Ministry of Agriculture's Division for Economic Planning and Analyses (DPAE) for surveillance of crop conditions and yield estimation, and for economic analysis and evaluation of agricultural projects. A national agricultural data bank will be developed to facilitate Ministry-level policy analysis, planning and decision-making. These capabilities are not only important to improved management of Morocco's cereals and crop marketing system, but they are also essential as a basis for improved economic policy analysis and dialogue. This project is also financing a major study of agricultural prices and market incentives in collaboration with the World Bank. The results of this study will be a point of departure for A.I.D.'s future policy dialogue on prices, subsidies and privatization in the agriculture sector.

The Winter Snowpack Augmentation Project (608-0190) was initiated in FY 1984 and attempts to alleviate to some degree the disastrous effects of recent droughts through the enhancement of winter snowfall in the High Atlas Mountains, a primary source for several of Morocco's major water reservoirs. These reservoirs feed the irrigation systems on the adjacent plains where much of Morocco's agricultural products are grown. They also provide the source of a large portion of Morocco's hydroelectric power and water for industrial and commercial use. Implemented under a Participating Agency Service Agreement (PASA) with the U.S. Bureau of Reclamation, the project is providing training, technical assistance, and scientific equipment to Morocco's National Meteorological Service.

The design of a new project, Small Farm Credit (608-0184), is being completed in the first quarter of FY 1985. It will provide loan assistance to Morocco's Agricultural Credit Bank (CNCA) to reschedule

debts of small farmers seriously affected by the drought. Most are up against loan ceilings and temporarily unable to repay previous loans. Funds provided will enable small farmers to rebound from the drought and at the same time maintain CNCA's strong performance as a progressive credit institution. The project supports other major donor assistance to CNCA and will fund studies on improved credit operations, including lending to private agribusiness by CNCA. This project will provide an entirely new opportunity for A.I.D. to work with the private sector.

2. Population, Health and Nutrition: A basic premise underlying A.I.D.'s population assistance strategy for Morocco is that the country's current high rate of population growth (2.9%/year) is not an accurate reflection of the lower fertility preferences of many Moroccan couples. Therefore, primary efforts through FY 1984 under the Population and Family Support II Project (608-0155) were aimed at expanding contraceptive availability through the establishment of a household-level delivery system in 13 provinces, provision of contraceptive supplies through Ministry of Public Health (MOPH) facilities, training of physicians and paramedics in family planning, and the development of family planning/health information, and education activities. The latter activities were, and continue to be, implemented by both the MOPH and the private Moroccan Family Planning Association (AMPF). The final evaluation of this project in December 1983 noted that family planning activities in Morocco had progressed substantially during the past five years of project activity. Contraceptive prevalence estimates, based on a three-province study, indicate that prevalence levels more than doubled (from 12% to 27%) between 1978 and 1983. In line with the evaluation's recommendations that efforts begun under Project 608-0155 be broadened, the Population/Family Planning Support III Project (608-0171) was signed in August 1984. Under this project the household family planning and maternal and child health programs undertaken in 13 provinces under Project 608-0155 will be expanded to include five new provinces and three major urban areas. The new project will also support activities in reproductive health, private sector sales of contraceptives, and natural family planning, and will widen the involvement of other government agencies in the promotion of voluntary family planning. Assistance will also be provided to the MOPH in the analysis, use and presentation of demographic data for management and policy purposes. Finally, a key project component will also enhance the Ministry of Plan's capacity in population modeling, forecasting and analysis.

Morocco still has high rates of infant mortality and morbidity. The Ministry of Public Health is attempting to improve its management and administrative systems to target its resources on primary health care more effectively as an essential corollary to acceptance of family planning. To that end, the Health Management Improvement Project (608-0151) is assisting the Ministry to upgrade health care delivery support systems. Under this project the Ministry has undertaken major revisions of management procedures in personnel and pharmaceutical logistics, and has partially installed a computerized management information system in support of all administrative and operational services.

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Key elements of the P.L.480 Title II program in FY 1984 included the establishment of more rigorous selection criteria, accelerated turnover of program beneficiaries, and improvements in program management. In 1985 such management improvement efforts will continue as the phase-over to full Government of Morocco responsibility for the program begins.

3. Education/Human Resource Development: Although no longer a major area of the current A.I.D. Mission strategy, useful efforts in this area have been maintained. The Sector Support Training Project (608-0178), begun in FY 1984, will finance over 100 Master's Degrees, 10 Ph.D.'s, and specialized short-term courses in the United States for middle and upper-level managers and technicians in governmental and private organizations. The Social Services Training Project (608-0157), developed in collaboration with the Peace Corps and the Government of Morocco's Ministry of Social Affairs, has provided a vocational training alternative for women and youths who have dropped out of the government's formal education program. The project has also financed the establishment of a national training institute in Tangier which is preparing professional social service managers. Under the population related Statistical Services Project (608-0162), technical assistance is provided by the U.S. Bureau of the Census (BUCEN) to the Government of Morocco Ministry of Plan. A project evaluation cited this assistance as a key factor in the successful execution of the Morocco Census of 1982. Continued assistance to the Ministry of Plan by BUCEN will facilitate a series of post-census surveys and analyses to improve the Government's data base for economic analysis and policy formulation.

4. Energy: Morocco now imports over 80% of its commercial fuel needs for which it pays an oil bill in excess of one billion dollars per year. Morocco's hydroelectric production has dropped sharply due to the continuing drought, and the devaluation of the dirham against the dollar has caused dollar denominated oil imports to rise in price by another 20% during FY 84 despite a relatively stable international oil market. The Moroccans' response to this situation has been to introduce conservation measures, reduce domestic subsidies (resulting in price increases) and step up domestic exploration. Initial results have been encouraging with commercial fuel consumption dropping an estimated fifteen percent during 1984. A.I.D. has responded to this priority effort by initiating two projects in FY 1984, the Energy Planning Assistance Project (608-0180) and the Conventional Energy Management and Training Project (608-0176). The Energy Planning Project follows a centrally-funded A.I.D. effort to directly assist the Ministry of Energy and Mines to better assess its investments, initiate and monitor conservation measures, and establish more rational energy pricing policies. In FY 1985 the effort will focus on building the Ministry's energy planning unit to improve its analytical capability and decision-making process.

Significant progress was also made during FY 1984 in the managerial reform of the Government of Morocco's National Corporation for Hydrocarbon Exploration and Development (ONAREP) through another centrally-funded

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project. ONAREP has been successful recently in encouraging greater foreign investment in Morocco. A.I.D.'s new Conventional Energy Project will assist ONAREP to establish a better balance between public and private resources to explore and develop Morocco's conventional energypotential, and will further strengthen ONAREP's financial management through advisory assistance and training.

In renewable energy, A.I.D. continues to assist the Moroccans through its Renewable Energy Development Project (608-0159). Pursuant to the recommendations of the evaluation that was carried out in FY 1984, the project's schedule was revised to reflect more realistic achievement dates for major outputs. Selection criteria and economic monitoring systems for pilot energy projects were also strengthened to assure that demonstration of renewable technologies will reflect more closely market conditions in Morocco.

5. Housing and Urban Development: Rural migration to Morocco's towns and cities has been fostered by the sharp disparity in incomes between rural and urban households, as well as by poor harvests resulting from continuing drought conditions. An estimated one-half of urban housing in Morocco is comprised of shanty towns and squatter tenements, almost all of which have limited or no access to basic municipal services. Morocco's high population growth rate aggravates the inability of municipal authorities to provide such services. During early FY 1984 the Low-Cost Housing Improvement Project (608-0156) phased out with the conclusion of its technical assistance in shelter policy and finance. This type of assistance is now being integrated into the implementation of the Morocco Low-Cost Housing Guaranty Project (608-HG-002). During FY 1984 the Housing and Finance Ministries met all conditions precedent to initial borrowing under this Housing Guaranty, and the Ministry of Finance has negotiated the initial \$4.8 million tranche of its first loan with a private American lender under this A.I.D. sponsored program.

In concert with the Near East Bureau's strategy to investigate urbanization trends in all nations of the region, the A.I.D. Mission, with A.I.D. Washington's technical assistance, will carry out an Urban Development Assessment (UDA) in Morocco during FY 1985. This assessment will incorporate data from the recent national census and household surveys to analyze and describe Morocco's evolving urban trends. The UDA will form the basis for developing interventions in the urban sector by FY 1986.

6. Private Sector Development: In FY 1984, A.I.D. initiated a dialogue with Moroccan officials, private businessmen and leaders of business/trade associations about the role of the Moroccan private sector in resolving the country's fundamental economic problems. Principal subjects of discussion have included the need to stimulate private productive investment, to increase the competitiveness of Moroccan enterprises with particular emphasis on those which are export-oriented, to further liberalize trade, and to consider the possibilities for the transfer of certain public sector operations and

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enterprises to the private sector. The A.I.D. Mission is in the process of developing a major new initiative for Private Sector Support and Export Promotion (608-0189) to begin in FY 1986.

A.I.D. made a grant of \$50,000 to assist the International Executive Service Corps (IESC) to establish a Country Director in Casablanca to assist small Moroccan businesses with short-term technical expertise provided by executives of American firms. The A.I.D. Mission has also facilitated a Private Enterprise Bureau loan of \$2.5 million to a private Moroccan Bank to increase credit available to small and medium enterprises in export-oriented industries. Finally, the A.I.D. Mission is participating in the Science & Technology Bureau's Entrepreneurs and Small Enterprise Development project, to carry out a study of the factors determining the success of failure or entrepreneurs in Morocco and the design of appropriate training programs.

Requested Year Program (FY 1986):

For FY 1986, a total of \$19 million in DA and \$22.5 million in ESF funds are requested. In Agriculture, Rural Development and Nutrition, \$13.5 million of DA funds are needed to finance the continuation of Dryland Agricultural Applied Research (0136), Renewable Energy Development (0159), Agronomic Institute (0160), and Planning, Economic & Statistics (0182) projects in addition to initial funding for the new Agricultural Management and Productivity Project (0185), and a small operational program grant.

In Population, \$2.0 million is needed to finance technical assistance, training, contraceptives and local costs of the Family Planning Support III (0171) Project.

In Education and Human Resources, \$1.9 million is required to continue the Sector Support Training Project (0178) which provides graduate level and short-term technical scholarships for Moroccans to study in American institutions.

A total of \$1.6 million is required in the Selected Development Activities Account to initiate the Mission's effort in Urban Development Management and Finance (608-0188), and to continue the joint A.I.D./Peace Corps Small Project Activities (608-0181).

Economic Support Funds

\$4.0 million of ESF will be utilized by the A.I.D. Mission in FY 1986 to complete the funding of two projects initially obligated with FY 1984 ESF: Conventional Energy Management and Training (0176), and Winter Snowpack Augmentation (0190). These two projects have a very high priority for the Government of Morocco. Mission plans to utilize the remaining \$18.5 million of ESF in FY 1986 to finance the new Private Sector Development and Export Promotion Project (0189). The purpose of this project is to stimulate private investment and economic activity with emphasis on the production or transformation of exportable goods and

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services. The project will be broadly-based, and will attempt to address specific problems and constraints inhibiting increased private sector investment and production. The major portion of the funds will be utilized to relieve bottlenecks in the availability of long-term investment credits and the foreign exchange required for imports critical to the utilization of existing or potential productive capacity. The project will also provide technical assistance and training to public organizations which service Morocco's private sector (e.g. Office of Industrial Development, Center for Promotion of Moroccan Exports), as well as to private business and trade associations.

MISSION DIRECTOR: Robert C. Chase

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

PROGRAM: MOROCCO

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PROJECT TITLE	* L PROJECT / NUMBER / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	PLANNED	-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
SMALL FARM DEVELOPMENT (OPG)	* G 603-XPVC	85	86	---	500	---	---	---	---	500	200
DOUKKALA IRRIGATION	L 603-0127	75	76	13,000	13,000	13,000	12,915	---	85	---	---
DRYLAND AGRICULTURE APPLIED RESEARCH	G 608-0136	78	87	26,323	26,323	7,987	5,108	3,000	4,200	5,499	4,700
RANGE MANAGEMENT IMPROVEMENT	G 603-0145	80	85	5,075	5,075	4,200	2,781	875	1,294	---	1,000
RENEWABLE ENERGY	G 603-0159	80	86	9,200	9,200	6,419	2,014	695	4,000	652	2,557
AGRONOMIC INSTITUTE	G 608-0160	80	89	28,508	28,508	11,976	9,292	4,000	4,167	3,848	4,258
PLNS, ECON, STAT FOR AGRICULTURE	G 608-0182	83	89	12,567	12,567	3,536	162	1,405	2,450	1,000	1,240
AGRICULTURAL MANAGEMENT & PRODUCTIVITY	* G 603-0185	86	89	---	10,000	---	---	---	---	2,000	1,300
TOTAL FOR ACCOUNT GRANTS				94,673	105,173	47,118	32,272	9,975	16,195	13,499	15,265
LOANS				31,673	92,173	34,118	19,357	9,975	16,111	13,499	15,265
				13,000	13,000	13,000	12,915	---	85	---	---
POPULATION PLANNING											
FAMILY PLANNING SUPPORT II	G 603-0155	73	83	9,046	9,046	9,406	9,366	---	---	---	---
FAMILY PLANNING SUPPORT III	G 608-0171	84	88	5,260	17,390	5,260	43	3,500	3,980	2,000	4,040
TOTAL FOR ACCOUNT GRANTS				14,306	26,936	14,666	9,409	3,500	3,980	2,000	4,040
LOANS				14,306	26,936	14,666	9,409	3,500	3,980	2,000	4,040
				---	---	---	---	---	---	---	---
HEALTH											
HEALTH MANAGEMENT IMPROVEMENT	G 608-0151	81	85	3,147	2,685	2,185	1,756	500	800	---	129
SECTOR SUPPORT TRAINING	G 608-0178	83	86	300	300	300	29	---	100	---	100

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized data. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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

PROGRAM: MOROCCO

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHD		-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	FY86- EXPENDI TURES
TOTAL FOR ACCOUNT				3,447	2,985	2,485	1,785	500	900	---	229
GRANTS				3,447	2,985	2,485	1,785	500	900	---	229
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
SOCIAL AND ECONOMIC RESEARCH	G 603-0154	79	79	450	450	450	192	---	150	---	108
SOCIAL SERVICES TRAINING	G 608-0157	80	83	5,400	3,880	3,880	3,061	---	819	---	---
STATISTICAL SERVICES	G 608-0162	80	83	1,500	1,500	1,500	1,079	---	421	---	---
SECTOR SUPPORT TRAINING	G 608-0178	83	86	8,126	8,126	4,425	447	1,800	1,170	1,901	2,050
TOTAL FOR ACCOUNT				15,476	13,956	10,255	4,779	1,800	2,560	1,901	2,158
GRANTS				15,476	13,956	10,255	4,779	1,800	2,560	1,901	2,158
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
ENERGY PLANNING ASSISTANCE	G 603-0180	84	85	4,000	4,000	1,130	---	2,370	672	---	978
PEACE CORPS SMALL PROJECT FUND	G 608-0181	84	88	50	380	40	17	50	---	---	---
SMALL ENTERPRISE DEVELOPMENT (OPG)	G 603-0137	85	85	---	550	---	---	550	100	---	200
URBAN DEVELOPMENT MANAGEMENT & FINANCE	* G 603-0188	86	88	---	5,000	---	---	---	---	1,600	1,000
TOTAL FOR ACCOUNT				4,080	9,930	1,170	17	3,470	772	1,600	2,178
GRANTS				4,080	9,930	1,170	17	3,470	772	1,600	2,178
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
CONVENTIONAL ENERGY	G 608-0176	84	86	5,000	5,000	4,000	7	---	2,000	1,000	2,900
SMALL FARM CREDIT	G 608-0184	85	85	---	1,500	---	---	1,500	1,000	---	1,000
SMALL FARM CREDIT	L 608-0184	85	85	---	13,500	---	---	13,500	13,000	---	500

* 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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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

PROGRAM: MOROCCO

CP 86

PROJECT TITLE	* C PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	-PROPOSED FY:6- OBLIG ATIONS	FY:6- EXPENDI TURES
PRIVATE SECTOR SUP P EXPORT PROMOTION	* S 606-0109	86	87	---	6,000	---	---	---	6,000	2,000
PRIVATE SECTOR SUP P EXPORT PROMOTION	* L 606-0109	86	87	---	30,000	---	---	---	12,500	12,500
WINTER SNOWPACK AUGMENTATION	S 606-0190	84	86	6,000	6,000	3,000	1,150	---	1,300	3,000
TOTAL FOR ACCOUNT				11,000	62,000	7,000	1,157	15,000	17,300	22,500
GRANTS				11,000	16,500	7,000	1,157	4,300	10,000	7,500
LOANS				---	43,500	---	---	13,000	12,500	13,000
TOTAL FOR COUNTRY				142,982	220,982	82,694	49,419	34,245	41,700	44,370
GRANTS				129,982	164,482	69,694	36,504	20,745	29,000	31,370
LOANS				13,000	56,500	13,000	12,915	13,500	12,500	13,000

FY 1984: Figures include \$460 in reobligations

FY 1985: Figures exclude planned reobligation for the balance of FY 1985.

* 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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: MOROCCO

PLANNED PROGRAM SUMMARY SHEET

Title AGRICULTURAL MANAGEMENT AND PRODUCTIVITY		Funding Source DA/ESF	AG, RD & N \$2,000	Health	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 86 \$2,000	Life of Project Funding \$10,000	
Number 608-0185	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation FY 86	Estimated Final Obligation FY 89	Estimated Completion Date of Project FY 90
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING							

Purpose: To stimulate increased productivity in Moroccan agriculture through improvement in management of alternative private and public sector institutions.

Project Description: Morocco's growing BOP deficit, the low level of agricultural growth and existing institutional constraints indicate the need for a new approach to increase output in the sector. The Ministry of Agriculture's (MARA) capability to absorb new extension/production-oriented projects is severely limited. Therefore, alternative public and private institutions will be strengthened and assisted to increase output, employment and exports. Two principal types of activities are envisioned.

1) Regional Agricultural Production and Extension Programs:

The improvement of existing MARA extension programs in non-irrigated areas has proven difficult. In contrast, the irrigated subsector has performed effectively in the extension of new production technology and servicing of farmer's needs, due in part to the decentralized management and budgetary authority of the nine regional agricultural production offices (ORMVAs) which manage major irrigation perimeters. The ORMVAs are autonomous in operation, and have in place management systems, well-trained technical staffs and resources to undertake new extension/production activities. Although their primary responsibility is for the management of the irrigation network, the ORMVAs also have responsibility to service substantial areas of rainfed land. The project will assist selected ORMVAs to manage the development of rainfed agriculture around the irrigated perimeters. Project-level interventions in small-scale irrigation, water/soil conservation and tenure modification will be considered in project design. The cost effectiveness of existing ORMVA water distribution systems will be studied with respect to the efficiency of current water-use patterns and pricing. Improvement of crop selection policies and procedures will be facilitated, and incentives to attract private sector investment in proximity to ORMVA (especially in food processing) will be studied. Where feasible, efforts will be made to facilitate a transfer to the private sector of service functions now being provided by the ORMVAs. Extensive discussions with the directors and technical staffs of individual ORMVAs selected for participation will be held during project design. The project will support other USAID initiatives directed at increased privatization of services to farmers, marketing systems, and

the development of extension alternatives in rainfed agriculture.

2. Agribusiness Management Development: Activities will consist of efforts to increase productivity of existing agribusiness enterprises and to stimulate the establishment of new ones, especially in the area of food processing for export. Short courses, market research, feasibility studies, and short-term consultancy services to private and public agribusinesses will be made available. This project, which will be closely coordinated with the Private Sector Promotion Project (608-0189), will constitute a significant departure from traditional Ministry-oriented projects in agriculture with their focus on long term technology transfer and institution-building. It will also increase USAID's understanding of the role of the private sector in Moroccan agriculture and facilitate appropriate assistance to increase that role. The two components of the project are linked in that agribusiness development component will emphasize the development of private enterprise in the ORMVA areas, stimulate and facilitate "privatization" of ORMVA functions, and promote investment and marketing for food processing industries supplied by ORMVA regions.

Relationship of the Project to A.I.D. Strategy. This project is a key element of the agricultural sector strategy which has been developed for Morocco. It addresses current, immediate problems of production/output augmentation. The focus of the project on the private sector and use of autonomous, non-Ministry institutions is a response to both current limited public sector ability to take on new investment/operating costs, and a conscious effort to initiate new AID programming with the private sector.

Host Country and Other Donors. The GOM contribution will be primarily in-kind. Existing semi-public and private institutions are in place and will be assisted to implement this activity. The IBRD and other donors are supporting the development of alternative extension systems, and this project will be closely coordinated with those efforts.

Beneficiaries. The principal beneficiaries will be farmers in selected zones who will benefit from more timely and useful extension services and improved availability of inputs and marketing services from the private sector. These project outputs will stimulate increased farm production and increased rural incomes. The direct beneficiaries are some at 100,000 farm families.

PROGRAM: MOROCCO

PLANNED PROGRAM SUMMARY SHEET

Title URBAN DEVELOPMENT MANAGEMENT AND FINANCE		Funding Source	AG, RD & N.	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 608-0188		Population	ED. & HR	Sel. Act. \$1,600	FY 86	\$1,600	Life of Project Funding \$5,000
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING	<input checked="" type="checkbox"/> NEW				Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
					FY 86	FY 88	FY 89

Purpose: To assist municipal authorities in selected secondary cities and towns to provide services on a financially sustainable basis and to enhance local employment opportunities. Five objectives will be pursued to this end: (1) to strengthen municipal finance; (2) to create incentives for private development via land use practices; (3) to increase levels of municipal skills; (4) to investigate the rural exodus phenomenon and linkages between the urban and rural economies; and (5) to increase employment opportunities and facilitate the modernization of the "informal sector".

Project Description: Based on findings of a FY 1985 Urban Development Assessment (UDA), the Mission and GOM may select provincial centers of differing sizes to analyze municipal administrative practices and devise improvement. The project will strengthen systems of tax and user charge collection. Allocation of municipal receipts for local investment will be examined. The project will review cadastral services and the title registry process and offer assistance to improve them.

The project will provide training assistance in modern public administration methods. A technical assistance contractor will (1) assess each municipality's situation; (2) develop training material in French; (3) provide training in-country; and (4) monitor its effectiveness.

Project studies will investigate the rural exodus: the main sources of out-migration, the motivation of migrants, the length of urban residence, etc. They will also analyze local employment opportunities and the training needs of the urban poor to complete for these openings. They will further analyze the incentives municipalities may offer to induce investment, location of industries, and the creation of new small businesses. Technical assistance in these areas will be provided to selected municipalities.

Primary A.I.D. inputs to the project will include resident technical assistance, and short-term training in public administration and municipal finance. Major infrastructural needs may be identified but would not be financed by this project. Options for financing will be proposed, including the A.I.D. Housing Guaranty Program.

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

The project is expected to enhance the A.I.D.-GOM policy dialogue and could assist the GOM in the implementation of some objectives of a new mid-term plan. In particular, it is intended to assist in public and private resource mobilization in secondary urban centers. The project will be directly responsive to the Near East Bureau's regional strategy plan which recognizes Morocco (and the region) as a rapidly urbanizing area and indicated a concomitant A.I.D. concern to assess and possibly address this trend. The project is expected to identify realistic interventions and will act as a demonstration to modernize local administrative practices.

By assisting municipal governments to become more independent fiscally via local resource mobilization and cost recovery mechanisms, the project will reduce the need for subsidized central government support of growing local deficit. The project will implement A.I.D. policies favoring the use of limited public funds in a catalytic role to attract private investment and increase employment.

Host Country and Other Donors: GOM agencies such as the Fond d'Equipments Communal (FEC) will coordinate all aspects of project implementation as well as provide overall technical guidance. The municipalities involved will provide staff time, salaries for participants, and office space. The IBRD will be consulted during project design to assure consideration of and coordination will similar municipal reform initiatives undertaken by the IBRD in other Moroccan cities.

Beneficiaries: The primary target group will be provincial and local authorities who will receive technical assistance and training in municipal finance and administrative methods. Town governments, Chambers of Commerce, provincial offices of public utilities, service agencies, and land use planning agencies will also benefit. The ultimate beneficiaries will be the residents of the selected cities and towns and surrounding areas.

PROGRAM: MOROCCO

PLANNED PROGRAM SUMMARY SHEET

Title PRIVATE SECTOR SUPPORT AND EXPORT PROMOTION		Funding Source ESF \$18,500	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 86	L - \$12,500 G - \$6,000	Life of Project Funding \$36,000
Number 608-0189	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation FY 86	Estimated Final Obligation FY 87	Estimated Completion Date of Project FY88
<input checked="" type="checkbox"/> GRANT	<input checked="" type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING					

Purpose: To stimulate investment and economic activity in Morocco with emphasis on the production or transformation of exportable goods and services by private enterprises. The goal of this project is to assist in the transition from an inward-looking, protected, debt-ridden Moroccan economy to an export-oriented, competitive, self-reliant one.

Project Description: The project will entail technical assistance, dollar credits for imports from the United States, and local currency credits for selective assistance to promising private entities. Programmatic assistance will be focused upon two primary objectives: (a) encouraging private sector investment and productivity, and (b) promoting Moroccan exports.

Export-oriented private sector activities will have a priority claim on project resources. In addition, if the identified activities promote exports from the agricultural sector, stimulate investment in agribusiness or generate substantial employment, these will receive even higher priority. At the other extreme, traditional public sector entities producing largely or exclusively for domestic consumption would not be eligible for assistance.

Pending more detailed analysis in this project's development, the assistance process is expected to consist of the following elements:

- (a) technical assistance and training to three different groups:
 - (i) private businesses needing operational measures to improve their competitive position through the services of the International Executive Service Corps, American food processing industries, and other U.S. sources of expertise;
 - (ii) public institutions concerned with promoting private industrial investment; and
 - (iii) Moroccan export promotion groups.
- (b) enlarged access to U.S. equipment and materials through a foreign exchange facility to satisfy the needs of the target group of enterprises for U.S. imports; and
- (c) credit facilities directed to the special needs of the priority target group to assure access to credit through the commercial banking structure for medium and long-term investments.

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

A critical element of A.I.D.'s Country Strategy is to support and render more effective measures being taken by the Government to liberalize the Moroccan economy and open it to international competition. This will result in a more efficient, economical use of the country's resources and establish the basis for renewed and sustainable growth. This project will support and reinforce the process by which the Moroccan economy undergoes a fundamental economic and structural adjustment in response to this changing economic environment.

Host Country and Other Donors: The GOM, in consultation with the World Bank and the International Monetary Fund, has set a realistic framework for the progressive reduction of tariffs, price liberalization, exchange rate adjustments and increasingly greater reliance on external markets and market signals. In addition to an IMF Stand-By Arrangement of \$315 million, the IBRD is providing foreign exchange in the form of non-project resources (a) to permit the GOM to maintain a liberalized import-regimen without depleting already scarce foreign exchange reserves, and (b) to cushion the adverse short-term effects on employment and economic activity which occur as some non-competitive industries reduce output and employment, or close altogether.

Beneficiaries: The primary target group for this project will be select Moroccan private industries, with special emphasis on private sector exporters (existing and potential) and the Moroccan institutions responsible for assisting them to compete in world markets. Indirectly, the entire economy will benefit from the expansion of productive private sector activities as unemployed resources and underutilized industrial capacity are brought into use.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (272) OMAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 1,181
 PER CAPITA GNP..... (DOLLARS,1982) 6,090
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 7.4%
 ANNUAL RATE OF INFLATION (1970-81) 18.2%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(.) . %
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 52.1 MALE 50.6 FEMALE 53.6
 (1970) TOTAL 43.5 MALE 42.5 FEMALE 44.6
 ADULT LITERACY RATE (.) TOTAL .% MALE .% FEMALE .%

 AGRICULTURE

 ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (. .) . %
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 2%
 POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 99
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: DATES ,BANANAS ,COCONUTS 50% (1983)
 CASH: TOMATOES ,ALFALFA ,LIMES 30% (1983)
 MAJOR AGRICULTURAL EXPORTS:(1983) LIMES ,DATES ,RAW SUGAR
 MAJOR AGRICULTURAL IMPORTS:(1983) MEATS ,RICE ,WHEAT
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1982) 61%

 CENTRAL GOVERNMENT FINANCES

 TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1979) 1,889 (80) 2,400 (81) 3,260
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1979) 1,643 (80) 2,374 (81) 3,119
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1979) 246 (80) 26 (81) 140
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1979) 47.4% (80) 49.6% (81) 48.4%
 AS % OF GNP..... (1979) 26.0% (80) 24.6% (81) 26.4%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 914 (81) 1,209 (82) 1,404
 EQUIVALENT TO 4.1 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(1982)PETROLEUM ,AGRIC.PROD
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981) 341 (1982) 272 (1983) 340
 AS % OF TOTAL EXPORTS (1980) 3% (1981) 9% (1982) 7%
 MAJOR IMPORTS(1982)MACH.TRANSF EQ ,MFRD GOODS ,FOOD
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981) 178 (1982) 214 (1983) 192
 AS % OF TOTAL IMPORTS (1980) 7% (1981) 8% (1982) 8%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1980) 1,442(81) 1,798(82) 1,441
 TRADING PARTNERS: JAPAN ,UNITED STATES ,NETHERLANDS
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 16.2%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1982) 108
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 2.4%

 SOCIAL DATA

 POPULATION GROWTH RATE...(1970) 3.0% (1978) 5.1% (1984) 3.9%
 POPULATION IN URBAN AREAS.....(1970) 5% (1980) 20%
 LIVE BIRTHS PER 1,000 POPULATION....(1970) . (1984) 47
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (.) . %
 POPULATION (1984) IN AGE GROUP:
 (0-14YRS) 44.9% (15-64YRS) 52.0% (65+ YRS) 2.8%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 118
 PEOPLE PER PHYSICIAN..... (1980) 1,903
 MAJOR CAUSES OF
 DISEASE (1980) MALARIA ,INTESTINAL INFEC,INFLUENZA
 DEATH.. (1979) ACCIDENTS ,ACUTE RESP. INFE,ENTERIC DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (.) . %
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 32%
 TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1982) TOTAL 64.7 MALE 76.9 FEMALE 51.4
 SECONDARY..... (1982) TOTAL 18.7 MALE 23.9 FEMALE 6.4
 POST SECONDARY.. (1980) TOTAL 0.7 MALE 0.9 FEMALE 0.4
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 3166%

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 OMAN

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83					
	1979	1980	1981	1982	1983				FY 1982	FY 1983	FY 1984	FY 1946-84	
I. ECONOMIC ASSISTANCE – TOTAL	0.5	5.6	0.7	15.5	15.1	39.0	-	39.0	TOTAL.....	16.8	0.0	15.0	85.0
Loans	-	-	-	7.5	12.5	20.0	-	20.0	ISFD	15.0	0.0	15.0	77.0
Grants	0.5	5.6	0.7	8.0	2.6	19.0	-	19.0	IFC	0.0	0.0	0.0	2.0
a. A.I.D. and Predecessor Agencies	-	5.0	-	15.0	15.0	35.0	-	35.0	IDA	0.0	0.0	0.0	0.0
Loans	-	-	-	7.5	12.5	20.0	-	20.0	IDA	0.0	0.0	0.0	0.0
Grants	-	5.0	-	7.5	2.5	15.0	-	15.0	IDA	0.0	0.0	0.0	0.0
(Economic Support Fund)	-	5.0	-	15.0	15.0	35.0	-	35.0	AFDB	0.0	0.0	0.0	0.0
b. Food for Peace (PL 480)	-	-	-	-	-	-	-	-	UNDP	1.8	0.0	0.0	5.5
Loans	-	-	-	-	-	-	-	-	OTHER-UN	0.0	0.0	0.0	0.5
Grants	-	-	-	-	-	-	-	-	REC	0.0	0.0	0.0	0.0
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	0.5	0.6	0.7	0.5	0.1	4.0	-	4.0					
Loans	-	-	-	-	-	-	-	-					
Grants	0.5	0.6	0.7	0.5	0.1	4.0	-	4.0					
Peace Corps	0.5	0.6	0.7	0.5	0.1	4.0	-	4.0					
Narcotics	-	-	-	-	-	-	-	-					
Other	-	-	-	-	-	-	-	-					
II. MILITARY ASSISTANCE – TOTAL	-	25.0	25.0	30.1	30.1	110.2	30.5	79.7					
Credits or Loans	-	25.0	25.0	30.0	30.0	110.0	30.5	79.5					
Grants	-	*	*	0.1	0.1	0.2	-	0.2					
a. MAP Grants	-	-	-	-	-	-	-	-					
b. Credit Financing - FMS	-	25.0	25.0	30.0	30.0	110.0	30.5	79.5					
c. Military Assistance Service-Funded (MASF) Grants	-	*	*	0.1	0.1	0.2	-	0.2					
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-					
e. Other Grants	-	-	-	-	-	-	-	-					
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	0.5	30.6	25.7	45.6	45.2	149.2	30.5	118.7					
Loans	-	25.0	25.0	37.5	42.5	130.0	30.5	99.5					
Grants	0.5	5.6	0.7	8.1	2.7	19.2	-	19.2					
Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	-					
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-					
b. All Other Loans	-	-	-	-	-	-	-	-					
LESS THAN \$50,000.													

OMAN

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1984 Actual	FY 1985 Estimated	FY 1986 Request
GRANTS	5.0	5.0	5.0
LOANS	10.0	15.0	15.0
TOTALS	15.0	20.0	20.0

Development Overview

Prior to 1970, Oman was an isolated, undeveloped country, generally resisting efforts to modernize. Oil had been discovered in 1967, but had been little exploited, and most of the population was engaged in subsistence agriculture and fishing. Health, education and other social services were virtually non-existent.

The accession to power of the present Sultan in July 1970 marked a clear break with the past. Spurred by the increased resources available from the oil price increases of the 1970s, Oman embarked on a decade of rapid change and growth. Progress has been especially notable in the development of basic infrastructure such as roads, ports and electric power, and in the provision of social services. The number of students at all levels has risen from a few hundred to over 160,000, health facilities from a handful to over 130.

The economy is dominated by oil. The oil sector, while employing only a small fraction of the total labor force, accounts for 57 percent of GDP, 85 percent of government budget revenues, and over 90 percent of foreign exchange earnings. Proven oil reserves are estimated at about 3.5 billion barrels, small by regional standards, but enough to sustain current production levels for about 24 years. Oman's Five-Year Development Plan for 1981-85 planned for a production rate of 330,000 barrels per day (b.p.d.), with the price expected to rise gradually to \$45 a barrel. Instead, the price has fallen to some \$29 a barrel (by 1983). Oil production increases to a level of 409,000 b.p.d., along with a reduction in the rate of increases in current spending, have offset much of the effect of this oil price decline. Development expenditures continued as planned during 1982 and resulted in an overall budget deficit in 1983. As a result, a \$300 million commercial Eurodollar loan was obtained in 1983 and a number of Five-Year Plan projects were reduced in scope, postponed or stretched out in 1984.

Progress has been 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 decline or are exhausted. The pace of infrastructure development has far outrun the availability of trained Omani manpower. Now the economy relies heavily on expatriates, who accounted for 40.4 percent of government employment in 1982 and for an even higher share of private sector employment. Agriculture together with fisheries accounts for some 61 percent of total employment for Omanis. Agriculture has largely stagnated because of the lack of arable land and water for irrigation. Fisheries have only barely begun to develop from a primitive base, as has manufacturing. Agriculture, fisheries and manufacturing together account for no more than 3 percent of GDP.

OMAN

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	2,711	24,434	19,770
Grants	1,238	5,090	5,575
Total AID	3,949	29,524	25,345
P.L. 480 **			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	3,949	29,524	25,345

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

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)						
Title II ^{1/}						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

^{1/} See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

OMAN

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel AID Direct Hire ^a PASA ^b	5	6	6
Total	5	6	6
^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week). ^b On board end of year.			

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T/IT Managed ^c Contract Managed ^d	46	-	110	10/e	172	20/e
Total	46		110	10	172	20
^a Degree seeking participants. ^b Non-degree seeking participants (may be at universities). ^c Participants programmed by Missions and sent to S&T/IT for management. ^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.						

d. Long-term academic training is managed by the Omani Government and its contractors. AID finances academic participants on a reimbursable basis.

e. Third-country training: FY 1985 - 5; FY 1986 - 10.

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The Government of Oman remains committed to a free market economy, exercising relatively few economic controls. However, the government's substantial oil revenues require it to take an active role in allocating resources for development and public services. Tax concessions and concessional loans are available for approved industrial projects.

The economic challenge in Oman is to diversify the economy by developing the non-oil sectors that will become productive when oil revenues diminish. In addition, the government is faced with the difficult task of developing basic infrastructure and services in water, electricity, health and education that can be maintained in the future with Omani manpower and possibly with reduced resources. 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 Oman's development a difficult task.

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 and crucial region. Oman is providing important support for the U.S. military response capability in Southwest Asia by allowing U.S. forces to use certain Omani facilities under agreed conditions. Moreover, Oman has generally adopted moderate positions 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 added a development dimension to their expanded relationship by creating a Joint Commission on Economic and Technical Cooperation. Under the terms of the August 1980 agreement establishing the Joint Commission, the United States will provide, subject to Congressional authorization and appropriation, an annual grant of \$5 million dollars to support the operations and technical assistance activities of the Commission, and loan assistance to finance specific development projects. The Commission and the projects it sponsors are intended to provide tangible evidence to the Omani population of the benefits of our expanded relationship.

A.I.D. Assistance Strategy

The ability of the Government of Oman to continue its constructive role in regional and international affairs depends significantly on continued progress in developing the country and meeting the needs of the people. The United States' assistance strategy is to support Omani development objectives through a program of technical assistance and capital projects related to Omani development priorities. Although small in relation to the overall resources available to the Omani Government, the U.S.-financed

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program focuses on critical development problems: the scarcity of water; the need for non-oil income-producing activities; and the extreme shortage of educated and trained Omanis. Particular emphasis is given to the transfer of U.S. technology appropriate to fostering Oman's economic development and to training Omanis in the United States. As needed, the Commission can draw on the resources of A.I.D., the Export-Import Bank, OPIC, and other U.S. Government agencies to support these development programs.

A.I.D. Program (FYs 1984-1985)

A.I.D.'s activities are programmed by the Omani-American Joint Commission. The Joint Commission, based in Muscat, has as co-chairmen the U.S. Ambassador to Oman and the Omani Undersecretary of Foreign Affairs. An Omani official is Managing Director of the Commission; the A.I.D. Representative is his counterpart. Five A.I.D. officers and three Omani professionals work in the Joint Commission assisting in project identification, development, and implementation, and Commission management. In FY 1984, \$5 million in grants and \$10 million in loans were provided for Commission activities and projects. In FY 1985, a \$5 million grant and \$15 million loan are also being provided. Grant funds totalling \$25 million have been obligated through FY 1985. Two projects are receiving most of the grant funds. In human resources development, \$15.2 million have been sub-obligated for a Scholarship and Training Project to provide short- and long-term training for Omanis and technical assistance in developing and monitoring training programs. In fisheries, a \$6.6 million sub-obligation for a Fisheries Development Project is providing technical assistance and training. Grant funds are also used to finance project design and feasibility studies, short-term technical assistance, and a portion of the operating costs of the Joint Commission.

Loan funds of \$45 million have been obligated through FY 1985. Included in this total are loans for a water resources development project (FY 1982 \$7.5 million loan) to construct an aquifer recharge dam and an education project to construct schools throughout the country (\$12.5 million in FY 1983, \$10.0 million in FY 1984 and \$15.0 million in 1985).

Requested Year Program (FY 1986)

In FY 1986, \$5 million in grants and \$15 million in loans are requested to finance Joint Commission activities. Loan terms are 5 percent interest, payable over 20 years with a five-year grace period. Grant funds will support the operations of the Commission, but most of the FY 1986 grant will be allocated to the Scholarships and Training Project. The Commission will also use grant funds to provide short-term technical assistance, finance feasibility studies and support activities which foster the transfer of U.S. technology and strengthen U.S.-Omani economic and technical ties.

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The \$15 million loan will be the first in a series of three to finance a project to improve and expand the water supply system for the capital region. The capital region encompasses an area more than sixty kilometers long, extending east and west along the coast in either direction from Muscat. About one-quarter of the country's population lives in this area. With demand for water growing at 20 to 30 percent a year due to rapid development, and with limited sources of water, the region is facing a severe crisis both in terms of the security of its supply and the total quantity available to meet demand. This project will bring U.S. expertise and technology to bear on serious technical and development problems which constrain the expansion and efficient use of the capital region's water resources.

U.S. REPRESENTATIVE: F. GARY TOWERY

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

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PROGRAM: OMAN

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
OMANI-AMERICAN JOINT COMMISSION	G 272-0101	80	C	20,000	50,000	20,000	2,043	5,000	5,090	5,000	5,575
WADI AL KHAWD AQUIFIER RECHARGE	L 272-0102	82	82	7,500	7,500	7,500	2,796	---	4,704	---	---
SCHOOL CONSTRUCTION	L 272-0103	83	85	22,500	37,500	22,500	---	15,000	19,730	---	17,770
WATER RESOURCES DEVELOPMENT	* L 272-0104	86	88	---	45,000	---	---	---	---	15,000	2,000
TOTAL FOR ACCOUNT				50,000	140,000	50,000	4,839	20,000	29,524	20,000	25,345
GRANTS				20,000	50,000	20,000	2,043	5,000	5,090	5,000	5,575
LOANS				30,000	90,000	30,000	2,796	15,000	24,434	15,000	19,770
TOTAL FOR COUNTRY				50,000	140,000	50,000	4,839	20,000	29,524	20,000	25,345
GRANTS				20,000	50,000	20,000	2,043	5,000	5,090	5,000	5,575
LOANS				30,000	90,000	30,000	2,796	15,000	24,434	15,000	19,770

*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, 1984 are based on the authorized data. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned data.

PROGRAM: OMAN

PLANNED PROGRAM SUMMARY SHEET

Title WATER RESOURCES DEVELOPMENT		Funding Source ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 272-0104		Population	ED. & HR	Sel. Act.	FY 1985	Life of Project Funding	
<input type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING					15,000	45,000	
<input checked="" type="checkbox"/> NEW					Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
					FY 1986	FY 1988	FY 1990

Purpose: 1. To assist the Government of Oman to increase the quantity of water for the capital region by optimizing the use of available water. 2. To identify and exploit new sources of water through the construction of recharge dams and new well fields.

Description: The project will consist of an initial phase in which urgently required short-term measures are implemented to improve the region's water supply and to optimize water use. This will be followed by investments in new sources of water and related transmission facilities based on studies conducted during the initial phase.

The capital region will face a severe shortage of water in the very near future, with most estimates of demand projecting 20 to 30 percent per annum increases. The system is dependent on only two sources of water, one of which is a large desalination plant. The loss of the desalinated water supply, even for a short period, would threaten the continuity of supply and necessitate potentially damaging overpumping of the region's other main source, groundwater well fields.

The studies will identify potential groundwater aquifers and determine whether they are viable sources of water for the capital; determine whether groundwater recharge in selected wadis (dry-river channels) is a technically and economically feasible option for enhancing groundwater supplies in the capital regions; identify other alternatives of increasing water supplies and investigate the options for transporting water from new groundwater sources to population centers. The initial improvements which may be financed will include the design and construction of additional storage capacity; technical assistance, training and equipment to improve the regional operating utility's leak detection and repair capability; and the installation of a centralized computer system for controlling the production and distribution of water in the capital area. The project might also include the procurement and installation of a reverse-osmosis or electrolysis-type desalination plant for use with brackish

water pumped from shut-down well fields affected by salt water intrusion.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s primary purpose in Oman is to demonstrate that Oman is benefiting from its closer ties with the United States. This purpose is best served by engaging in projects of high priority to the people of Oman and in which A.I.D. has a special competence. In the water resources sector, A.I.D. has much to offer in terms of technology and experience. This sector is also of vital importance to Oman's economic development.

Host Country and Other Donors: Oman has not yet sought outside assistance for the development of its water sector, other than in the form of supplier credits when purchasing equipment and two recharge dams now under development with U.S. and Japanese assistance. The Government of Oman allocated \$366 million (6 percent of total plan expenditures) to the development of potable water in the Second Five Year Plan which ends this year. The new Five Year Plan is under preparation and should provide a similar sizeable amount. The project will be implemented by the Ministry of Electricity and Water which is responsible for the production and distribution of water in the capital region and northern Oman and the Public Authority for Water Resources which is responsible for the study of Oman's hydrological resources.

Beneficiaries: The immediate beneficiaries of the project will be the 250,000 people now living in the capital area who will have a more secure water supply. Over time the quantity and quality of water will be improved.

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Portugal

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

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83
	1979	1980	1981	1982	1983			
I. ECONOMIC ASSISTANCE – TOTAL	38.0	78.0	25.0	20.0	20.0	908.1	401.6	506.5
Loans	38.0	38.0	-	-	-	692.0	401.6	290.4
Grants	-	40.0	25.0	20.0	20.0	216.1	-	216.1
a. A.I.D. and Prodecessor Agencies	-	40.0	25.0	20.0	20.0	588.5	261.7	326.8
Loans	-	-	-	-	-	426.7	261.7	165.0
Grants	-	40.0	25.0	20.0	20.0	161.8	-	161.8
(Economic Support Fund)	-	40.0	25.0	20.0	20.0	447.9	-	-
b. Food for Peace (PL 480)	38.0	38.0	-	-	-	319.6	139.9	179.7
Loans	38.0	38.0	-	-	-	265.3	139.9	125.4
Grants	-	-	-	-	-	54.3	-	54.3
Title I - Total Sales Agreements	38.0	38.0	-	-	-	265.3	139.9	125.4
Repayable in U.S. Dollars - Loans	38.0	38.0	-	-	-	261.9	136.2	125.7
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3.4	3.7	0.3
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	28.2	31.9	52.8	67.4	111.2	716.5	-	716.5
Credits or Loans	-	-	-	45.0	52.5	97.5	-	97.5
Grants	28.2	31.9	52.8	22.4	58.7	619.0	-	619.0
a. MAP Grants	25.7	30.0	51.0	20.0	56.6	553.9	-	553.9
b. Credit Financing - FMS	-	-	-	45.0	52.5	97.5	-	97.5
c. Military Assistance Service-Funded (MASF) Grants	2.5	1.9	1.8	2.4	2.1	26.7	-	26.7
d. Transfers from Excess Stocks	-	-	-	-	-	24.1	-	24.1
e. Other Grants	-	-	-	-	-	14.3	-	14.3
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	66.2	109.9	77.8	87.4	131.2	1624.6	401.6	1223.0
Loans	38.0	38.0	-	45.0	52.5	789.5	401.6	387.9
Grants	28.2	71.9	77.8	42.4	78.7	835.1	-	835.1
Other U.S. Government Loans and Grants	175.9	48.0	67.4	-	-	778.5	850.8	72.3
a. Export Import Bank Loans	29.2	1.7	67.4	-	-	243.4	215.3	27.6
b. All Other Loans	146.7	46.3	-	-	-	535.1	635.5	99.9

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	160.1	248.0	172.1	1590.0
IBRD	31.0	166.7	72.6	1015.8
IFC	0.0	0.3	14.5	26.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADP	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.1	1.0	0.0	3.0
OTHER-UN	0.0	0.0	0.0	0.2
EEC	79.0	60.0	35.0	545.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

PORTUGAL	CY 1982	CY 1983	CY 1978-83
United States	33.0	26.0	321.0
Germany, Fed. Rep.	19.2	22.2	153.1
Norway	5.1	4.6	38.7
France	8.3	5.8	20.7
Sweden	0.9	0.2	19.7
Other	1.5	1.7	20.0
Total	68.0	60.5	573.2

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

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ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1984 Actual	FY 1985 Estimated	FY 1986 Request
Grants	40.0	80.0	80.0

Development Overview

Portugal is a founding member of NATO with important security, commercial and institutional links to the United States. In December 1983, Portugal and the United States signed a new agreement which authorizes continued use by the United States of facilities in the Azores until 1991. In addition, Portugal has agreed to the installation of a ground-based electro-optical deep space surveillance (GEODSS) station in southern Portugal.

Politically, Portugal has made significant progress since the 1974 revolution. The threat of a communist takeover was successfully resisted and parliamentary democracy has been firmly established. The communist party, however, still receives some 18 percent of the vote in national elections and controls a significant number of local governmental units. Since 1976, Portugal has had nine different constitutional governments. The current Socialist/Social Democratic government headed by Mario Soares was installed in June 1983.

Despite some significant economic advances and its planned entry into the European Economic Community (EEC) now scheduled for 1986, Portugal remains the poorest country in western Europe with per capita income under \$2,500. Post 1974 developments which contributed to Portugal's present economic condition were the repatriation of some 700,000 refugees from former African colonies, the loss of overseas markets, the nationalization of key sectors of the economy, and misdirected policies and poor administration.

The government dealt successfully with a balance of payments crisis in 1977 and 1978 through a stabilization program supported by the IMF and bilateral donors, including the United States. In 1980, however, the economic situation again began to deteriorate, in large part because of the international recession. By 1982 the deficit on current accounts had reached \$3.2 billion (13 percent of GDP), the government budget deficit reached 220 billion escudos (12 percent of GDP) and consumer prices were moving up at a rate of 22 percent per year.

In response, early in 1983 the government increased interest rates, imposed tight credit ceilings, reduced credit subsidies and devalued the escudo. An emergency program for economic management was introduced in June 1983 and the negotiation of an IMF standby agreement followed shortly. These measures and programs, while reducing the deficits to more manageable levels (9 percent of GDP for the budget; 7 percent of GDP for the current account in 1984), threw the economy into a severe recession. Economic growth turned negative in the second half of 1983, and GDP in 1984 is expected to decline by two percent in real terms.

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	-		
Grants	44,464	81,720	83,000
Total AID	44,464	81,720	83,000
P.L. 480 **			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	44,464	81,720	83,000

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

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)						
Title II ^{1/}						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

^{1/}See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

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PERSONNEL DATA			
Category	FY 1984		FY 1986
	(Actual)	(Estimated)	(Proposed)
U.S. National Personnel			
AID Direct Hire ^a	1	1	2
PASA ^b	3	3	3
Total	4	4	5

^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

^b On board end of year.

PARTICIPANT TRAINING DATA						
Category	FY 1984		FY 1985		FY 1986	
	(Actual)		(Estimated)		(Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T /IT Managed ^c	-	10	-	5	-	5
Contract Managed ^d	-	60	-	40	-	20
Total		70		45		25

^a Degree seeking participants.

^b Non-degree seeking participants (may be at universities).

^c Participants programmed by Missions and sent to S&T/IT for management.

^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.

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The reduction in the deficits has been achieved at a high social cost principally through reduced governmental spending, restrictions in credit and restrictive wage policy. Real wages declined by 10 percent in 1983, and a similar decline is projected for 1984. Despite the slump in demand, domestic inflation is currently running at over 30 percent annually, although a slowdown in prices is predicted for late 1984 and 1985. External debt, \$15 billion in mid-1984, remains high, roughly equivalent to 80 percent of GDP.

The government indicates that it intends to stimulate economic growth and reduce unemployment (currently 11 percent) and inflation. Over the next 3 years (1985-87) it plans to pursue a policy of controlled expansion while seeking to avoid a major deterioration in the current account. Portugal, therefore, faces tight expenditure controls over the medium term with a limited capacity to incur and service new external debt. While fulfillment of objectives under the IMF-supported austerity programs has improved Portugal's short-term prospects, major structural problems remain which will have to be addressed, especially in light of anticipated entry into the EEC in 1986.

U.S. Interests and Objectives

Major United States interests and objectives are:

- To strengthen bilateral security cooperation;
- To help Portugal assume increased NATO responsibilities;
- To support the continuing development of democratic institutions;
- To foster Portugal's economic recovery and development; and
- To collaborate in "trilateral" aid initiatives in selected former Portuguese African colonies.

A.I.D.'s Assistance Strategy

A.I.D. assistance programs shifted from an initial emphasis in 1975 on helping in the resettlement of refugees from Africa, to project loans for social infrastructure. Eight loans and two housing guarantees were made for low income housing, school construction, basic sanitation, and rural health. When the economy faltered in 1977-78, the United States loaned Portugal \$300 million as part of a highly successful multilateral economic stabilization program. Since then, most U.S. assistance has been related to mutual security arrangements and has been used for economic development in the Azores. The United States also provided emergency relief and reconstruction support following the 1980 earthquake in the Azores.

From the inception of its program in Portugal, A.I.D. has also emphasized technical cooperation and the development of enduring linkages between U.S.

PORTUGAL

and Portuguese institutions. Important areas of collaboration were and continue to be business management, investment promotion, science and technology transfer, agricultural development, and strengthening key public sector institutions.

The ongoing A.I.D.-financed technical cooperation program will be phased down by FY 1986. By then, however, the Government of Portugal is expected to have established the Luso-American Development Foundation. The Foundation will facilitate continued technical cooperation between the United States and Portugal.

A.I.D. Program (FYs 1984-1985)

With the exception of cash transfer payments related to security agreements, FY 1981 was the last year for new economic assistance to Portugal. As of the end of FY 1984, only about \$7.5 million under three grant financed projects remained in the pipeline.

As a result of completed A.I.D. projects, 45 primary and secondary schools were constructed and put in use, 14 rural health centers and a nursing school in the Azores were built and are in operation, and 7,400 housing units and 69 water and sewage systems were completed. The 255 housing units built under the Azores Rehabilitation and Reconstruction II Project were completed in January 1985. The Agricultural Production Program will probably be extended through FY 1987. If, as expected, sufficient progress is made on establishing the Luso-American Development Foundation, funding may be added to the T.A. Grant to assure continuation of technical cooperation activities until such time as the Foundation is fully operational. The Minister of Finance has formally requested that \$2 million of the FY 1985 ESF availabilities be allocated to extend the T.A. Grant for these purposes.

A.I.D. is working closely with the Government to insure that the Luso-American Development Foundation -- a Portuguese non-profit, private sector entity -- is appropriately structured and has adequate financial flexibility, within the limits of Portuguese law, to contribute to the economic and social development of Portugal through the promotion of scientific, technical, cultural, educational, commercial and business cooperation between Portugal and the United States. It is now anticipated that the Government of Portugal will provide the foundation with a substantial initial contribution. As economic cooperation with the United States continues, the Government of Portugal may provide additional funding.

The first \$25 million tranche of the planned \$75 million Housing Guarantee Program was authorized by A.I.D. in 1984. In addition to providing the government with hard currency and reducing the critical shortage of low-cost housing in Portugal, the program has important policy objectives related to reducing of subsidies, lowering costly construction standards and encouraging private sector participation. These policies will be promoted through the provision of expert U.S. technical assistance.

PORTUGAL

Requested Year Program (FY 1986)

In December of 1983 the United States and Portugal signed a new agreement authorizing continued use of facilities in the Azores until 1991. Portugal has also agreed to the installation of a GEODSS station in southern Portugal. Related to the above, \$40 million was transferred in FY 1984, \$80 million will be transferred in FY 1985 and \$80 million will be required in FY 1986. The Government of Portugal intends to use these funds to promote the social and economic development of Portugal. As in FY 1984 and as planned for FY 1985, it is anticipated in FY 1986 that half of the funds requested will support the Azores capital development budget. The remainder will be used to assist Portugal's balance-of-payments situation.

A.I.D. Affairs Officer: Michael Lukomski

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

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PROGRAM: PORTUGAL

CP 66

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	FY86- EXPENDI TURES	
ECONOMIC SUPPORT FUND											
CASH TRANSFER	G 150-K607	84	84	40,000	40,000	40,000	---	---	---	---	
TECHNICAL CONSULTANTS AND TRAINING	G 150-0001	75	85	10,750	12,750	10,750	9,091	2,000	1,500	1,000	
AGRICULTURE PRODUCTION PROGRAM	G 150-0023	80	80	10,000	10,000	10,000	4,746	---	2,000	2,000	
AZORES REHAB AND RECONSTRUCTION II	G 150-0025	81	81	5,000	5,000	5,000	4,780	---	220	---	
CASH TRANSFER	G 150-8000	80	83	80,000	80,000	80,000	80,000	---	---	---	
CASH TRANSFER	G 150-8002	85	85	40,000	78,000	---	---	78,000	78,000	---	
CASH TRANSFER	G 150-8003	86	86	---	80,000	---	---	---	---	80,000	
TOTAL FOR ACCOUNT GRANTS				185,750	305,750	145,750	138,617	80,000	81,720	80,000	
LOANS				185,750	305,750	145,750	138,617	80,000	81,720	80,000	
TOTAL FOR COUNTRY GRANTS				185,750	305,750	145,750	138,617	80,000	81,720	80,000	
LOANS				185,750	305,750	145,750	138,617	80,000	81,720	80,000	

* 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, 1984 are based on the authorized date.

For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (152) SPAIN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 38,435
 PER CAPITA GNP..... (DOLLARS,1982) 5,430
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 4.0%
 ANNUAL RATE OF INFLATION (1970-82) 16.0%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1974) 5.7%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 74.5 MALE 71.9 FEMALE 77.3
 (1970) TOTAL 72.2 MALE 69.6 FEMALE 74.9
 ADULT LITERACY RATE (1975) TOTAL 92% MALE 96% FEMALE 90%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1974 -1983) 0.5%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 6%
 POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 121
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY ,PULSES 32% (1983)
 CASH: OLIVES ,GRAPES ,CITRUS FRUIT 20% (1983)
 MAJOR AGRICULTURAL EXPORTS:(1983) CITRUS FRUIT ,WINE ,TOMATOES
 MAJOR AGRICULTURAL IMPORTS:(1983) SOYBEANS ,CORN ,COFFEE
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1979) 17%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 34,809 (79) 47,471 (80) 52,448
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 38,267 (79) 54,407 (80) 61,536
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -3,458 (79) -6,936 (80) -9,088
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 4.0% (79) 4.8% (80) 4.1%
 AS % OF GNP..... (1978) 1.0% (79) 1.3% (80) 1.2%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980)12,480 (81)15,158 (82)11,321
 EQUIVALENT TO 3.1 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(1982)IRON AND STEEL ,MACHINERY ,AUTOMOBILES
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981)1,360 (1982)1,324 (1983)1,426
 AS % OF TOTAL EXPORTS (1980) 7% (1981) 8% (1982) 7%
 MAJOR IMPORTS(1982)FUELS ,MACHINERY ,CHEMICALS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981)4,456 (1982)4,360 (1983)3,361
 AS % OF TOTAL IMPORTS (1980) 18% (1981) 17% (1982) 16%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1980) -9,020(81) -8,508(82)-8,375
 TRADING PARTNERS: NO A.I.D. CODE ,FRANCE ,UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (.) . %
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (.)
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (.) %

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.9% (1978) 0.9% (1984) 0.5%
 POPULATION IN URBAN AREAS.....(1970) 66% (1984) 77%
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 20 (1984) 12
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 50.7%
 POPULATION (1984) IN AGE GROUP:
 (0-14YRS) 25.4% (15-64YRS) 63.9% (65+ YRS) 10.8%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 9
 PEOPLE PER PHYSICIAN..... (1979) 455
 MAJOR CAUSES OF
 DISEASE (1981) INFLUENZA ,CHICKEN POX ,MEASLES
 DEATH.. (1979) STROKE ,HEART DISEASE ,HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 128%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(.) .%
 TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1981) TOTAL 91.9 MALE 92.7 FEMALE 91.1
 SECONDARY..... (1981) TOTAL 103 MALE 98.9 FEMALE 102
 POST SECONDARY.. (1980) TOTAL 18.8 MALE 20.9 FEMALE 16.7
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 29.5%

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 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83
	SPAIN							
	PROGRAM	1979	1980	1981	1982			
I. ECONOMIC ASSISTANCE – TOTAL	7.0	7.0	7.3	22.0	12.0	1096.0	340.5	755.5
Loans	-	-	0.3	-	-	336.8	340.5	3.7-
Grants	7.0	7.0	7.0	22.0	12.0	759.2	-	759.2
a. A.I.D. and Predecessor Agencies	7.0	7.0	7.0	22.0	12.0	657.6	131.2	526.4
Loans	-	-	-	-	-	99.0	131.2	32.2-
Grants	7.0	7.0	7.0	22.0	12.0	558.6	-	558.6
(Economic Support Fund)	7.0	7.0	7.0	22.0	12.0	564.5	-	-
b. Food for Peace (PL 480)	-	-	-	-	-	438.1	209.3	228.8
Loans	-	-	-	-	-	237.5	209.3	28.2
Grants	-	-	-	-	-	200.6	-	200.6
Title I - Total Sales Agreements	-	-	-	-	-	247.4	209.3	38.1
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	247.4	209.3	38.1
Title II - Total Grants	-	-	-	-	-	190.7	-	190.7
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	3.8	-	3.8
Voluntary Relief Agencies	-	-	-	-	-	186.9	-	186.9
c. Other Economic Assistance	-	-	0.3	-	-	0.3	-	0.3
Loans	-	-	-	-	-	-	-	-
Grants	-	-	0.3	-	-	0.3	-	0.3
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE – TOTAL	164.4	125.9	126.2	127.0	402.5	2138.3	342.4	1795.9
Credits or Loans	120.0	120.0	120.0	125.0	400.0	1127.3	342.4	784.9
Grants	44.4	5.9	6.2	2.0	2.5	1011.0	-	1011.0
a. MAP Grants	42.4	3.8	3.6	-	-	694.2	-	674.2
b. Credit Financing - FMS	120.0	120.0	120.0	125.0	400.0	1127.3	342.4	784.9
c. Military Assistance Service-Funded (MASF) Grants	2.0	2.1	2.6	2.0	2.5	48.2	-	48.2
d. Transfers from Excess Stocks	-	-	-	-	-	82.7	-	82.7
e. Other Grants	-	-	-	-	-	185.9	-	185.9
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	171.4	132.9	133.5	149.0	414.5	3234.3	682.9	2551.4
Loans	120.0	120.0	120.3	125.0	400.0	1464.1	682.9	781.2
Grants	51.4	12.9	13.2	24.0	14.5	1770.2	-	1770.2
Other U.S. Government Loans and Grants	55.4	67.5	91.9	38.8	-	2063.2	1786.3	276.9
a. Export-Import Bank Loans	55.4	66.5	91.9	37.8	-	2052.4	1773.3	279.1
b. All Other Loans	-	1.0	-	1.0	-	10.8	13.0	2.2-

* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL	40.0	105.4	105.0	688.1
IBRD	0.0	0.0	0.0	416.3
IFC	0.0	0.4	0.0	11.6
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADP	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	0.0	0.0	5.6
OTHER-UN	0.0	0.0	0.0	1.6
EEC	40.0	105.0	105.0	250.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

SPAIN	CY 1982	CY 1983	CY 1978-83
United States	-	-	-7.0
Germany, Fed. Rep.	-	-	39.3
Italy	-	-	2.0
Japan	-	-	0.5
Austria	-	-	0.4
Other	-	-	0.1
Total	-	-	35.3

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

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

SPAIN

There is no country narrative provided for Spain. For program description, see the Department of State Congressional Presentation Document.

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

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PROGRAM: SPAIN

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ACTIONS	EXPENDI TURES	-ESTIMATED FY85- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ACTIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND										
ECONOMIC SUPPORT FUND	G 152-XXXX	80	84	60,000	60,000	44,375	---	2,500	---	4,000
ECONOMIC SUPPORT FUND	G 152-XX85	85	85	---	12,000	---	12,000	1,000	---	6,000
ECONOMIC SUPPORT FUND	• G 152-XX86	86	86	---	12,000	---	---	---	12,000	2,000
TOTAL FOR ACCOUNT GRANTS LOANS				60,000 60,000 ---	84,000 84,000 ---	60,000 60,000 ---	44,375 44,375 ---	12,000 12,000 ---	3,500 3,500 ---	12,000 12,000 ---
TOTAL FOR COUNTRY GRANTS LOANS				60,000 60,000 ---	84,000 84,000 ---	60,000 60,000 ---	44,375 44,375 ---	12,000 12,000 ---	3,500 3,500 ---	12,000 12,000 ---

For narrative see State Congressional Presentation Document.

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (664) TUNISIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 7,178
 PER CAPITA GNP..... (DOLLARS,1982) 1,390
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-81) 0.2%

ANNUAL RATE OF INFLATION (1970-82) 8.7%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1975) 6.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 62.0 MALE 60.2 FEMALE 63.9
 (1970) TOTAL 53.6 MALE 53.1 FEMALE 54.1

ADULT LITERACY RATE (1975) TOTAL 38% MALE 51% FEMALE 25%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1974 -1983)-1.1%

AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 14%

POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 90

MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: WHEAT ,BARLEY .. 25% (1983)
 CASH: OLIVES ,WHEAT ,CITRUS FRUIT 43% (1983)

MAJOR AGRICULTURAL EXPORTS:(1983) CLOVE OIL ,DATES ,FISH

MAJOR AGRICULTURAL IMPORTS:(1983) WHEAT ,RAW SUGAR ,VEGETABLE OILS

PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 35%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1980) 2,793 (81) 2,704 (82) 2,803

TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1980) 3,037 (81) 2,916 (82) 3,223

DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -243 (81) -212 (82) -420

DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1980) 11.1% (81) 7.8% (82) 14.0%
 AS % OF GNP..... (1980) 4.1% (81) 2.7% (82) 5.5%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980) 598 (81) 543 (83) 572
 EQUIVALENT TO 1.7 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJOR EXPORTS(1982)CR PETROLEUM ,TEXTILES ,PHOSPHATES

EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981) 433 (1982) 447 (1983) 57
 AS % OF TOTAL EXPORTS (1980) 15% (1981) 15% (1982) 23%

MAJOR IMPORTS(1982) MANUFACTURES , RAW MATERIALS ,

IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981) 280 (1982) 250 (1983) 266
 AS % OF TOTAL IMPORTS (1980) 6% (1981) 6% (1982) 7%

TRADE BALANCE(\$ MILLIONS, U.S.)(1980) -1,076(81) -1,070(82)-1,292

TRADING PARTNERS: FRANCE ,ITALY ,GERMANY, FEDER

EXTERNAL PUBLIC DEBT AS % OF GNP (1982) 41.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1982) 689
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982) 31.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.9% (1978) 2.6% (1984) 2.4%

POPULATION IN URBAN AREAS.....(1970) 43% (1984) 55%

LIVE BIRTHS PER 1,000 POPULATION....(1970) 38 (1984) 31

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1983) 40.7%

POPULATION (1984) IN AGE GROUP:
 (0-14YRS) 38.4% (15-64YRS) 57.7% (65+ YRS) 3.9%

INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 81

PEOPLE PER PHYSICIAN..... (1980) 3,686

MAJOR CAUSES OF
 DISEASE (1981) MEASLES ,TUBERCULOSIS ,HEPATITIS
 DEATH.. (1978) TUBERCULOSIS ,GASTROINTESTINAL,DIPHThERIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1981) 116%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1982) 63%

TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1981) TOTAL 104 MALE 116 FEMALE 90.2
 SECONDARY..... (1981) TOTAL 34.8 MALE 42.6 FEMALE 26.5
 POST SECONDARY.. (1981) TOTAL 4.0 MALE 5.6 FEMALE 2.4

ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 198%

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								
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83
		1979	1980	1981	1982	1983			
I. ECONOMIC ASSISTANCE - TOTAL		32.2	29.0	39.8	16.7	18.6	967.5	238.3	729.2
Loans		14.8	17.3	25.2	8.5	11.1	441.9	238.3	203.6
Grants		17.4	11.7	14.6	8.2	7.5	525.6	-	525.6
a. A.I.D. and Predecessor Agencies		14.8	10.9	25.3	5.0	5.0	427.0	109.8	317.2
Loans		5.2	4.7	16.0	-	-	236.6	109.8	126.8
Grants		9.6	6.2	9.3	5.0	5.0	190.4	-	190.4
(Economic Support Fund)		-	-	-	5.0	5.0	21.6	-	-
b. Food for Peace (PL 480)		16.4	17.4	13.7	10.6	12.6	520.0	128.5	391.5
Loans		9.6	12.6	9.2	8.5	11.1	205.3	128.5	76.8
Grants		6.8	4.8	4.5	2.1	1.5	314.7	-	314.7
Title I - Total Sales Agreements		9.6	12.6	9.2	8.5	11.1	212.7	128.5	84.2
Repayable in U.S. Dollars - Loans		9.6	12.6	9.2	8.5	11.1	140.8	61.7	79.1
Payable in Foreign Currency - Planned for Country Use		-	-	-	-	-	71.9	66.8	5.1
Title II - Total Grants		6.8	4.8	4.5	2.1	1.5	307.3	-	307.3
Emerg. Relief, Econ. Develop. & World Food Program		2.8	3.9	1.3	-	-	255.2	-	255.2
Voluntary Relief Agencies		4.0	0.9	3.2	2.1	1.5	52.1	-	52.1
c. Other Economic Assistance		1.0	0.7	0.8	1.1	1.0	20.5	-	20.5
Loans		-	-	-	-	-	-	-	-
Grants		1.0	0.7	0.8	1.1	1.0	20.5	-	20.5
Peace Corps		1.0	0.7	0.8	1.1	1.0	20.5	-	20.5
Narcotics		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL		21.1	15.6	15.7	96.2	102.0	390.2	112.4	277.8
Credits or Loans		20.0	15.0	15.0	95.0	87.0	319.5	112.4	207.1
Grants		1.1	0.6	0.7	1.2	15.0	70.7	-	70.7
a. MAP Grants		*	*	*	-	13.8	54.2	-	54.2
b. Credit Financing - FMS		20.0	15.0	15.0	95.0	87.0	319.5	112.4	207.1
c. Military Assistance Service-Funded (MASF) Grants		1.1	0.6	0.7	1.2	1.2	9.6	-	9.6
d. Transfers from Excess Stocks		-	-	-	-	-	6.9	-	6.9
e. Other Grants		-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE		53.3	44.6	55.5	112.9	120.6	1357.7	350.7	1007.0
Loans		34.8	32.3	40.2	103.5	98.1	761.4	350.7	410.7
Grants		18.5	12.3	15.3	9.4	22.5	596.3	-	596.3
Other U.S. Government Loans and Grants		11.7	11.5	56.9	-	-	131.7	63.9	67.8
a. Export-Import Bank Loans		11.7	11.5	56.9	-	-	111.0	40.3	70.7
b. All Other Loans		-	-	-	-	-	20.7	23.6	2.9

* LESS THAN \$50,000.

	A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			
	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL	216.1	151.1	220.8	1679.1
IDB	160.5	143.3	135.1	1338.4
IFC	40.0	0.0	1.0	62.8
IDA	0.0	0.0	0.0	70.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	64.7	108.1
UNDP	3.6	0.8	0.0	47.8
OT4ER-UN	0.0	1.5	0.0	10.9
SEC	12.0	0.0	0.0	41.0
	B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE			
	1. D.A.C. COUNTRIES (Gross Disbursements)			
TUNISIA	CY 1982	CY 1983	CY 1978-83	
United States	14.0	25.0	94.0	
France	58.8	44.0	382.1	
Germany, Fed. Rep.	67.0	57.7	332.0	
Austria	0.3	8.5	93.9	
Japan	10.4	13.9	76.0	
Other	31.6	33.6	230.0	
Total	182.1	182.7	1,208.0	
	2. O.P.E.C. COUNTRIES (Gross Disbursements)			
	CY 1982	CY 1983	CY 1978-82	
	44.0	N.A.	241.9	
	C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES			
	CY 1982	CY 1983	CY 1954-83	
USSR	-	27	123	
Eastern Europe	-	50	281	
China	-	-	97	
Total	-	77	501	

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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1984								
Loans Grants	1,540	-	-	-	-	40	1,500	10
Total	1,540					40	1,500	10
1985								
Loans Grants	20,040	-	-	-	-	40 ^{1/}	20,000	-
Total	20,040	-	-	-	-	40	20,000	-
1986								
Loans Grants	22,500	-	-	-	-	(40) ^{2/}	22,500	-
Total	22,500	-	-	-	-	(40)	22,500	-

^{1/} Transferred from FY 1985 Regional DA Small Grants/Peace Corps Project during the fiscal year.

^{2/} To be transferred from FY 1986 Regional DA Small Grants/Peace Corps Project during the fiscal year.

FY 1986 PROGRAM HIGHLIGHTS	
<p>\$22.5 million in ESF to support technical training and projects in the private sector, agriculture, rural development, and population.</p>	
<p>\$ 2.5 million in PL 480 Title I to help meet grain import needs, to support policy reforms in agriculture, and to promote private sector and farm cooperative distribution of nitrogen fertilizer.</p>	

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	6,331	6,250	4,277
Grants	8,078	12,617	18,039
Total AID	14,409	18,867	22,311
P.L. 480 **			
Title I (of which Title III is)	15,000	5,000	2,500
Title II	(1,222)	(640)	(0)
Total P.L. 480	16,222	5,640	2,500
Total AID and P.L. 480	30,631	24,507	24,811

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

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	29,700	5,000	31,000	5,000	16,000	2,500
Rice						
Feedgrains	69,500	10,000				
Vegoil						
Non-food						
Title I Total (of which Title III is)	99,200	15,000	31,000	5,000	16,000	2,500
Title II ^{1/}						
Voluntary Agencies	5,638	1,222	3,244	640		0
Government - to - Government		-		-		-
Title II Total	5,638	1,222	3,244	640		-
Total P.L. 480	104,838	16,222	34,244	5,640	16,000	2,500

^{1/} See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

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PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire ^a	8	10	10
PASA ^b	1	1	1
Total	9	11	11

^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

^b On board end of year.

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T /IT Managed ^c	7	3	10*	17	10*	35
Contract Managed ^d	464 *	44	548*	39	516*	30
Total	471	47	558	56	526	65

^a Degree seeking participants.

^b Non-degree seeking participants (may be at universities).

^c Participants programmed by Missions and sent to S&T/IT for management.

^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.

* Includes students being trained under the GOT-Managed Technology Transfer Project.

Third Country Training:

FY 84: 16
 FY 85: 11
 FY 86: 7

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Development Overview

Economic growth in Tunisia slipped during the past two years from the impressive levels of the preceding decade. From 1971-1981, real gross domestic product increased by an average of 6.3 percent per year. However, GDP growth fell to 2.4 percent during 1982-1983, approximately the same as the average population growth rate. Poor economic performance resulted, at least in part, from factors beyond the Government's control. Drought, followed by floods, cut agricultural output. The worldwide recession reduced receipts from tourism and overseas workers and lowered demand for Tunisian petroleum, phosphate and other exports. The Government moved to cut imports and to limit domestic expenditures, but nationwide riots in January 1984 forced retention of food subsidies, and organized labor continued to press for higher wages. Unemployment rose to 18 percent, with the labor force growing too fast to be absorbed by the internal market or by emigration.

Agriculture should bounce back in 1984 with better weather, but the long term problems of unemployment and declining export performance remain. Increasing domestic consumption of petroleum cuts into an exportable surplus, which may be exhausted by 1990. Defense expenditures are a growing burden, projected to rise to 10.7 percent of the Tunisian Government's capital budget in 1984. Although foreign debt now exceeds \$3.9 billion, the debt service ratio is manageable at 18.7 percent.

U.S. Interests and Objectives

Tunisia's strategic geographic location and manifest willingness to work with the United States toward the goal of peace in the Middle East are important aspects of overall United States objectives in the area.

The civil disturbances of January 1984 have prompted a reassessment of U.S. interests in Tunisia. Given long term U.S. interest in promoting continued stability in this moderate, pro-Western Arab State, the country team has recommended continuation of A.I.D. bilateral economic assistance to Tunisia. This will help demonstrate our continued support for Tunisia at a difficult time in its history, and should strengthen the tendency toward a stable, pro-Western, democratic society. January's events underscored the threat to Tunisia's political stability that exists--and may increase--if the country does not fully address the underlying frustrations of the poor and the unemployed.

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A.I.D. Assistance Strategy

The Mission's strategy is to focus effort in three priority areas, each with high potential impact. This means:

- Directing resources where there is significant potential for policy change of importance to economic growth and development, as in private sector development, agriculture and population;
- Fostering greater economic productivity by promoting technology transfer in agriculture and the private sector, and funding U.S. scholarships in technical disciplines, and
- Further strengthening Tunisian institutions which we have previously assisted, and which are of continued importance to broad-based development and post-aid linkages between the U.S. and Tunisia.

Only that part of the current portfolio which serves these objectives will be continued in FY 1986. Sector by sector, we will deploy our resources as follows:

In the private sector, we will:

- help the GOT assess the negative effect of high taxation of expatriate and resident employees working in the private sector;
- work towards liberalization of the strict regulations governing the Tunisian banking and credit system; and
- speed the transfer of U.S. technology to private Tunisian entrepreneurs both through the International Executive Service Corps (IESC) and through encouragement of U.S.-Tunisian private sector ties and joint ventures.

In agriculture, we will:

- help strengthen institutional linkages among national agricultural institutions, U.S. universities and international research centers;
- encourage a shift in the GOT range development policy from one which relies on expensive physical infrastructure for erosion control and on government-controlled plantings to a policy which helps re-establish grasslands under farmer management;
- promote more effective agricultural credit policies that rely on market forces to provide the necessary capital for increased agricultural production;
- utilize PL-480 resources through a new multiyear agreement beginning in FY 85 that encourages increased agricultural investment in rain-fed areas as opposed to the current government of Tunisia policy of promoting less cost-effective irrigation schemes; and

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--encourage private financing of agricultural development through lower subsidies and increased cost-sharing by individual farmers for infrastructure investments.

In rural development, we will:

--promote a more decentralized, participatory approach to identification, design and implementation of projects designed to increase revenue, create job opportunities and help direct internal migration;

--encourage increased local responsibility for site maintenance of potable water points in collaboration with users and with regional GOT service institutions; and

--strengthen the Central Tunisia Development Authority (CTDA) as an institution for coordinating development in Central Tunisia.

In the population sector, we will:

--work with the new Ministry of the Family and the Promotion of Women to intensify GOT commitment to a long-range population and family planning strategy;

--continue to encourage greater cooperation between ministries at the central and regional levels for the provision of rural and urban family planning services;

--help expand private sector contraceptive sales;

--promote utilization of other effective and efficient modes of service delivery; and

--fund biomedical and demographic research as a basis for program targeting and management decisions.

This strategy is consistent with an overall country assistance approach that focuses on that segment of Tunisia's rural population which remains untouched by the petroleum-fueled economic expansion that benefited the urban coastal areas in the 1970's. Chronic unemployment, low productivity and acute poverty plague the interior regions (e.g., Central Tunisia) which are the focal point of AID assistance. High levels of population growth and the need for substantially increased domestic food production affect these regions even more than the country as a whole. In addressing these concerns, A.I.D. assistance reinforces the overall U.S. objective of strengthening Tunisia's pro-Western, democratic institutions at a time when they are under increasing pressure.

A.I.D. Program (FY 1984 - FY 1985)

1. Private Sector Development and Technology Transfer (664-0328). A \$4 million grant is helping develop long-term links between Tunisia and the United States through new initiatives in the private sector. The project

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promotes technology transfer in support of other AID projects. It provides technical assistance to a dairy project introducing U.S. dairy management techniques. It also enables the International Executive Service Corps to provide assistance in production and management techniques to the Tunisian private sector.

As a result of Mission efforts in cooperation with the International Development Law Institute, the GOT Central Bank now favors establishment of a private sector leasing industry in Tunisia. This will have a major impact on medium term financing for industrial projects and will also require GOT review of its customs, accounting and taxation procedures.

The Mission has also obtained a commitment by the GOT Ministry of Finance to alter its method of taxing expatriate employees of joint ventures and foreign companies having production facilities in Tunisia. The high rate of taxation of such employees is a major disincentive to U.S. private investment in Tunisia.

2. Food Production. Through Project 664-0327, A.I.D. provides technical and financial assistance to strengthen Tunisian research and extension in order to make productive technology available to the small farmer. We also finance advanced agricultural studies for approximately 75 Tunisians pursuing M.S. and Ph.D. degrees in U.S. universities. The Supervised Agricultural Credit Project (664-0302) helps develop a credit system for small farmers in northern Tunisia. A 1984 evaluation concluded that there is universal consensus among farmers, input suppliers, the Ministry of Agriculture and the National Bank of Tunisia that the project has had a positive impact on agricultural production and farm income. A recent survey indicated that gross farm income increased substantially for project participants.

3. Agriculture and Rural Development in Central Tunisia. During the last few years, we have increasingly concentrated our assistance in projects aimed at reducing rural poverty and fostering development in the central and western governorats of Central Tunisia (Project 664-0312).

We channel much of our assistance through the Central Tunisia Rural Development Authority (CTDA) in Kasserine, financing the training of CTDA and other regional personnel in project identification, design, implementation, monitoring and evaluation. We focus primarily on developing water resources and improving access to potable water for an estimated 45,000 people. We also help to develop shallow well irrigation.

We support the Tunisian Ministry of Agriculture with technical assistance and training. Our focus is on farm water management, dryland farming systems research, and the development of a rural extension service in Central Tunisia.

We support the Range Development and Management Project in Kairouan, funding a Government of Tunisia contract for technical assistance, training and some of the commodities required for the project. In the pilot areas

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in which it operates, the program has begun to demonstrate that Tunisia can improve its depleted rangelands and reverse the desertification process.

Although we provide most of our assistance through Government of Tunisia institutions, we also finance a rural community development project implemented by the Save the Children/Community Development Foundation (Project 664-0312.10).

4. PL 480 - Food for Peace

Title I. In view of Tunisia's requirements for continuing cereal imports, A.I.D. is developing with the Ministry of Agriculture a multi-year PL 480 Title I program focused on increasing production. In 1984 we provided \$15 million for imports. GOT self-help measures, building on those of prior years, included a significant increase in nitrogen fertilizer distribution through the private sector and through small farmer cooperatives. An August 1984 evaluation shows that private distribution is proceeding well, but recommends adjustment of profit margins and further reduction of fertilizer subsidies. We will pursue these objectives with the GOT. In 1985 A.I.D. will provide \$10.0 million in wheat and corn.

Title II. Tunisia now receives food grants under the Title II program for use in pre-school and school lunch programs. Packaged dried milk goes to 45,000 nutritionally-deprived women and infants. Catholic Relief Services assists the Government in administration of this effort. In 1981, CRS and the GOT developed a schedule for the gradual replacement of Title II with resources to be provided by the GOT. By FY 1986, the GOT will assume responsibility for one hundred percent of the program.

5. Housing. The Housing Investment Guarantee (HG) program provides U.S. Government guaranties for loans from private investors in the U.S., the proceeds of which help to finance housing and housing-related infrastructure. The Mellassine Upgrading Program in Tunis, financed with HG loan funds, is the first successful demonstration of slum upgrading in Tunisia. A complementary grant program finances literacy programs, business advisory and loan programs, job training for women, and health and nutrition education. Another grant funds studies for neighborhood upgrading projects in Kairouan and Kasserine, provides training in municipal programs, and helps to strengthen urban financial management through improvements in real estate tax systems. In FY 1984 A.I.D. approved an Amendment to the on-going HG, which now totals \$50 million. The program focuses on land development, self-help housing construction, credit, and neighborhood upgrading through improvements in storm and sanitary sewage around the country.

6. Population. In Family Planning, the Government attaches a high priority to reduction of Tunisia's population growth rate. We are helping to improve the institutional capability for this effort. Our assistance, averaging about \$2 million annually from A.I.D.'s central S&T Bureau includes technical and commodity assistance, training and budget support. A survey carried out in 1984 shows that contraceptive

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prevalence increased from 29 percent in 1980 to 35 percent in 1983, with a corresponding drop in the crude birth rate from 35 to 31 per thousand for those years. The population growth rate declined from 2.7 percent to 2.35 percent over the same period. At the present time, one hundred percent of the urban population and an estimated 50-70 percent of the rural population have easy access to modern methods of contraception. In FY 1985, the Family Planning program will be financed through a new bilateral project (664-0331), building on experience to date.

7. Science and Technology Transfer. We have four major actions underway, the first three under agreements with the GOT Ministry of Higher Education and Scientific Research:

a) We provide support for approximately 300 undergraduate and 80 graduate students who study engineering and other technical disciplines at U.S. universities (Project 664-0315).

b) Five Tunisian engineering schools participate in faculty exchange programs with U.S. universities (Project 664-0315).

c) Under the Energy Planning Project, we help train core staff of the Ministry of National Economy in alternative and renewable energy and in energy conservation (Project 664-0326).

d) Industrial pollution control is the focus of technical assistance and training which we provide to the GOT Ministry of National Economy and to management and technicians within private and parastatal organizations (S&T Bureau, centrally-funded project).

Requested Year Program (FY 1986)

For FY 1986, we request a total of \$ 22.5 million in ESF, and \$2.5 million in PL 480 Title I. Our program is designed to promote policy change toward the private sector, as well as in agriculture, rural development and population. As old projects come to an end, the program will become more concentrated in these areas.

Economic Support Fund

Technology transfer by means of scholarships will increase Tunisian access to U.S. technology, with important implications for future trade and investment. We will increase current funding levels to \$6 million.

Private sector development will improve GOT regulation of private investment by providing technical assistance to GOT customs, tax and central bank representatives. We will assist in creation of a Tuniso-American Chamber of Commerce and encourage a GOT shift away from sheltered import substitution policies to those consistent with competition within the world trading community. We will support development of the indigenous private sector through a small business credit program, demonstrating the

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viability of non-subsidized credit. We will fund seminars to promote the privatization of Tunisian financial, industrial and agricultural enterprises, and we will help examine the impact of Tunisian labor policies upon the country's ability to compete in world markets. We will help the private sector produce and market oral rehydration salts as a key health intervention. This program will require \$3.5 million in FY 86 funds.

In rural development, we will add \$2 million to the Central Tunisia Potable Water Project to fund public wells.

In agriculture, \$2 million in support of the Small Farmers Supervised Credit Project will build upon the success of our current project in further improving the efficiency of small and medium sized farms. In accordance with evaluation findings, we will help decentralize and streamline the individual loan approval procedure, assist in implementing a policy of rigorous loan collection, and support the integration of multiple agricultural credit funds and projects under one national management unit. \$2.3 million will be used to continue technology transfer in agriculture.

Population and family planning support of \$4.5 million will further encourage inclusion of demographic concerns in long range development planning, stimulate broader involvement by the private sector in contraceptive marketing, and improve integration of family planning activities within the Ministries of Health and Social Affairs.

A new Cross-Sectoral Development project will be initiated this year (\$2.2 million). The project will provide long and short-term training to GOT entities and the private sector to develop institutional capacities for planning, coordinating and implementing programs as well as provide specialized technical training.

PL 480 Title I

In FY 1986, \$2.5 million will provide needed grain imports and help strengthen Tunisia's balance of payments situation. At the same time, and in concert with ESF funding for agriculture, this program will permit us to pursue a policy dialogue with the GOT focussing on the following priorities:

--increasing agricultural investment in rain-fed areas as opposed to promoting less cost-effective irrigation;

--increasing GOT focus on those agricultural investments aimed at encouraging private sector participation;

--encouragement of private financing for agricultural development activities through lower subsidies and increased cost sharing by individual farmers for infrastructure investment.

MISSION DIRECTOR: JAMES R. PHIPPARD

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

PROGRAM: TUNISIA	PROJECT TITLE	* L PROJECT / NUMBER S	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY84-		-ESTIMATED FY85-		-PROPOSED FY86-	
						OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
	SUPERVISED AGRICULTURAL CREDIT	S 664-0300	76	87	937	937	879	---	53	---	---
	SUPERVISED AGRICULTURAL CREDIT	L 664-0300	79	87	17,300	17,300	17,079	---	221	---	---
	AGRICULTURAL TECHNOLOGY TRANSFER	S 664-0304	73	85	5,800	5,800	3,907	---	724	---	625
	CENTRAL TUNISIA RURAL DEVELOPMENT	S 664-0310	79	86	8,000	6,700	3,214	---	1,121	---	669
	CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	86	9,355	9,355	2,095	---	3,250	---	2,348
	TOTAL FOR ACCOUNT				41,892	40,592	27,774	---	5,434	---	4,142
	GRANTS				14,737	13,437	8,600	---	1,963	---	1,294
	LOANS				27,155	27,155	19,174	---	3,471	---	2,848
HEALTH											
	RURAL COMMUNITY HEALTH	S 664-0296	73	81	2,239	2,239	1,362	---	677	---	200
	RURAL COMMUNITY HEALTH	L 664-0296	73	81	5,390	5,390	1,900	---	1,579	---	1,124
	CENTRAL TUNISIA RURAL DEVELOPMENT	L 664-0312	79	86	2,250	2,250	750	---	1,200	---	300
	TOTAL FOR ACCOUNT				9,879	9,879	4,012	---	3,456	---	1,624
	GRANTS				2,239	2,239	1,362	---	677	---	200
	LOANS				7,640	7,640	2,650	---	2,779	---	1,424
SELECTED DEVELOPMENT ACTIVITIES											
	SCIENCE AND TECHNOLOGY DEVELOPMENT I	S 664-0300	78	79	2,027	2,029	1,914	---	115	---	---
	TECHNOLOGY TRANSFER	S 664-0315	81	83	1,450	1,450	825	---	625	---	---
	RENEWABLE ENERGY I	S 664-0323	79	80	1,548	3,430	1,347	---	201	---	---
	ENERGY PLANNING	S 664-0326	81	81	1,300	1,300	460	---	665	---	165

*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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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

PROGRAM: TUNISIA

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PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY84- OBLIG ACTIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ACTIONS	EXPENDI TURES	
SMALL PROJECT ASSISTANCE/PC	G 664-0330	84	87	40	160	40	10	40	40	---	30	
TOTAL FOR ACCOUNT					6,425	6,369	6,367	4,565	40	1,647	---	195
GRANTS					6,425	6,369	6,367	4,565	40	1,647	---	195
LOANS					---	---	---	---	---	---	---	
ECONOMIC SUPPORT FUND												
SUPERVISED AGRICULTURAL CREDIT	G 664-0302	78	87	---	3,500	---	---	---	---	2,000	200	
AGRICULTURAL TECHNOLOGY TRANSFER	G 664-0304	78	85	---	4,000	---	---	2,700	50	2,300	1,250	
CENTRAL TUNISIA RURAL DEVELOPMENT	G 664-0312	79	86	---	5,000	---	---	3,000	---	2,000	1,500	
TECHNOLOGY TRANSFER	G 664-0315	81	88	4,650	25,450	---	---	8,300	4,000	6,000	8,700	
AGRICULTURE RESEARCH AND EXTENSION	G 664-0327	82	82	3,500	3,500	3,500	251	---	930	---	700	
PRIVATE SECTOR DEVELOPMENT AND TECH	G 664-0328	82	86	3,050	7,550	3,050	231	1,000	1,500	3,500	1,000	
EMERGENCY HOUSING REPAIR/RECONSTRUCTION	G 664-0329	83	83	1,750	1,750	1,750	900	---	850	---	---	
FAMILY PLANNING	G 664-0331	85	88	---	9,500	---	---	5,000	1,000	4,500	2,000	
CROSS-SECTORAL DEVELOPMENT TRJ	* G 664-0333	86	88	---	5,000	---	---	---	---	2,200	1,000	
TOTAL FOR ACCOUNT					12,950	65,250	8,300	1,432	20,000	8,330	22,500	16,350
GRANTS					12,950	65,250	8,300	1,432	20,000	8,330	22,500	16,350
LOANS					---	---	---	---	---	---	---	
TOTAL FOR COUNTRY					71,146	124,090	65,138	37,783	20,040	18,867	22,500	22,311
GRANTS					36,351	89,295	30,343	15,959	20,040	12,617	22,500	18,039
LOANS					34,795	34,795	34,795	21,824	---	6,250	---	4,272

* 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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: TUNISIA

PLANNED PROGRAM SUMMARY SHEET

Title Cross-Sectoral Development Training		Funding Source ESF \$2,200	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 664-0333		Population	ED. & HR	Sel. Act.	FY 86 \$2,200	Life of Project Funding \$5,000	
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING	<input checked="" type="checkbox"/> NEW				Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
					FY 86	FY 88	FY 90

Purpose: (1) To provide Tunisians within the government and the private sector with short and long term training; (2) to link U.S. institutions and Tunisian entities to develop, coordinate and maintain U.S.-Tunisian linkages in technology and assist in institution building.

Project Description: In recent years, USAID/Tunis has limited its training activities both in scope and nature. Focus has been on degree training, principally in agriculture and engineering. While the importance of these sectors for Tunisia's economy is recognized, the Tunisian Government has repeatedly stressed the need for Tunisia to access modern technology in other technical sectors as well.

The Tunisian Government, in an attempt to respond to that need, has initiated the Technology Project, aimed at degree training in engineering disciplines. A.I.D., while continuing its assistance to this scholarship program, wishes to strengthen the institutional capacities of government entities and the private sector to develop their abilities in planning, coordinating, and implementing development programs. Under previous projects, A.I.D. has provided technical training to Tunisian organizations that, once acquainted with the advantages of U.S. technology, continue to claim more training.

Another impediment to development of training activities is the lack of an appropriate English language program to prepare candidates for U.S. training. While a number of language training centers exist in the capital city of Tunis, none of these centers provides English language training intensively enough to prepare for U.S. study/training. Therefore, this element will be incorporated into this project through the provision of technical assistance, training and, to a lesser extent, procurement of teaching aids and audio-visual equipment if deemed necessary.

While degree training will be considered, project emphasis will be on short-term, job-oriented training. It is clear from discussions with various organizations, in the energy sector for instance, that the demand for specialized short term training is likely to increase substantially in the years ahead. A number of new agencies have been created by the Tunisian Government with the objective of developing the sector, and this project will finance training for public and private sector organizations that will have lasting impact on private sector development in Tunisia.

It is expected that requests for training will be diversified and mainly in highly technical areas.

Relationship of the Project to A.I.D. Strategy: Resources will be provided to strengthen public and private institutions and promote technology transfer.

Host Country and Other Donors: Other donors provide some training as part of capital (infrastructure) projects they are financing. However, training programs addressing specific but varied needs are not available. It is expected that the host-country (public and/or private institutions) will assume cost of international transportation as well as payment of salaries in accordance with established A.I.D. policy.

Beneficiaries: The immediate beneficiaries of this project will be the trainees from the public and private organizations and their employing organizations. Increased technical manpower capability will help Tunisia meet the objectives of the Sixth Development Plan and serve the general well-being of the rural as well as urban populations.

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	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83	A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS				
										FY 1982	FY 1983	FY 1984	FY 1946-84	
		1979	1980	1981	1982	1983								
I. ECONOMIC ASSISTANCE - TOTAL										TOTAL.....	713.9	676.8	944.3	6507.6
Loans										ISFD	647.8	669.4	794.3	5230.1
Grants										IFC	14.8	5.3	150.0	395.9
a. A.I.D. and Predecessor Agencies										IDA	0.0	0.0	0.0	178.1
Loans										IDB	0.0	0.0	0.0	0.0
Grants										ADB	0.0	0.0	0.0	0.0
<i>(Economic Support Fund)</i>										AFDB	0.0	0.0	0.0	0.0
b. Food for Peace (PL 480)										UNDP	1.8	2.1	0.0	66.8
Loans										OTHER-UN	0.5	0.0	0.0	11.7
Grants										EEC	49.0	0.0	0.0	625.0
Title I - Total Sales Agreements										B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE				
Repayable in U.S. Dollars - Loans										1. D.A.C. COUNTRIES (Gross Disbursements)				
Payable in Foreign Currency - Planned for Country Use										TURKEY				
Title II - Total Grants										CY 1982	CY 1983	CY 1978-83		
Emerg. Relief, Econ. Develop. & World Food Program										United States	397.0	223.0	1,107.0	
Voluntary Relief Agencies										Germany, Fed. Rep.	114.4	67.2	1,451.3	
c. Other Economic Assistance										Japan	32.1	32.1	146.0	
Loans										United Kingdom	29.6	8.2	116.9	
Grants										France	25.1	18.5	107.1	
Peace Corps										Other	35.7	28.1	247.9	
Narcotics										Total	633.9	377.1	3,176.2	
Other										2. O.P.E.C. COUNTRIES (Gross Disbursements)				
II. MILITARY ASSISTANCE - TOTAL										CY 1982	CY 1983	CY 1978-82		
Credits or Loans										116.1	N.A.	563.1		
Grants										C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES				
a. MAP Grants										CY 1982	CY 1983	CY 1954-83		
Credit Financing - FMS										USSR	-	-	3,399	
Military Assistance Service-Funded (MASF) Grants										Eastern Europe	9	N.A.	912	
Transfers from Excess Stocks										China	-	-	-	
Other Grants										Total	9	-	4,311	
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE														
Loans														
Grants														
Other U.S. Government Loans and Grants														
a. Export-Import Bank Loans														
b. All Other Loans														
LESS THAN \$50,000.														

TURKEY

ECONOMIC SUPPORT FUND PROGRAM SUMMARY			
<i>(In millions of dollars)</i>			
	FY 1984 Actual	FY 1985 Estimated	FY 1986 Request
Grants	75,000	90,000	80,000
Loans	63,500	85,000	70,000
	<u>138,500</u>	<u>175,000</u>	<u>150,000</u>

Development Overview

In the late 1970s, Turkey experienced political instability, widespread terrorism, and rapid economic decline. A combination of misguided government economic policies, the impact of oil price increases and the general European recession contributed to Turkey's economic malaise. In January 1980, the government announced a major economic stabilization program which was supported by a \$1.6 billion IMF facility, large-scale aid and a major debt rescheduling by OECD and OPEC members.

In economic terms, the program showed results quickly. However, the government was less successful in dealing effectively with political instability and terrorism. As a result in September 1980 the Turkish military took control of the government in a bloodless coup. The military government promised restoration of civilian rule and retained the principal managers of the economic reform program. The reform program was continued and the economy has been strengthened. On November 6, 1983 an election was held for a new civilian government. Turgut Ozal and the Motherland Party received a solid majority. Mr. Ozal has demonstrated that he will pursue the economic policies he instituted as the architect of the 1980 economic reform program.

Traditionally, Turkish industry produced primarily for the highly protected domestic market. Exports were largely confined to traditional agricultural products, e.g. hazelnuts, cotton, tobacco, and dried fruits. However, since initiation of a comprehensive economic stabilization and reform program in 1980 exchange rate policy, trade promotion incentives, and restrictive fiscal, monetary and wage policy have been used successfully to redirect resources for use in export-oriented industries. In the late 1970's merchandise exports totalled some \$2.3 billion annually, representing about 3% of GNP. By contrast, in 1984, merchandise exports of \$7 billion are projected, representing about 13% of GNP. As appropriate for an economy with a substantial industrial base, exports of manufactured goods (excluding processed agricultural products) account for an increasing share of total exports: 52% in 1983 vs. 29% in 1979.

Before 1980, government owned and operated enterprises had been largely sheltered from market forces by government budget support and availability of public credits. In an attempt to make these enterprises more efficient, the stabilization program included provisions for giving public enterprises greater autonomy to set their prices and has progressively lowered ceilings on government budget transfers.

The civilian government of Prime Minister Turgut Ozal, has moved to open the Turkish economy even further to market forces. To foster greater efficiency in domestic industry, the import regime has been substantially

TURKEY

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	63,500	85,000	70,000
Grants	75,000	90,000	80,000
Total AID	138,500	175,000	150,000
P.L. 480 **			
Title I (of which Title III is)	()	()	()
Title II			
Total P.L. 480			
Total AID and P.L. 480	138,500	175,000	150,000

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

P.L. 480 (in thousands of dollars)						
Program	FY (Actual)		FY (Estimated)		FY (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)						
Title II ^{1/}						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480						

^{1/} See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

TURKEY

PERSONNEL DATA			
Category	FY 1984 (Actual)		FY 1985 (Estimated)
			FY 1986 (Proposed)
U.S. National Personnel AID Direct Hire ^a PASA ^b			
Total			
^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week). ^b On board end of year.			

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T /IT Managed ^c Contract Managed ^d						
Total						
^a Degree seeking participants. ^b Non-degree seeking participants (may be at universities). ^c Participants programmed by Missions and sent to S&T/IT for management. ^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.						

TURKEY

liberalized. Foreign commercial banks have been encouraged to open branches in order to expose domestic banks to modern banking practices. Turks have been permitted to open foreign currency accounts in domestic banks to increase incentives to earn and repatriate foreign exchange. Channeling such earnings through the banking system has helped to increase financing available for investment in Turkey.

Between 1980 and 1983, GNP increased at an average annual rate of 4%; for 1984, GNP growth of over 5% is projected. These rates of growth were achieved despite the global economic recession of 1980-1982 and the need to contain aggregate domestic demand in order to release resources for exports, reduce import demand, and curtail demand pressure on prices. However, with population continuing to grow at approximately 2.4% annually; labor force growth has outpaced new job creation. As a result, over 20% of Turkey's economically active population is estimated to be unemployed.

Inflation abated from its peak annual rate of 80% in 1980 to 31% in 1983. However, by late 1983 and early 1984, inflationary pressures were increasing again because of decreased savings, government deficits, and demand for domestic currency in exchange for foreign currency. This situation was exacerbated by a crisis following massive monetary injections undertaken by the previous government to bail out failing banks and industries. In response, the Ozal government raised interest rates on deposits, absorbed excess liquid holdings through public bond offerings, and undertook other monetary measures. As a result, by the end of 1984 the rate of inflation is projected to be brought down to 35% on an average annual basis contrasted to the 50% rate prevalent in early 1984.

In contrast to the stagnation in merchandise exports that occurred in 1983, exports have expanded considerably in 1984. Compared to the first half of 1983, exports increased by 32% in the first six months of 1984 to \$3.5 billion, and exports in excess of \$7 billion are likely for 1984. However, remittances by Turkish workers in Europe and the Middle East have fallen short of expectations. Other invisible earnings have, in total, decreased in the first six months of 1984. As a result, the targeted reduction in the current account deficit from \$2.1 billion in 1983 to \$1.3 billion may not be fully achieved.

Despite the overall record of success of the Ozal government, the framework upon which the recovery is built is still fragile and will require continuation of a substantial amount of outside assistance in 1985 and 1986. In late 1984 and 1985 the grace periods on previously rescheduled debts expire, and Turkey's external financing requirements will consequently rise. With projected increases in export earnings, continued implementation of the stabilization program, and new commitments of economic assistance from the United States and other donors, it is likely that commercial banks will be prepared to extend the external financing needed.

TURKEY

U.S. Interests and Objectives

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

The United States has an interest in encouraging and supporting the growth, development and stability of a democratic, Western-oriented Turkey, willing and able to meet its NATO commitments.

A.I.D.'s Assistance Strategy

A.I.D.'s strategy is to provide resources in conjunction with other donors (and private lenders) to permit Turkey to service its large debt while importing the goods and services it needs for economic growth.

A.I.D. Program (FY 1984-1985)

In FY 1984 \$175 was requested; however, only \$138.5 million was available after budget reductions. The \$175 million requested for FY 1985 is an appropriate response to Turkey's external financial requirements. While reductions in the current account deficit are likely, Turkey still requires assistance to meet rising debt amortization payments.

Requested Year Program (FY 1986)

For FY 1986, \$150 million is requested to continue support of Turkish economic reform and stabilization efforts. Turkey is expected to continue to emphasize policies to develop the private sector, to increase exports and enhance the climate for foreign investment.

The Government of Turkey is looking to the OECD countries to provide continuing economic assistance, and also hopes to generate additional support from Arab donors. Turkey is also able to turn to private banks to finance some of its imports and developmental projects. It is expected that the economy will continue to strengthen and concessional assistance requirements will decline.

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

PROGRAM: TURKEY

CP 86

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
CASH TRANSFER	G 277-K006	85	85	---	90,000	---	---	90,000	90,000	---	---
CASH TRANSFER	L 277-K006	85	85	---	85,000	---	---	85,000	85,000	---	---
CASH TRANSFER	G 277-K007	86	86	---	90,000	---	---	---	---	80,000	90,000
CASH TRANSFER	L 277-K007	86	86	---	70,000	---	---	---	---	70,000	70,000
TOTAL FOR ACCOUNT				---	325,000	---	---	175,000	175,000	150,000	150,000
GRANTS				---	170,000	---	---	90,000	90,000	80,000	80,000
LOANS				---	155,000	---	---	85,000	85,000	70,000	70,000
TOTAL FOR COUNTRY				---	325,000	---	---	175,000	175,000	150,000	150,000
GRANTS				---	170,000	---	---	90,000	90,000	80,000	80,000
LOANS				---	155,000	---	---	85,000	85,000	70,000	70,000

* 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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

Title Cash Transfer		Funding Source 150,000 ESF	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 1986 80,000 (G), 70,000 (L)	Life of Project Funding 150,000	
Number 277-K-007	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation FY 1986	Estimated Final Obligation FY 1986	Estimated Completion Date of Project FY 1896
<input type="checkbox"/> GRANT <input checked="" type="checkbox"/> LOAN	<input type="checkbox"/> CONTINUING						

Purpose: To provide support for Turkey's efforts to stabilize its economy.

Project Description: The activity will consist of a cash transfer of \$150 million to continue support of Turkish economic stabilization efforts. Of this amount \$70 million will be a loan with terms anticipated to be 20 years at 5% interest, with a five-year grace period on repayment of principal.

Relationship of Project to A.I.D. Country Strategy: This assistance will be provided within the framework of a continuing Turkish stabilization effort. Turkey will need to make further adjustments to maintain the competitiveness of its exports, reduce the deficits of state economic enterprises and increase their efficiency, and continue to foster the growth and development of the private sector. It may take several more years of continued structural adjustments to fully restore Turkey's economic health. However, economic assistance requirements are expected to decline.

Host Country and Other Donors: The OECD-sponsored donor group (which includes the United States) pledged about \$3.9 billion in the years 1979 through 1982; the IMF approved a \$1.66 billion standby arrangement for the 3 year period ending June 1983 and a further one-year standby extending into 1985. The World Bank has provided several structural adjustment loans, and sizable loans and credits have also been received from Arab donors. The Turkish Government has also arranged to reschedule payments on government-sponsored and private loans. The OECD member countries recognize the need for continued support for Turkey, although no new formal pledging sessions are planned.

Beneficiaries:

The people of Turkey benefit from economic stability and development. A.I.D. assistance finances needed imports which provide the materials and energy needed to produce goods, to

keep the transportation system and other needed services operating, and to provide heat and electricity to homes, offices, and industry.

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

COUNTRY YEMEN ARAB REPUBLIC

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83
	1979	1980	1981	1982	1983			
I. ECONOMIC ASSISTANCE - TOTAL	18.0	13.4	20.7	25.7	29.2	196.9	0.2	196.7
Loans	-	-	5.0	-	-	6.4	0.2	6.2
Grants	18.0	13.4	15.7	25.7	29.2	190.5	-	190.5
a. A.I.D. and Predecessor Agencies	16.6	11.6	19.4	23.3	28.1	165.6	0.2	165.4
Loans	-	-	5.0	-	-	6.4	0.2	6.2
Grants	16.6	11.6	14.4	23.3	28.1	159.2	-	159.2
(Economic Support Fund)	-	-	-	-	-	25.1	-	-
b. Food for Peace (PL 480)	0.3	0.7	0.3	1.2	-	23.4	-	23.4
Loans	-	-	-	-	-	-	-	-
Grants	0.3	0.7	0.3	1.2	-	23.4	-	23.4
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.3	0.7	0.3	1.2	-	23.4	-	23.4
Emerg. Relief, Econ. Develop. & World Food Program	0.3	0.7	0.3	1.2	-	15.7	-	15.7
Voluntary Relief Agencies	-	-	-	-	-	7.7	-	7.7
c. Other Economic Assistance	1.1	1.1	1.0	1.2	1.1	7.9	-	7.9
Loans	-	-	-	-	-	-	-	-
Grants	1.1	1.1	1.0	1.2	1.1	7.9	-	7.9
Peace Corps	1.1	1.1	1.0	1.2	1.1	7.9	-	7.9
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
II. MILITARY ASSISTANCE - TOTAL	0.6	0.5	0.9	12.2	6.9	22.4	-	22.4
Credits or Loans	-	-	-	10.0	4.0	14.0	-	14.0
Grants	0.6	0.5	0.9	2.2	2.9	8.4	-	8.4
a. MAP Grants	-	-	-	1.0	1.7	2.7	-	2.7
b. Credit Financing - FMS	-	-	-	10.0	4.0	14.0	-	14.0
c. Military Assistance Service-Funded (MASF) Grants	0.6	0.5	0.9	1.2	1.2	5.7	-	5.7
d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	19.6	13.9	21.6	37.9	36.1	219.3	0.2	219.1
Loans	-	-	5.0	10.0	4.0	20.4	0.2	20.2
Grants	19.6	13.9	16.6	27.9	32.1	198.9	-	198.9
Other U.S. Government Loans and Grants	-	0.7	-	-	-	0.7	*	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	0.7	-	-	-	0.7	*	*

* LESS THAN \$50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL	45.6	53.6	56.0	450.9
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	4.0	0.0	7.2
IDA	42.0	47.5	56.0	394.8
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	3.6	2.1	0.0	40.9
OTHER-UN	0.0	0.0	0.0	8.0
SFC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

YEMEN	CY 1982	CY 1983	CY 1978-83
United States	28.0	23.0	106.0
Germany, Fed. Rep.	10.7	9.4	167.0
Netherlands	12.7	29.0	111.0
Japan	24.9	8.7	63.9
United Kingdom	5.0	5.7	28.5
Other	3.8	14.5	35.2
Total	85.1	90.3	511.6

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

	CY 1982	CY 1983	CY 1978-82
	243.6	N.A.	1,130.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

YEMEN

PROGRAM SUMMARY (In thousands of dollars)								
1984 Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Develop- ment	Selected Development Activities	Other Programs	
							ESF	Other
1984 Loans Grants	27,392 ^{3/}	10,932 ^{1/}		8,461 ^{2/}	7,959	40		
Total	27,392	10,932		8,461	7,959	40		
1985 Loans Grants	29,074	12,195	1,500	5,500	9,839	40		
Total	29,074	12,195	1,500	5,500	9,839	40		
1986 Loans Grants	29,000	12,600	2,500	3,657	9,243	1,000		
Total	29,000	12,600	2,500	3,657	9,243	1,000		

1/ Figure includes \$41 in reobligations.

2/ Figure includes \$1,358 in reobligations.

3/ Figure includes \$1,399 in reobligations.

FY 1986 PROGRAM HIGHLIGHTS	
--\$12.6 million for agricultural activities, including advisory services, poultry and horticulture, development of a Faculty of Agriculture and irrigated farming demonstration.	
--\$9.2 million to improve Yemen's primary and higher education institutions and to continue the comprehensive human resources training program.	
--\$2.5 million for a training and information project in family health services.	
--\$3.65 million for continuing programs in primary health care and improved village water services.	
--\$1 million for a new project in municipal planning and management.	

YEMEN

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	711	394	-
Grants	23,584	27,538	31,876
Total AID	24,295	27,932	31,876
P.L. 480 **			
Title I (of which Title III is)	3,000	10,000	5,000
Title II			
Total P.L. 480	3,000	10,000	5,000
Total AID and P.L. 480	27,295	37,932	36,876

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

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat	6,300	1,000	14,000	2,000		-
Rice	5,200	2,000	20,000	8,000	17,000	5,000
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)	11,500	3,000	34,000	10,000	17,000	5,000
Title II ^{1/}						
Voluntary Agencies						
Government - to - Government						
Title II Total						
Total P.L. 480	11,500	3,000	34,000	10,000	17,000	5,000

^{1/} See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

YEMEN

PERSONNEL DATA			
Category	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
U.S. National Personnel			
AID Direct Hire ^a	23.4	25.0	25.0
PASA ^b	-	-	-
Total	23.4	25.0	25.0

^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).

^b On board end of year.

PARTICIPANT TRAINING DATA						
Category	FY1984 (Actual)		FY 1985 (Estimated)		FY1986 (Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T/IT Managed ^c	194	0	227	42	257	20
Contract Managed ^d	67	36	60	14	46	71
Total	261	36	287	56	303	91

^a Degree seeking participants.

^b Non-degree seeking participants (may be at universities).

^c Participants programmed by Missions and sent to S&T/IT for management.

^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.

Third Country Participants*

	FY 1984	FY 1985	FY 1986
Academic	62	52	47
Technical	37	36	73
TOTAL	99	88	120

Development Overview

The Yemen Arab Republic (YAR) occupies a strategic position on the Arabian Peninsula. It abuts the southern entrance to the Red Sea and acts as a buffer between the Marxist-dominated People's Democratic Republic of Yemen (PDRY) and Saudi Arabia. Since its inception as a nation in 1962, the YAR has been disrupted by an eight year civil war, then a series of violent changes of government, and a three-year guerrilla insurgency. Reflecting a clash of conservative, modern, liberal and communist ideals, forces as diverse as the Saudis, Soviets, the United States and the People's Republic of China still contend for influence in Yemen.

Unlike most of its neighbors on the peninsula, Yemen is a poor country with an estimated 1982 per capita GNP of \$500. Life expectancy is only 44.3 years, adult literacy is only 9%, and infant mortality is high at 149 per 1,000 births. Only 14% of Yemen's 7,250,000 people have access to safe water. A mere 3.3% of Yemen's high school-age children are enrolled in high schools. While 75% of Yemen's resident, indigenous labor is employed in the agriculture sector, per capita agricultural production has declined since 1971.

These are bleak indicators of the quality of life, but Yemen's growth has been rapid and significant. Since its 1962 revolution, the country has advanced its socio-economic status and improved the quality of life for its citizens. Fueled by large-scale Arab aid and remittances from the 1.2 million Yemenis working abroad, real GDP rose at an average annual rate of about 10% during 1970-82. Much was accomplished during this period in infrastructure development, provision of social services, and increased per capita income. However, growth was not soundly based. Agriculture stagnated with the loss of rural labor to high-paying jobs in the Gulf States, and local industry had little chance to develop in the face of rapidly rising and relatively cheap imports.

Yemen was therefore in a difficult situation when the end of the oil boom in the Gulf States led, first, to a levelling off in the inflow of worker remittances, and in 1983, to a sharp reduction in Arab grant aid. Government spending and imports continued at full throttle through 1982, resulting in rising budget deficits and a precipitous drop in foreign exchange reserves. Official reserves fell from a peak of \$1.6 billion in 1978 to \$554 million at the end of 1982, and to \$366 million at the end of 1983.

YEMEN

The government's adjustments to the changed situation began in earnest in mid-1983. At the year's end, government expenditures were reduced by 4% below the 1982 level, and tax revenues were increased by 19%, bringing a 23% reduction in the basic budget deficit. Officially recorded imports declined by 8% in dollar terms, although it is unclear what has been happening in the large informal sector not caught in official statistics. The Rial, long pegged at 4.56 to the dollar, was devalued in several steps to 5.75 (a cumulative devaluation of 26%) by September 1984. Retrenchment has continued into 1984, with a further 24% reduction in officially recorded imports during the first half of the year. The adjustment process brought GDP growth down to an estimated 2.4% in 1983, and the Five Year Plan for 1982-86 has been drastically curtailed. As a result, the balance of payments situation has been stabilized and there are signs of a revival of private sector economic activity. In mid-1984 Hunt Oil Company established Yemen's first producing oil well in the remote northeast region. Testing continues and it is unclear at this time how extensive and commercially viable Yemen's oil find may prove to be. Preliminary results are promising that the YAR has oil reserves in commercially exportable quantities. At earliest, however, production is 4-5 years away.

U.S. Interests and Objectives

The strategic location of the YAR, its porous border with Saudi Arabia, the large numbers of Yemenis working in Saudi Arabia and the Gulf, and the potential oil resources in the ill-defined border areas of northeastern Yemen contribute to the importance of Yemen to U.S. interests in regional stability. U.S. objectives are to help develop, through economic and other assistance, a strong government in Yemen, friendly with its neighbors, which will further U.S. interests in stability on the Peninsula and in the Red Sea area.

The long-term U.S. program of human resource and institutional development seeks to lay a foundation for sustained national development and a stronger friendship between Yemen and the United States. Yemen has a strong free-enterprise tradition which is a countervailing model to the state-controlled economy of its southern neighbor, the People's Democratic Republic of Yemen. Tangible U.S. participation in the economic development of the Yemen Arab Republic indicates U.S. support of Yemen's developmental objectives and the free-market means through which the country is seeking to achieve them.

A.I.D. Development Strategy

Yemen's basic resources have traditionally been its people and its agricultural potential. With high levels of emigration to Saudi Arabia and the Gulf States, agricultural growth has stagnated at the same time

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that the rural population has experienced growing wealth from remittance income which finances high levels of consumer imports. The Yemen Government has been unable to tap easily the remittance income; thus, it lacks sufficient financial resources to meet its own developmental objectives. More importantly, Yemen lacks the institutional and trained human resources required to sustain development. Other (primarily Arab) donors have provided substantial capital assistance. With the growing possibility of oil resources, the Yemen Government may, over the longer term, find itself wealthier than in the past, and less dependent on external capital assistance. With or without oil, however, Yemen will continue to require technical assistance and training to develop its nascent institutions and human capital. A.I.D.'s strategy is to broaden the country's institutional and human resource base, while undertaking selective interventions to increase agricultural production and provide health care, educational services, and safe water for an expanded portion of the rural population.

A.I.D. Program (FY 1984 - FY 1985)

Agriculture:

The Agricultural Development Support project (279-0052) under Title XII is now in its sixth year of implementation by the Consortium for International Development. A.I.D. will provide \$12.2 million in FY 1985 for formal agricultural training at the secondary and higher levels, and for assistance to the Ministry of Agriculture and Ministry of Education, with emphasis on planning, statistics, horticulture, poultry, and agricultural education. During FY 1985, a new Faculty of Agriculture subproject will be initiated to provide faculty training, curriculum development, architectural and engineering services, and construction supervision for the establishment of a new Faculty at Sana'a University. Also during FY 1985, the Core and Ibb Secondary Agricultural Institute subprojects will be extended in accordance with the recommendations of a recent evaluation, which concluded that: (1) the Core subproject should expand its highly effective advisory activities within the Ministry of Agriculture; and (2) the Ibb subproject should increase and consolidate the assistance already provided to establish the Ibb Secondary Agricultural School as a model, and expand this model to two other agricultural schools in different regions of Yemen. Present Poultry and Horticulture subprojects will also be funded. Implementation of the Poultry subproject is being revised to follow evaluation recommendations that the subproject expand distribution of pullets for household and village flocks, and provide extension services and training to recipients, particularly women. Other key outputs expected in FY 1985 under this program include an additional 25 graduates from the Ibb School, production and distribution of 90,000 fruit tree seedlings, distribution of 100,000 pullets for household and small-scale village flocks, and training of

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eight persons in the U.S. to assume teaching positions in the new Faculty of Agriculture.

Population:

Population growth is undoubtedly one of the major issues facing Yemen today. The country's high birth rate makes the YARG's commitments to provide education, adequate health care and other services for all its citizens more difficult to accomplish, and implies enormous food import requirements over the next few decades. A.I.D. began in FY 1983 to lay the foundation for a bilateral family planning project. Design of this project has taken longer than expected, however, because it became apparent that in view of Yemen's ultra-conservative social and religious context it will not be possible to initiate a project involving only family planning. Accordingly, A.I.D. plans to initiate in FY 1985 a Family Health Services project (279-0075) which will incorporate efforts directed at a number of family health problems including family planning, infertility management, infant nutrition, and diarrreal disease control, particularly with oral rehydration therapy. The project will also include pilot maternal and child health/family planning projects in selected clinics, and assistance to the YARG in developing a demographic data base for future development planning.

Health:

In FY 1985, \$5.5 million is planned for continuing activities including the Tihama Primary Health Care Project (279-0065) and Small Rural Water Systems (279-0044). A five-year extension of the latter project was approved in 1984, based upon the recommendations of an evaluation which concluded that although the project has constructed many village water systems, much more remains to be done to institutionalize this capacity firmly within the Ministry of Public Works, and to promote consciousness of health and sanitation hazards in villages receiving new water systems. A.I.D. is also exploring with the Ministry of Health in connection with the Tihama Primary Health Care project, alternatives for financing recurrent costs of Yemen's health care delivery system.

Education:

During FY 1985, education will continue to play a major role in the U.S.A.I.D.'s strategy to assist in YARG in developing its human resource base. Approximately 103 participants will complete academic training in the U.S. and third countries, and 101 will began their programs. Under the new Development Training III project (279-0080), there will be increased emphasis on in-country training, beginning with a special

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program in cooperation with the Ministries of Health and Municipalities for sanitarians and health workers with only primary school education. A.I.D. will also support in-country training for YARG officials and workers responsible for carrying out the 1986 census. Project resources will also be used to encourage technology transfer through the training of faculty members for Sana'a University and, through staff training, to enhance the capacity of the National Institute for Public Administration to train effective public and private workers. Training of teacher trainers and school administrators will continue in FY 1985 under the Basic Education Development project (279-0053).

To date, 87 teacher trainers have assumed positions in Yemen's teacher training institutes. During FY 1985 an additional 22 will return, and the life-of-project will be extended to achieve the planned output of up to 187 teacher trainers. As a result of an early 1984 evaluation, however, contractor activities under this project will be phased down during FY 1985, and terminated in FY 1986. \$9.8 million will be provided for education projects in FY 1985.

Earthquake Reconstruction:

Another significant element of the FY 1985 program is the continuation of earthquake reconstruction activities in the Dhamar area. During FY 1983 and FY 1984, A.I.D. funded 140 replacement beehives and 1,797 poultry flocks under the Agricultural Development Support project, and assisted in the rehabilitation and reconstruction of approximately 50 damaged or destroyed water systems under project 279-0044. In FY 1984, A.I.D. provided \$3,000,000 from PL 480 Title I. Additional increments of Title I will be provided in both FY 1985 and FY 1986. Local currency proceeds from these sales are being used to assist in the repair and reconstruction of up to 2,900 homes in Dhamar Province, in conjunction with the effort of the Kingdom of the Netherlands and the European Economic Community.

A.I.D./Peace Corps:

A.I.D. cooperation with the Peace Corps will continue. One element is the Small Project Assistance program, where \$40,000 per year is allocated for self-help activities. In addition, Peace Corps volunteers are on the staff of the Small Rural Water Systems project and provide English language training for A.I.D. participants.

Urban Sector:

An urban assessment will be conducted in FY 1985 to review the trends in rural-to-urban migration and related issues to determine how best to address the increasing problems in this sector.

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Requested Year Program (FY 1986)

Agriculture:

A.I.D. requests \$29 million for Yemen in FY 1986 for continuing activities, two new projects, and a new subproject under the Agricultural Development Support project. Of this total, \$12.6 million is requested for agricultural activities which focus on training and institution building, increasing poultry and horticultural productivity, and other activities designed to demonstrate effective on-farm water use. Methodology and curriculum for secondary agricultural education now being pioneered at the Ibb School will be applied to other secondary agricultural schools in Yemen. A.I.D. will continue assistance for Sana'a University's Faculty of Agriculture by providing interim faculty staffing, an experimental and teaching farm, and training of future Yemeni faculty members. Although the poultry subproject is currently scheduled to end in FY 1987, the recent evaluation indicated that one or two additional years will be required if the project is to achieve its distribution, extension and training objectives. Additional funding is included for this subproject in FY 1986. Fruit tree production and extension activities will continue under the Horticulture subproject, as well as training in pest control and nursery management. A.I.D. will also continue to strengthen the Ministry of Agriculture functions of planning, statistics and irrigation management through technical assistance and training program. During FY 1986, A.I.D. plans to initiate a new subproject to address the need for more efficient water use in agriculture. Under this subproject, Irrigated Farm Practices, one or more research and demonstration stations will be established to serve as models for on-farm water use and to provide extension services and training.

Education:

\$9.2 million is requested to improve Yemen's primary and higher education institutional infrastructure and to continue the comprehensive human resources training program. This amount will fund approximately 50 academic scholarships and short term training programs for about 200 persons under Development Training III, as well as English language training for potential participants at the Yemen-American Language Institute in Sana'a. The requested funds will also allow the initiation of a new Education Development Support project (279--0074) based on the findings of an education sector assessment to be completed in FY 1985. This project will place greater emphasis on improving the efficiency of basic and technical education and will provide for technical assistance in the development of curriculum and instructional materials for the YARG's new five-year teacher training program, recently initiated in cooperation with the World Bank. The Bank will finance buildings and furniture for

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post primary teacher training schools in the rural areas. The project will also attempt to recruit teachers from non traditional sources and encourage the use of alternative forms of instruction such as educational television. In FY 1986, A.I.D.'s requested funds will also assist the YARG in the conduct and analysis of a national census, which will provide the demographic data base for future manpower planning, including the identification of training needs.

Population:

From population funds, \$2.5 million is requested to continue activities initiated in FY 1985 in Family Health Services. Technical assistance and training will be provided to the Ministry of Health, other government organizations, and private sector physicians and phamacists in the development of informational and training programs dealing with family health issues. One or more pilot projects will be initiated in urban clinics to determine a strategy for expansion of services into other urban and rural areas.

Health:

\$3.65 million is requested for continuing programs in primary health care and water resources. The Small Rural Water Systems project will develop 20 rural potable water systems, and provide technical assistance and training for the Rural Water Supply Division, and health and sanitation improvements at the village level. The Tihama Primary Health Care project will expand services in the Tihama region, and provide local, U.S., and third country training of primary health care workers and supervisors and birth attendants.

Urban Sector:

Beginning in FY 1986, A.I.D. plans a new Municipal Planning and Management project (279-0076) to assist the Ministry of Municipalities to become a more effective institution in the areas of urban planning, urban legislation, environmental health, and water use and disposal. Urbanization is a growing problem in Yemen, evidenced by the unrestrained growth of cities, shortages of schools, hospitals and potable water, and problems of sewage and garbage disposal. One million dollars will be required in FY 1986 for technical assistance and training in legal, environmental and other areas targeted by the Ministry of Municipalities and A.I.D.

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P.L. 480 Title I:

A P.L. 480 Title I program of \$5 million is requested. Proceeds from the sale of commodities will be used for the construction of the Faculty of Agriculture.

FY 1986 Request:

This FY 1986 request will enable A.I.D. to advance U.S. regional and bilateral objectives by strengthening Yemen's institutions and increasing its human capital through training in Yemen's primary and high schools, at Sana's University, and in programs in the U.S. and third countries. U.S. assistance for these purposes will promote regional stability by contributing to Yemen's ability to use its resources in the pursuit of sustained and equitable development.

MISSION DIRECTOR: CHARLES F. WEDEN, JR.

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

PROGRAM: YEMEN

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	FY86- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
LOCAL RESOURCES FOR DEVELOPMENT	G 279-0045	79	84	8,720	7,989	7,775	---	214	---	---	
AGRICULTURAL DEVELOPMENT SUPPORT	G 279-0052	78	93	53,128	45,178	27,014	12,195	12,000	12,600	13,800	
TOTAL FOR ACCOUNT GRANTS				61,848	202,989	53,167	34,789	12,195	12,214	12,600	13,800
LOANS				61,848	202,989	53,167	34,789	12,195	12,214	12,600	13,800
				---	---	---	---	---	---	---	
POPULATION PLANNING											
FAMILY HEALTH SERVICES	G 279-0075	85	87	---	6,400	---	---	1,500	500	2,500	2,000
TOTAL FOR ACCOUNT GRANTS				---	6,400	---	---	1,500	500	2,500	2,000
LOANS				---	6,400	---	---	1,500	500	2,500	2,000
				---	---	---	---	---	---	---	
HEALTH											
WATER SUPPLY SYSTEMS MAHAGEMENT	G 279-0028	77	82	6,100	6,100	5,666	---	434	---	---	
TAIZ WATER AND SEWERAGE CONSTRUCTION	L 279-0039	77	82	5,000	5,000	4,606	---	394	---	---	
SMALL RURAL WATER SYSTEMS	G 279-0044	79	88	21,500	21,500	15,188	2,000	3,250	1,100	3,200	
TIHAMA PRIMARY HEALTH CARE	G 279-0065	80	86	11,500	11,500	5,443	4,586	3,500	2,557	2,300	
TOTAL FOR ACCOUNT GRANTS				44,100	44,100	31,731	23,452	5,500	6,278	3,657	5,500
LOANS				39,100	39,100	26,731	18,846	5,500	5,884	3,657	5,500
				5,000	5,000	5,000	4,606	---	394	---	---
EDUCATION AND HUMAN RESOURCES											
DEVELOPMENT TRAINING II	G 279-0040	78	83	20,174	20,174	20,174	15,138	---	3,300	---	1,736
BASIC EDUCATIONAL DEVELOPMENT	G 279-0053	79	85	28,292	18,900	13,778	9,669	4,922	3,100	---	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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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

PROGRAM: YEMEN

CP 86

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY84- OBLIG EXPENDI ATIONS TURES		-ESTIMATED FY85- OBLIG EXPENDI ATIONS TURES		-PROPOSED FY86- OBLIG EXPENDI ATIONS TURES	
EDUCATION DEVELOPMENT SUPPORT	* G 279-0074	36	92	---	32,000	---	---	---	---	3,200	500
DEVELOPMENT TRAINING III	G 279-0080	34	88	40,000	40,000	4,959	35	4,917	2,500	6,043	5,000
TOTAL FOR ACCOUNT GRANTS LOANS				88,466	117,074	39,111	24,842	9,839	3,900	9,243	10,236
SELECTED DEVELOPMENT ACTIVITIES				88,466	117,074	39,111	24,842	9,839	3,900	9,243	10,236
SMALL PROJECT ASSISTANCE/PEACE CORPS	G 279-0054	33	85	40	90	40	---	40	40	---	40
MUNICIPAL PLANNING AND MANAGEMENT	* G 279-0076	36	87	2,000	2,000	---	---	---	---	1,000	300
TOTAL FOR ACCOUNT GRANTS LOANS				2,040	2,080	40	---	40	40	1,000	340
TOTAL FOR COUNTRY GRANTS LOANS				2,040	2,080	40	---	40	40	1,000	340
TOTAL FOR COUNTRY GRANTS LOANS				196,454	372,643	124,049	83,083	29,074	27,932	29,000	31,876
TOTAL FOR COUNTRY GRANTS LOANS				191,454	367,643	119,049	78,477	29,074	27,538	29,000	31,876
TOTAL FOR COUNTRY GRANTS LOANS				5,000	5,000	5,000	4,606	---	394	---	---

FY 1984: Figures include \$1,399 in reobligations.

* 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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

PROGRAM: YEMEN

PLANNED PROGRAM SUMMARY SHEET

Title Education Development Support		Funding Source DA	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Number 279-0074		Population	ED. & HR \$3,200	Sel. Act.	FY 86 \$3,200	Life of Project Funding \$38,000	
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING	<input checked="" type="checkbox"/> NEW				Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
					FY 86	FY92	FY 93

Purpose: To increase the efficiency of basic education.

Project Description: Through Project 279-0053, Basic Education Development, A.I.D. has supported Ministry of Education efforts to expand the supply of Yemeni teachers and enhance the capabilities of educational administrators. The Basic education system, however, remains highly inefficient. A relatively low percentage of those who enter grade 1 complete the primary grades within the required 6 years. Furthermore, student achievement levels are generally thought to be relatively low, in part because learning objectives are not clearly stated and textbooks and other instructional materials are not readily available. The project will address the problem of educational efficiency in several ways. Initially, it will support efforts to diagnose the cause of inefficiency and develop appropriate policies and programs to alleviate these problems. Second, it will assist in establishing learning objectives by subject and grade level for basic education. Once these have been set, it will support efforts to develop appropriate textbooks and teaching materials, to procure basic instructional equipment for classrooms, and to design coordinated teacher training programs. Implementation will be through the Ministry of Education and the Center for Educational Research and Development.

Relationship of Project to A.I.D. Country Strategy: A key objective of the country strategy is to increase the number of literate and trained workers capable of contributing to the country's economic development. The inefficiency of the basic education system is a major constraint to meeting the mid-level manpower requirements of development. This project will contribute to a more efficient system of basic education and, thereby, manpower development.

Host Country and Other Donors: The YARG's Second Five Year Plan accords first priority to agriculture and second priority to educational development. Within the education sector, emphasis is placed on gearing training to the needs of economic development, enhancing teacher quality, establishing a basis for educational planning, and improving educational efficiency at all levels. The other major donor to primary education is the World Bank, which has financed the construction of several teacher training institutions. Other countries, particularly Saudi Arabia and Kuwait, have financed the construction of primary schools and the salaries of expatriate primary teachers. UNICEF has assisted with in-service teacher training programs.

Beneficiaries: A more efficient primary education system will be of benefit to an estimated 500,000 primary school children annually and lead to increased educational opportunities.

PROGRAM: YEMEN

PLANNED PROGRAM SUMMARY SHEET

Title		Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Municipal Planning and Management		DA			FY 86	Life of Project Funding	
					\$1,000	\$2,000	
Number 279-0076	<input checked="" type="checkbox"/> NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> CONTINUING				\$1,000	FY 86	FY 87	FY 88

Purpose: To assist the Ministry of Municipalities (MOM) to become a more effective institution in the broad areas of urban planning, urban legislation, environmental health, and water use/disposal.

Project Description: Yemen is experiencing a rapid rural-to-urban migration of people in search of jobs, education, health care and a better quality of life than that afforded in rural areas. Since the Ministry became an independent institution in 1979, with jurisdiction over the five principal cities (Sana's, Taiz, Hodeidah, Ibb and Dhanar) and 57 secondary cities with populations of 15,000 and under, its role in managing urban development problems has expanded substantially. However, with few trained personnel and a lack of institutional procedures, the Ministry is unable to cover effectively its broad responsibilities. USAID assistance will focus on institution building, primarily through technical assistance and training of MOM staff, while exploring what other assistance may be needed.

This project will provide long and short-term technical assistance to the MOM, its local offices, and related institutions with responsibilities for urban development and service delivery, in administrative and technical areas such as urban legislation, planning, codes and standards, organization, financial management and environmental policies, standards and management.

In addition, based upon an assessment of training needs for urban management, project funding will be available for selected long-term training abroad and for short term training in-country. In-country training will include seminars and short courses which could be provided at Yemeni institutions such as the National Institute for Public Administration. The precise nature of the training to be provided will be determined during the project preparation stage, but, it is expected that training could include technical disciplines

such as surveying, drafting, etc.; professional training in urban planning; financial training in revenue generation and collection systems, municipal budgeting and expenditure controls; and other areas such as solid waste collection. Limited commodity support is also envisioned, especially in automated data processing.

Relationship of Project to A.I.D. Country Strategy: This project is fully consistent with the overall objective of A.I.D. assistance in Yemen, which is to help build effective institutions and increase the country's trained manpower base.

Host Country and Other Donors: Although the project will focus on the Ministry of Municipalities, the Chamber of Commerce and possibly Sana's University will be involved in project implementation. It is hoped that the project will be able to tap the substantial private sector resources which to date have contributed little to public services in the rural areas.

Beneficiaries: Principal target groups will be the Yemenis migrating from the rural to urban areas, who will receive improved MOM services. The beneficiaries will also include Ministry employees who receive short-term and on-the-job training, increasing their job skills.

NEAR EAST Regional

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education and Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1984 Loans	-	-	-	-	-	-	-	-
Grants	18,963	495	1,655	448	1,817	558	13,990	-
Total	18,963	495	1,655	448	1,817	558	13,990	-
1985 Loans	-	-	-	-	-	-	-	-
Grants	20,217	1,310	1,500	300	1,337	770	15,000	-
Total	20,217	1,310	1,500	300	1,337	770	15,000	-
1986 Loans	-	-	-	-	-	-	-	-
Grants	26,168	610	1,500	375	553	1,130	22,000	-
Total	26,168	610	1,500	375	553	1,130	22,000	-

FY 1986
PROGRAM HIGHLIGHTS

- \$10 million in ESF to finance small scale development activities on the West Bank and Gaza Strip.
- \$5.8 million in ESF to fund cooperative scientific and technical activities of mutual interest to Israel and her Arab neighbors.
- \$5 million ESF for budget support and reconstruction costs of the American University of Beirut.
- \$2 million in ESF and DA funds for six Near East regional projects; Environmental Activities, Science and Technology Information Transfer, Private Enterprise Activities, Small Projects/Peace Corps, Energy Development Cooperation, and Dryland Agriculture Research.
- \$1.4 million in ESF and DA funds for Project Development and Support.
- \$0.2 million in ESF and DA funds for Legal Education and Training.

NEAR EAST REGIONAL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1984 (Actual)	FY 1985 (Estimated)	FY 1986 (Proposed)
Aid *			
Loans	-	-	-
Grants	16,765	25,629	19,947
Total AID	16,765	25,629	19,947
P.L. 480 **			
Title I	-	-	-
(of which Title III is)	(2,161)	(2,052)	(2,002)
Title II	2,161	2,052	2,002
Total P.L. 480	2,161	2,052	2,002
Total AID and P.L. 480	18,926	27,727	21,849

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

P.L. 480 (in thousands of dollars)						
Program	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total (of which Title III is)						
Title II ^{1/}						
Voluntary Agencies	7,531	2,161	7,271	2,052	7,272	2,002
Government - to - Government	-	-	-	-	-	-
Title II Total	7,531	2,161	7,271	2,052	7,272	2,002
Total P.L. 480	7,531	2,161	7,271	2,052	7,272	2,002

^{1/}See main volume P.L. 480 narrative and table for breakout of the World Food Program by country

NEAR EAST REGIONAL

PERSONNEL DATA			
Category	FY 1984		FY 1986
	(Actual)	FY 1985 (Estimated)	(Proposed)
U.S. National Personnel AID Direct Hire ^a	-	-	-
PASA ^b	2	8	8
Total	2	8	8

^a Full time equivalent workyears of employment. Do not include HIG or excess property personnel. One work-year = 2080 hours (40 hours per week).
^b On board end of year.

PARTICIPANT TRAINING DATA						
Category	FY 1984 (Actual)		FY 1985 (Estimated)		FY 1986 (Proposed)	
	Academic ^a	Technical ^b	Academic	Technical	Academic	Technical
S&T/IT Managed ^c	-	-	-	1	-	-
Contract Managed ^d	285	39*	275	35**	280	35**
Total	285	39	275	36	280	35

^a Degree seeking participants.
^b Non-degree seeking participants (may be at universities).
^c Participants programmed by Missions and sent to S&T/IT for management.
^d Participants programmed by Missions and sent to contractors hired by Missions or AID/W offices.

* Third country participants: 7

** Estimated third country participants for FY 1985 and FY 1986: 10.

REGIONAL PROJECTS

Overview:

The Near East Bureau's regional technical assistance grants support the United States' political, developmental, humanitarian interests and cooperative efforts in the region and fund the studies needed to design and evaluate regional and bilateral country projects and programs. A.I.D. requests \$22 million in Economic Support Funds (ESF) and \$4.168 million in Development Assistance (DA) funds for FY 1986.

A.I.D. Program:

For FY 1986, the monies requested will support three ESF-funded projects (West Bank/Gaza activities, Regional Cooperation, and the American University of Beirut); six DA-funded projects in agriculture, private enterprise development, environmental protection, support of Peace Corps activities, science and technology transfer, and energy development; and three split-funded projects (both ESF and DA) in population, human rights, and project development and support.

1. Economic Support Fund. We request \$22,000,000 in FY 1986 for three split-funded projects and three projects funded entirely with ESF. The split-funded activities, described in section 3 below, are: Regional Population Activities (298-0048), Project Development and Support (298-0035/0150), and Legal Education and Training (298-0054). The fully ESF funded projects are the West Bank/Gaza Strip and the Regional Cooperation programs, which are continuing activities, and one new FY 1986 start as a Near East regional project: reconstruction and operational support for the American University of Beirut.

-- West Bank and Gaza Strip (298-0159). For FY 1986, \$10 million is requested for projects to improve living and employment conditions of Palestinians residing on the West Bank and Gaza Strip. Activities have been implemented by United States and indigenous private and voluntary organizations (PVOs) and other institutions. The assistance concentrates on health and sanitation, agricultural development, water storage and distribution, community and rural development, and vocational and higher education.

Actual and projected activities from the beginning of the program in FY 1975 through FY 1985 include: advanced training of 215 faculty members from West Bank and Gaza institutions at American universities; scholarship programs for 1,100 undergraduates at four West Bank institutions (of whom over 500 will graduate by the end of FY 1985); short-term training in the United States for approximately 115 participants; 81 activities with indigenous cooperatives and other groups in agricultural development; provision of health education services to 10,000 mothers in the West Bank and Gaza; assistance to 150 community groups for construction and equipping of community centers, schools, clinics, electrical systems and access roads; training services for an estimated 200 families with handicapped children in the West Bank and Gaza,

REGIONAL PROJECTS

and equipping of four training centers for the handicapped; and approximately 70 self-help projects with communities and municipalities to expand and improve water supply systems.

Recent evaluations indicate that projects are well designed and implemented. Although the PVOs continue to encounter difficulties in obtaining clearance from the Israeli Government to proceed with some activities, the developmental needs of the population are being well served by this program. Continuation and modest expansion of this assistance will also demonstrate continued United States concern for the quality of life of the Palestinian people living on the West Bank and in Gaza.

The \$10 million requested for FY 1986 will permit both United States and local PVOs to continue and expand services that benefit handicapped children. The American Near East Refugee Aid (ANERA) will continue its work in improving water supply systems and assisting cooperatives in land reclamation, marketing, and provision of other agricultural services. Save the Children/Community Development Foundation (SCF/CDF) will develop additional self-help projects in agriculture, water storage and distribution, and health and education. Catholic Relief Services (CRS) will expand its activities in health education and rural community self-help. The American-Mideast Educational and Training Services (AMIDEAST) will continue its support to institutions of higher education. Support for additional institutions, including but not limited to PVOs, may also be provided if sound activities are identified which address quality-of-life concerns.

-- Regional Cooperation (298-0158). A.I.D. requests \$5.8 million for FY 1986 to fund activities that strengthen the peace process and increase mutual understanding between Israel and its Arab neighbors, especially Egypt. Since FY 1979, when this program was first mandated by Congress, joint projects have been successfully implemented in the marine sciences, psychological perceptions of the Middle East conflict, infectious diseases, arid land agriculture, and agricultural technology exchange. These activities involve a number of Egyptian, Israeli and American universities, government agencies and other institutions. They bring Arabs and Israelis into direct contact on problems of mutual concern, creating ties and linkages which may eventually lead to self-sustaining relationships.

In FY 1985, \$5 million will be used to further fund the two agricultural projects, and the marine sciences and infectious diseases projects. In addition, a small amount of funding will be available to the United States Embassy in Tel Aviv and USAID/Cairo to support cooperative activities proposed by local sponsors. New activities in such areas as nutrition and child welfare may also receive support. FY 1986 funds will be used for activities begun in FY 1985 and previous years, and for new proposals that will expand the areas of cooperation in the participating countries.

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-- American University of Beirut (AUB) (298-0332). A.I.D. requests \$10 million to provide reconstruction and operational support for AUB in FY 1986. Of the \$10 million \$5 million will be provided by the Office of American Schools and Hospitals Abroad (FVA/ASHA) and \$5 million will be from the ESF regional funds herein requested.

The United States has had a long-standing developmental and political interest in supporting and strengthening AUB as a regional institution serving the needs of the area. The A.I.D. program has maintained and developed AUB as a western-oriented center of excellence in the Middle East, capable of providing high-quality education in a number of development-related fields. AUB has produced many of the trained technicians and administrators working in and providing leadership in Middle Eastern, North African and South Asian countries. Since the inception of the DA-funded A.I.D. scholarship program in 1951, over 2,700 students have received degrees, and approximately 3,400 have received non-degree training.

During the last few years of civil strife in Lebanon, the university has continued to experience large unplanned deficits. Two main reasons for these operating deficits are lower enrollments, resulting in reduced income from tuition and related fees, and the weakness of the Lebanese currency. Other reasons for AUB's cash flow problems include the inability of many patients of AUB's hospital to pay for services, and the failure of the Government of Lebanon to reimburse AUB for these costs. The new AUB administration is redoubling efforts to reduce the deficits and enhance its fund-raising from non-AID sources.

2. Development Assistance. We request \$4.168 million in Development Assistance in FY 1986 for three split-funded projects and six projects funded entirely with DA funds. The split-funded activities described in section 3 below are: Regional Population Activities (298-0048), Project Development and Support (298-0035/0150), and Legal Education and Training (298-0054). The DA-funded activities are: Regional Environmental Activities, Science and Technology Information Transfer, Regional Private Enterprise Activities, Small Projects/Peace Corps, Regional Dryland Agriculture Research Network, and Energy Development Cooperation, which will receive initial funding in FY 1986.

-- Regional Environmental Activities (298-0178). This project assists host governments, industry, and private voluntary organizations in the Near East to address environmental problems resulting from rapid development, urbanization and industrialization. Activities also are designed to complement A.I.D. supported programs in the region. The project has two components. The first is industrial pollution control, a program of fielding volunteer "troubleshooters" from 16 United States corporations to the Near East to assess urban industrial pollution problems identified by government and business leaders. The second is environment and natural resources management, intended to enhance public awareness of environmental issues and develop local capabilities to undertake comprehensive environmental programs.

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In FY 1985, \$200,000 will finance: industrial pollution control assessments of phosphate, cement, textile, petroleum, and food processing industries in various Near Eastern countries; institutional support for an environmental private voluntary organization in Turkey; participation by Near East countries in a world industry and environment conference, and a law and environment conference; an educational program to promote coordination of construction in the region with archaeological research; and activities in support of the new Foreign Assistance Act directive to protect endangered species (Section 119).

For FY 1986, A.I.D. is requesting \$275,000 to continue industrial pollution control activities; conduct study tours in the United States for Near Eastern leaders to visit the sites of successful environmental protection programs; enable natural resource inventories in selected countries; provide public environmental education, and national and regional conferences, and various support research projects.

-- Science and Technology Information Transfer (298-0049). This project is designed to broaden and maximize the use of scientific and technological information in solving development problems in Near East countries. The technical information services and staff capabilities of cooperating institutions in ten countries are being strengthened, and technical information networks are being expanded to include an appropriate technology component.

In FY 1984, A.I.D. provided \$230,000 and will provide \$286,600 in FY 1985 through an agreement (PASA) with the National Technical Information Service (N.T.I.S.) of the United States Department of Commerce, to expand existing technical information networks in Cyprus, Egypt, Jordan, Lebanon, Morocco, Oman, Portugal, Tunisia, Turkey and Yemen. A.I.D. requests an additional \$353,000 in FY 1986 to finance commodities, information exchange, technical assistance, and training.

-- Regional Private Enterprise Activities (298-0050). This project fosters indigenous private sector development in eight Near East countries with such activities as supporting business and trade associations; economic, sector and business environment studies; technical and managerial assistance to small and medium-sized companies; and entrepreneurial, management and vocational training.

Activities funded in FY 1984 amounted to \$482,000 and included: the assignment of International Executive Service Corps (IESC) volunteers to assist private sector firms in Morocco; studies of the feasibility of the commercial production, promotion and distribution of oral rehydration salts in Jordan and Tunisia; the establishment of a technical assistance unit for

REGIONAL PROJECTS

small-scale industries through a grant to the Federation of North Yemen Chambers of Commerce and Industry; assistance to Sociedade Portuguesa de Investimentos (SPI) in Portugal to partially finance export products and productivity analyses of specific private sector firms; consulting assistance for the A.I.D. Mission in Morocco to design a program for the development and expansion of export-oriented private sector firms in Morocco; and other activities designed to encourage private sector development in the Near East.

In FY 1985, \$400,000 is planned to support various proposals such as technical assistance in the reorganization of an agricultural cooperative and manufacturing corporation in Turkey, and establishment of a capital venture company in Portugal. Additional requests for assistance are anticipated for a Near East regional agri-industry seminar, for studies supporting the privatization of health services and assessing the feasibility of the production of health products in the Near East, and for the design of a small industry development project in Morocco.

A.I.D. requests \$700,000 in FY 1986 for further funding of feasibility studies, technical assistance, short-term training, and other activities. It is estimated that \$300,000 of the total request for FY 1986 will be used for the promotion of private sector participation in the delivery of health services, the production and distribution of health supplies and equipment, and technical and managerial assistance to small and medium-scale health-related companies.

-- Peace Corps Small Projects Fund (298-0052). In 1983 A.I.D. established a small project activities (SPA) fund to be administered by the Peace Corps in countries where both agencies operate. The program is designed to encourage and support self-help efforts identified by local communities with the assistance of Peace Corps volunteers. Programs have been established in Morocco, Tunisia, and Yemen.

In FY 1984, each country was provided \$40,000. In Morocco, SPA funds were used to support: inland fish culture development and extension; two vocational training programs, one for deaf students and another for neighborhood youth groups to improve their prospects for employment; and a mobile workshop to service agricultural and domestic water pumps in isolated areas. In Tunisia, programs were supported in food production and in assistance to the handicapped for income-generating activities. In Yemen, the SPA funded food production activities involving the purchase and distribution of fruit tree seedlings, which were irrigated with wastewater from village water systems designed and constructed with project funds. Another activity was the demonstration of passive solar energy in local communities.

A total of \$130,000 has been budgeted to support FY 1985 Peace Corps small projects. Morocco, will use its funds (\$50,000) to continue vocational training activities, including renewable energy. Morocco also plans to introduce programs for women during this period. Tunisia and Yemen will each receive \$40,000. Tunisia will support dairy production, marine fisheries

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production, and the continuation of an income-generating program for the handicapped. In Yemen, programs begun in FY 1984 will be continued and expanded. During FY 1985 and FY 1986, Yemen will introduce solar-powered water pumping in two villages, expand activities to test village-level application of photovoltaic and passive solar energy, and increase food production and renewable energy activities in the Dhamar Province, where earthquake reconstruction and repair are now underway.

For FY 1986, A.I.D. is requesting \$130,000 (Morocco \$50,000, Tunisia and Yemen each \$40,000) to continue the activities started in FY 1985 and for other appropriate small-scale activities in technology transfer, agriculture and other income-generating activities, that will benefit low-income villagers.

-- Energy Development Cooperation (298-0331). A.I.D. is currently funding bilateral energy planning and renewable energy projects in Morocco, Tunisia and Egypt, and other energy activities in Portugal and Jordan, totalling over \$45 million. New bilateral projects and related activities are anticipated in FY 1985 in Jordan, Morocco and Yemen. This new regional project will provide for a systematic sharing among Near East countries of their experiences gained under bilateral energy projects and transferring between the countries of relevant techniques developed in such areas as energy pricing analysis, planning and policy analysis, investment planning, efficiency, renewable energy development, and energy resource and technology assessment and development. A series of semi-annual technical and policy workshops are planned to bring together government and private sector officials on topics that will encompass all categories of energy and development. Quarterly publication of a journal on energy and economic development in the Near East, designed eventually to be self-financing, is planned, with the expectation that it will stimulate professional interest in technical and policy issues of common concern to Near East countries. Short courses on energy conservation and efficiency will be developed and offered within the region on a regular basis. These activities will complement and reinforce ongoing and planned NE Bureau bilateral energy projects, will actively serve to disseminate the lessons learned from these projects, and will enhance A.I.D.'s investments to date. Initial funding of \$200,000 will be provided in FY 1986.

-- Regional Dryland Agriculture Research Network (298-0330). This project, planned for initiation in FY 1985, will provide a mechanism to bring together scientists dealing with common problems in dryland agriculture, thereby facilitating the expeditious exchange of research results, biological data and other information. Joint planning of research activities will be encouraged and enhanced, and improved and more cost-effective training will be made possible through pooled resources. The planned network will not only link the scientists in the region more effectively with those in the United States and other countries dealing with similar problems, but will provide A.I.D. Missions and their contractors with improved technological information and backstopping services.

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At present, there are six bilateral A.I.D projects either in the design stage or being implemented which have major dryland agriculture research components. These are in Morocco, Tunisia, Portugal and Jordan, with a total funding of about \$50 million, of which more than half is for research. Future work in rainfed agriculture is likely for Yemen, Oman, Lebanon, and the West Bank and Gaza Strip. Although these projects are designed to address closely related research problems, recent evaluations have indicated that they are not benefitting from the knowledge that has been developed across country boundaries. In some cases, redundant research is being conducted because of poor information exchange, while new genetic and other biological materials with region-wide value are not being distributed across national boundaries because of inadequate coordination. A.I.D contractors are not adequately linked to the portfolio of A.I.D centrally-funded projects, which can be supportive of the research needs in the region, and international agricultural research centers. The proposed project network will overcome these deficiencies and, because of both the current and future importance of dryland agricultural research in the Near East, is a high-priority need.

The project, proposed as a five-year effort will support ongoing and proposed dryland agricultural research programs by linking host country scientists and contractors into a regional network organized around common research themes. The network will involve the intertwining of A.I.D. projects, the International Center for Agricultural Research in Dry Areas (ICARDA) and other international agricultural research centers, centrally-funded projects, and relevant activities of other donors. The network will also support the development of regional training programs where common needs are identified through the involvement of university scientists and contractors from the United States.

The project with an initial funding of \$110,000 in FY 1985 and a second \$110,000 increment in FY 1986 will be implemented by a network coordinator and necessary support staff located at ICARDA, or at another appropriate location in the region. Support for specific network activities to complement regional project funds will be provided from AID's bilateral and central funds, and contributions from host countries and participating centers and agencies.

-- Private Sector Regional Nutrition Project (298-0334). In FY 1985, a \$700,000 Regional Nutrition Project began to address the nutrition problems of the Near East countries and foster the development of the private sector food industry by assuring that food processing, marketing and nutrition education are directed to these nutritional problems. Links are being established between the U.S. Food industry and Near East private sector firms which import or process food and other nutrition related products such as vitamins, minerals, and pharmaceuticals. Technical and managerial assistance from the U.S. food industry will help address these problems by: (1) sensitizing Near East businessmen to the nutrition problems of their country and how food processing, fortification, marketing, and nutrition education can help to improve nutritional levels; (2) producing and distributing education materials aimed at key nutrition problems; and (3) promoting investment opportunities in the food industry through sector surveys, feasibility studies, and investor seminars.

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3. Split-Funded Projects. There are three on-going regional projects supported by both ESF and DA funds, which will be continued in FY 1986.

-- Regional Population Activities (298-0048). This project assists relatively small-scale and short-duration population and family planning activities, primarily in Near East countries where bilateral population programs do not exist. It also supports population activities spanning two or more countries in the region.

In FY 1984, \$1,655,000 was obligated for activities to enhance wide-spread family planning acceptance. Activities included promotion of contraceptive distribution through pharmacies; information education and communication projects to support locally sponsored population programs; a family planning program evaluation; additional country-specific applications of the RAPID computer modeling project; international workshops and seminars to promote natural family planning, women in management and family life education; and short-term training in population program management.

In FY 1985, continued emphasis will be placed on increasing family planning acceptance through activities which strengthen the links between family planning health and nutrition programs, and enhance the role of women in Middle Eastern societies. Specifically, \$1.5 million in DA and \$.5 million in ESF will be used to support local programs with technical assistance, program planning, evaluation, short-term training, and improving statistical systems.

For FY 1986, AID requests \$1.5 million in development assistance funds for FY 1986 and \$.5 million in ESF to support policy analyses, basic family planning services, and training. Emphasis will be on family planning service delivery through private sector channels, strengthening government family planning evaluation, and regional research efforts.

-- Project Development and Support (298-0150/298-0035). This project supports regional and bilateral Economic Support Fund and Development Assistance efforts by funding pre-project studies to identify assistance needs to establish feasibility, to design projects, and to conduct pilot activities, and evaluation.

In FY 1984, \$475,500 in Economic Support Funds and \$931,000 in Development Assistance were used to finance assistance from the Department of Agriculture and the Bureau of the Census for the design and implementation of various A.I.D.-funded projects, to investigate the feasibility of producing oral rehydration salts in Tunisia, and assessing the feasibility of providing energy assistance to Yemen.

In FY 1985, \$400,000 in Economic Support Funds and \$1,070,000 in Development Assistance will be used for: assessing education assistance to Tunisia; carrying out Congressional mandated studies of the financial needs and prospects of the American Universities in Beirut and Cairo, participating in an A.I.D.-wide in-depth review of A.I.D. participant training; and continuing Department of Agriculture and Bureau of the Census assistance in the technical aspects of project design, implementation and evaluation.

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For FY 1986, \$600,000 in Economic Support Funds and \$800,000 in Development assistance are requested for similar activities. With these funds, A.I.D will continue to support: project design and evaluation; the Department of Agriculture and the Bureau of the Census work; additional research to expand regional horticultural marketing opportunities and production; and marketing of oral rehydration salts by the private sector. In addition, evaluations and analytical work regarding agricultural and other development fields on the West Bank of the Jordan River will be increased.

-- Legal Education and Training (298-0054). Legal education activities began in FY 1983 and are planned through FY 1986. The project assists indigenous Middle Eastern institutions and organizations with the promotion of human rights within their national legal and cultural systems. Activities include: advanced education and training in the United States and within the region for legal professional, institutional planning and technical assistance to public sector institutions; and lectures and consultations by U.S. experts. Initial activities have been carried out in Morocco, Tunisia, Jordan, and Egypt.

For FY 1986, \$200,000 (half DA/EHR and half ESF) is requested to continue encouraging human rights activities through identification and implementation of similar subprojects.

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

PROGRAM: NEAR EAST REGIONAL - DA

CP 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	FY86- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	67	C	---	---	6,935	6,692	500	450	500	500
DRYLAND AG RESEARCH NETWORK	G 293-0330	85	89	---	6,000	---	---	110	---	110	40
PRIVATE SECTOR APPROACHES TO NUTRITION	G 298-0334	85	85	---	700	---	---	700	300	---	400
TOTAL FOR ACCOUNT				---	6,700	6,935	6,692	1,310	750	610	940
GRANTS				---	6,700	6,935	6,692	1,310	750	610	940
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
REGIONAL POPULATION ACTIVITIES	G 298-0048	83	C	6,661	---	2,202	771	1,500	1,555	1,500	1,500
TOTAL FOR ACCOUNT				6,661	---	2,202	771	1,500	1,555	1,500	1,500
GRANTS				6,661	---	2,202	771	1,500	1,555	1,500	1,500
LOANS				---	---	---	---	---	---	---	---
HEALTH											
PROJECT DEVELOPMENT AND SUPPORT	G 293-0035	67	C	---	---	659	480	100	100	100	100
REGIONAL ENVIRONMENTAL ACTIVITIES	G 298-0178	84	86	1,400	1,400	200	3	200	250	275	300
TOTAL FOR ACCOUNT				1,400	1,400	859	483	300	350	375	400
GRANTS				1,400	1,400	859	483	300	350	375	400
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
AMERICAN UNIVERSITY OF BEIRUT	G 298-0015	51	81	65,400	46,061	46,061	45,605	---	356	---	100
PROJECT DEVELOPMENT AND SUPPORT	J 298-0035	67	C	---	---	1,165	1,128	100	100	100	100

*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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 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 86

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY84- OBLIG ATIONS	FY84- EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	FY85- EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	FY86- EXPENDI TURES	
SCIENCE AND TECHNICAL INFO TRANSFER	G 298-0049	83	87	1,300	1,300	503	153	267	500	353	350
LEGAL EDUC AND TRAINING	G 298-0054	83	86	350	350	150	50	100	75	100	100
MASS MEDIA BASIC EDUCATION	G 298-0193	84	85	3,500	1,974	1,124	---	250	1,000	---	974
TOTAL FOR ACCOUNT GRANTS				70,550	49,685	49,003	46,936	1,337	1,331	553	1,624
LOANS				70,550	49,685	49,003	46,936	1,337	1,331	553	1,624
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
PROJECT DEVELOPMENT AND SUPPORT	G 298-0035	87	C	---	---	1,180	1,120	370	100	100	100
REGIONAL PRIVATE ENTERPRISE ACTIVITIES	G 298-0050	84	89	2,800	3,800	482	---	400	600	700	600
SMALL PROJECTS - PEACE CORPS	G 298-0052	84	C	---	---	---	---	---	120	130	130
ENERGY DEVELOPMENT COOPERATION	* G 298-0331	86	88	---	400	---	---	---	---	200	50
TOTAL FOR ACCOUNT GRANTS				2,800	4,200	1,662	1,120	770	820	1,130	380
LOANS				2,800	4,200	1,662	1,120	770	820	1,130	380
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				81,411	61,985	60,661	56,002	5,217	5,306	4,168	5,344
LOANS				81,411	61,985	60,661	56,002	5,217	5,306	4,168	5,344
				---	---	---	---	---	---	---	---

*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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 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 - ESF

CP 86

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY84- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND										
REGIONAL POPULATION ACTIVITIES	G 298-0048	83	C	---	---	193	193	500	400	500 600
LEGAL EDUC AND TRAINING	G 298-0054	33	86	250	300	100	---	100	25	100 100
PROJECT DEVELOPMENT AND SUPPORT	G 298-0150	78	C	---	---	2,782	2,419	400	500	600 500
REGIONAL COOPERATION	G 298-0158	85	85	17,336	19,906	15,813	11,068	5,000	5,100	5,300 2,200
WEST BANK/GAZA DEVELOPMENT ACTIVITIES	G 298-0159	85	88	22,488	45,917	21,790	11,767	9,000	13,697	10,000 7,603
PRIVATE SECTOR INITIATIVES	G 298-0174	83	83	262	262	262	161	---	101	---
MASS MEDIA BASIC EDUCATION	G 298-0193	84	85	1,323	1,323	1,323	---	---	700	---
AMERICAN UNIVERSITY OF BEIRUT III	* G 298-0332	86	86	---	5,000	---	---	---	---	5,000 3,000
TOTAL FOR ACCOUNT GRANTS				41,659	71,708	42,263	25,608	15,000	20,323	22,000 14,603
LOANS				41,659	71,708	42,263	25,608	15,000	20,323	22,000 14,603
TOTAL FOR COUNTRY GRANTS				41,659	71,708	42,263	25,608	15,000	20,323	22,000 14,603
LOANS				41,659	71,708	42,263	25,608	15,000	20,323	22,000 14,603

*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, 1984 are based on the authorized data. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (145) ITALY

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1984) 56,998
 PER CAPITA GNP..... (DOLLARS,1982) 6,840
 ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-82) 3.4%
 ANNUAL RATE OF INFLATION (1970-82) 16.0%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1977) 6.2%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1984) TOTAL 74.4 MALE 71.5 FEMALE 77.5
 (1970) TOTAL 71.6 MALE 68.7 FEMALE 74.5
 ADULT LITERACY RATE (1971) TOTAL 94% MALE 95% FEMALE 93%

AGRICULTURE

ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1974 -1983) 1.3%
 AGRICULTURAL PRODUCTION AS % OF GDP.....(1981) 6%
 POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981) 320
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE:% (.)
 CASH:% (.)
 MAJOR AGRICULTURAL EXPORTS:(.)
 MAJOR AGRICULTURAL IMPORTS:(.)
 PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1980) 13%

CENTRAL GOVERNMENT FINANCES

TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)
 (1978) 89,396 (79) 113,919 (80) 144,686
 TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)
 (1978) 118,877 (79) 146,164 (80) 191,536
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1978) -29,481 (79) -32,246 (80) -46,850
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1978) 3.1% (79) 3.4% (80) 3.3%
 AS % OF GNP..... (1978) 1.4% (79) 1.5% (80) 1.6%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1980)59,862 (81)49,127 (82)37,794
 EQUIVALENT TO 3.9 MONTHS OF IMPORTS (1982)

FOREIGN TRADE

MAJDR EXPORTS(1982)MACH. AND EQ. ,TEXTILES ,FOODSTUFFS
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1981)5,084 (1982)5,191 (1983)5,276
 AS % OF TOTAL EXPORTS (1980) 7% (1981) 8% (1982) 8%
 MAJDR IMPORTS(1982)MACH.TRANSF EQ ,FOODSTUFFS ,METALS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1981)6,136 (1982)5,855 (1983)4,778
 AS % OF TOTAL IMPORTS (1980) 10% (1981) 8% (1982) 8%
 TRADE BALANCE(\$ MILLIONS, U.S.)(1980)-12,612(81) -9,127(82)-7,287
 TRADING PARTNERS: GERMANY, FEDER ,NO A.I.D. CODE ,FRANCE
 EXTERNAL PUBLIC DEBT AS % OF GNP (.) . %
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (.) .
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (.) . %

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 0.6% (1978) 0.2% (1984) 0.3%
 POPULATION IN URBAN AREAS.....(1970) 64% (1984) 71%
 LIVE BIRTHS PER 1,000 POPULATION....(1970) (1984) 11
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1979) 78.0%
 POPULATION (1984) IN AGE GROUP:
 (0-14YRS) 21.0% (15-64YRS) 66.0% (65+ YRS) 13.0%
 INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984) 11
 PEOPLE PER PHYSICIAN..... (1979) 340
 MAJOR CAUSES OF
 DISEASE (1979) MEASLES ,UNKNOWN AILMENTS,CHILDHOOD DIS.
 DEATH.. (1978) HEART DISEASE ,STROKE ,HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 136%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(.) . %
 TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:
 PRIMARY..... (1981) TOTAL 85.9 MALE 86.9 FEMALE 86.3
 SECONDARY..... (1981) TOTAL 99.3 MALE 103 FEMALE 96.9
 POST SECONDARY.. (1980) TOTAL 22.4 MALE 25.2 FEMALE 19.4
 ENERGY PRODUCTION AS % OF CONSUMPTION.....(1982) 17.7%

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	U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS							ECONOMIC PROGRAMS OF ALL DONORS					
		FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946–83	REPAY- MENTS AND INTEREST 1946–83	TOTAL LESS REPAY- MENTS AND INTEREST 1946–83	A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS				
		1979	1980	1981	1982	1983				FY 1982	FY 1983	FY 1984	FY 1946-84	
	PROGRAM									TOTAL	0.0	0.0	0.0	399.6
	I. ECONOMIC ASSISTANCE – TOTAL	3.6	3.0	4.7	52.2	13.2	3408.9	486.4	2922.5	IBRD	0.0	0.0	0.0	398.0
	Loans	-	-	-	-	-	400.9	486.4	85.5-	IFC	0.0	0.0	0.0	1.0
	Grants	3.6	3.0	4.7	52.2	13.2	3008.0	-	3008.0	IDA	0.0	0.0	0.0	0.0
	a. A.I.D. and Predecessor Agencies	3.6	3.0	4.7	52.2	13.2	1772.5	116.7	1655.8	IDB	0.0	0.0	0.0	0.0
	Loans	-	-	-	-	-	95.6	116.7	21.1-	ADB	0.0	0.0	0.0	0.0
	Grants	3.6	3.0	4.7	52.2	13.2	1676.9	-	1676.9	ARJ2	0.0	0.0	0.0	0.0
	(Economic Support Fund)	-	-	-	-	-	-	-	-	UNDP	0.0	0.0	0.0	0.2
	b. Food for Peace (PL 480)	-	-	-	-	-	465.4	99.5	365.9	OTHER-UN	0.0	0.0	0.0	0.4
	Loans	-	-	-	-	-	96.0	99.5	3.5-	ECC	0.0	0.0	0.0	0.0
	Grants	-	-	-	-	-	369.4	-	369.4					
	Title I - Total Sales Agreements	-	-	-	-	-	76.0	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. Develo. & 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	3.6	3.0	4.7	52.2	13.2	5954.2	486.7	5467.5					
	Loans	-	-	-	-	-	401.2	486.7	85.5-					
	Grants	3.6	3.0	4.7	52.2	13.2	5553.0	-	5553.0					
	Other U.S. Government Loans and Grants	1.0	380.9	1.7	-	75.0	1393.7	1195.9	197.8					
	a. Export-Import Bank Loans	1.0	380.9	1.7	-	75.0	1393.7	1195.9	197.8					
	b. All Other Loans	-	-	-	-	-	-	-	-					

* LESS THAN \$50,000.

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

PROGRAM: ITALY

CP 85

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTMD PLANNED		-THROUGH FY34- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	EXPENDI TURES
INTERNATIONAL DISASTER ASSISTANCE											
ITALIAN PROGRAM	G 145-0001	81	85	71,655	71,655	70,000	25,075	1,655	20,000	---	15,000
TOTAL FOR ACCOUNT GRANTS				71,655	71,655	70,000	25,075	1,655	20,000	---	15,000
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
ITALIAN PROGRAM	G 145-0001	31	85	10,000	10,000	10,000	---	---	2,500	---	3,000
TOTAL FOR ACCOUNT GRANTS				10,000	10,000	10,000	---	---	2,500	---	3,000
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				81,655	81,655	80,000	25,075	1,655	22,500	---	18,000
LOANS				81,655	81,655	80,000	25,075	1,655	22,500	---	18,000

FY 1984: From 1984 Syria deobligation.

*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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

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Poland

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

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83	FY 1982 FY 1983 FY 1984 FY 1946-84							
	1979	1980	1981	1982	1983				TOTAL	IBRD	IFC	IDA	IDB	ADB	AFDB	UNDP
I. ECONOMIC ASSISTANCE – TOTAL	-	-	47.6	35.5	24.8	646.9	147.9	499.0	1.1	1.2	0.0	23.2				
Loans	-	-	-	-	-	146.0	147.9	1.9-	0.0	0.0	0.0	0.0				
Grants	-	-	47.6	35.5	24.8	500.9	-	500.9	0.0	0.0	0.0	0.0				
a. A.I.D. and Predecessor Agencies	-	-	-	5.0	-	66.0	96.3	30.3-	0.0	0.0	0.0	0.0				
Loans	-	-	-	-	-	61.0	96.3	35.3-	0.0	0.0	0.0	0.0				
Grants	-	-	-	5.0	-	5.0	-	5.0	1.1	1.2	0.0	20.9				
(Economic Support Fund)	-	-	-	5.0	-	5.0	-	5.0	0.0	0.0	0.0	2.4				
b. Food for Peace (PL 480)	-	-	47.6	30.5	24.8	179.2	-	179.2	0.0	0.0	0.0	0.0				
Loans	-	-	47.6	-	-	47.3	-	47.3	0.0	0.0	0.0	0.0				
Grants	-	-	-	30.5	24.8	131.9	-	131.9	0.0	0.0	0.0	0.0				
Title I - Total Sales Agreements	-	-	-	-	-	47.3	-	47.3	0.0	0.0	0.0	0.0				
Repayable in U.S. Dollars - Loans	-	-	47.6	-	-	47.3	-	47.3	0.0	0.0	0.0	0.0				
Payable in Foreign Currency - Planned for Country Use	-	-	47.6	-	-	-	-	-	1.1	1.2	0.0	20.9				
Title II - Total Grants	-	-	-	30.5	24.8	131.9	-	131.9	0.0	0.0	0.0	2.4				
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0				
Voluntary Relief Agencies	-	-	-	30.5	24.8	131.9	-	131.9	0.0	0.0	0.0	0.0				
c. Other Economic Assistance	-	-	-	-	-	401.7	51.6	350.1	0.0	0.0	0.0	0.0				
Loans	-	-	-	-	-	37.7	51.6	13.9-	0.0	0.0	0.0	0.0				
Grants	-	-	-	-	-	364.0	-	364.0	0.0	0.0	0.0	0.0				
Peace Corps	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0				
Narcotics	-	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0				
Other	-	-	-	-	-	364.0	-	364.0	0.0	0.0	0.0	0.0				
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	-	-	47.6	35.5	24.8	646.9	147.9	499.0								
Loans	-	-	47.6	-	-	146.0	147.9	1.9-								
Grants	-	-	-	35.5	24.8	500.9	-	500.9								
Other U.S. Government Loans and Grants	391.7	212.0	-	360.2	-	2277.1	1732.3	544.8								
a. Export-Import Bank Loans	6.2	31.6	-	-	-	321.0	194.7	126.3								
b. All Other Loans	385.5	180.4	-	360.2	-	1956.1	1537.6	418.5								

* LESS THAN \$50,000.

POLAND

A.I.D. Program (FYs 1984-1986)

On August 17, 1984, the President announced that the United States would contribute \$10 million in support of pilot agricultural projects which are being developed by a church-affiliated Polish agricultural foundation. Ten million dollars in Development Assistance (ARDN) funds were appropriated and earmarked for this purpose under the FY 1985 Continuing Resolution, which specified that up to \$5 million was to be obligated in FY 1985 and the remainder in FY 1986.

The private agricultural foundation is intended to provide resources to private Polish farmers, bypassing the Polish Government which historically has discriminated against private agriculture. This assistance will be provided to increase the incomes of private farmers by making services available to them and by selling to them scarce imports provided by donations from the West. The imported goods will be sold to farmers for Polish zlotys and the zloty proceeds will then be reinvested in the agricultural sector or used to improve social services. The entity to administer the inputs from the United States and the modalities for providing this assistance are under review. An initial obligation is expected in the spring of 1985.

A.I.D. is also responsible for administering an additional \$10 million ESF grant appropriated and earmarked by the omnibus supplemental appropriation bill of FY 1984 for (1) the construction and furnishing of the new Clement J. Zablocki Outpatient Center at the American Children's Hospital in Krakow (\$6 million administered by the Office of American Schools and Hospitals Abroad) and (2) equipment and supplies to other medical facilities throughout Poland (\$4 million administered by the Near East Bureau.) An agreement has been signed with Project Hope, a private voluntary organization, to implement the \$6 million program for the Office of American Schools and Hospitals Abroad. While no decision has yet been made on the \$4 million equipment/supplies program, it is anticipated that Project Hope will also be the implementing agent for this activity.

PL 480 Title II resources are also used to provide humanitarian assistance. The Catholic Relief Services implements a direct distribution program aimed at the unemployed, families of detained individuals, invalids, low income families and needy individuals. The Polish Catholic Church identifies those in need and takes responsibility for commodity distribution. For this purpose, \$20.9 million was provided in FY 1984 and \$13.8 million is planned for FY 1985 (all figures exclusive of ocean shipping costs).

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

CP 86

PROGRAM: POLAND

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY84- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY85- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY86- OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
AGRICULTURE FOUNDATION	G 181-0002	85	86	---	10,000	---	---	5,000	1,000	(5,000)	---
TOTAL FOR ACCOUNT GRANTS				---	10,000	---	---	5,000	1,000	---	---
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
HOSPITAL EQUIPMENT	G 181-0001	82	85	5,000	9,000	5,000	5,000	4,000	1,500	---	1,500
TOTAL FOR ACCOUNT GRANTS				5,000	9,000	5,000	5,000	4,000	1,500	---	1,500
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				5,000	19,000	5,000	5,000	9,000	2,500	---	1,500
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, 1984 are based on the authorized date. For all projects with an initial obligation date after December 31, 1984 the FY of final obligation is based on a planned date.

FY 86 CP ECONOMIC AND SOCIAL DATA

COUNTRY: (276) SYRIA

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BASIC DATA				*FOREIGN TRADE*			
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TOTAL POPULATION.. (THOUSANDS,MID 1984)	10,154			MAJOR EXPORTS(.)	.	.	.
PER CAPITA GNP..... (DOLLARS,1982)	1,680			EXPORTS TO U.S.			
ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-81)	0.1%			(\$ MILLIONS, US, FOB) (1981)	77	(1982) 14	(1983) 8
ANNUAL RATE OF INFLATION (1970-81)	13.4%			AS % OF TOTAL EXPORTS (1980)	6%	(1981) 4%	(1982) 1%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..(1960)	6.0%			MAJOR IMPORTS(.)	.	.	.
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1984) TOTAL 66.8 MALE 64.9 FEMALE 68.8				(\$ MILLIONS, US, CIF) (1981)	193	(1982) 165	(1983) 123
(1970) TOTAL 57.3 MALE 56.1 FEMALE 58.5				AS % OF TOTAL IMPORTS (1980)	7%	(1981) 5%	(1982) 5%
ADULT LITERACY RATE (1970) TOTAL 40% MALE 60% FEMALE 20%				TRADE BALANCE(\$ MILLIONS, U.S.)(1980)	-1,458(81)	-2,216(82)	-1,527
-----				TRADING PARTNERS: ITALY ,NO A.I.D. CODE ,FRANCE			
AGRICULTURE				EXTERNAL PUBLIC DEBT AS % OF GNP (1981)	28.2%		
ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
(1974 -1983) 0.2%				(\$ MILLIONS, U.S.)..... (1982)	373		
AGRICULTURAL PRODUCTION AS % OF GDP.....(1981)	19%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1982)	18.2%		
POPULATION DENSITY / SQ KM OF AGRICULTURAL LAND (1981)	65			-----			
MAJOR CROP(S)		ARABLE LAND	YEAR	*SOCIAL DATA*			
SUBSISTENCE: WHEAT ,BARLEY ,LENTILS		72%	(1983)	POPULATION GROWTH RATE...(1970)	3.4%	(1978) 3.4%	(1984) 3.7%
CASH: OLIVES ,COTTON ,GRAPES		14%	(1983)	POPULATION IN URBAN AREAS.....(1970)	43%	(1984) 50%	
MAJOR AGRICULTURAL EXPORTS:(1983) COTTON ,BARLEY ,LENTILS				LIVE BIRTHS PER 1,000 POPULATION....(1970)	45	(1984) 46	
MAJOR AGRICULTURAL IMPORTS:(1983) DAIRY PRODS. ,WHEAT ,RAW SUGAR				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	(1978)	19.8%	
PROPORTION OF LABOR FORCE IN AGRICULTURE.....(1979)	32%			POPULATION (1984) IN AGE GROUP:			
-----				(0-14YRS) 46.3% (15-64YRS) 50.5% (65+ YRS) 3.3%			
CENTRAL GOVERNMENT FINANCES				INFANT DEATHS IN FIRST YR OF LIFE PER 1000 LIVE BIRTHS (1984)	58		
TOTAL REVENUES AND GRANTS (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1980)	2,268		
(1978) 2,652 (79) 3,971 (80) 5,026				MAJOR CAUSES OF			
TOTAL EXPENDITURES AND NET LENDING (\$ MILLIONS, U.S.)				DISEASE (1978) ENTERIC DISEASE ,UNKNOWN AILMENTS,UNKNOWN AILMENTS			
(1978) 3,400 (79) 3,894 (80) 6,293				DEATH.. (1978) ILL-DEFINED CAUS,HEART DISEASE ,HEART DISEASE			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	108%		
(1978) -748 (79) 77 (80) -1,268				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976)	75%		
DEFENSE EXPENDITURES,				TOTAL SCHOOL ENROLLMENT AS RATIO OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978) 35.7% (79) 40.6% (80) 35.8%				PRIMARY..... (1981) TOTAL 99.6 MALE 109 FEMALE 89.6			
AS % OF GNP..... (1978) 14.4% (79) 15.7% (80) 16.5%				SECONDARY..... (1981) TOTAL 46.2 MALE 55.6 FEMALE 34.9			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POST SECONDARY.. (1980) TOTAL 14.1 MALE 19.1 FEMALE 8.7			
(\$MILLIONS, U.S.) (1979) 610 (80) 366 (81) 291				ENERGY PRODUCTION AS % OF CONSUMPTION.....(.) . %			
EQUIVALENT TO 0.5 MONTHS OF IMPORTS (1981)							

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

COUNTRY	SYRIA	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-83	REPAY- MENTS AND INTEREST 1946-83	TOTAL LESS REPAY- MENTS AND INTEREST 1946-83		
			1979	1980	1981	1982	1983					
			I. ECONOMIC ASSISTANCE — TOTAL								110.8	1.1
		Loans	93.1	-	-	-	-	-	-	494.2	62.3	431.9
		Grants	17.7	1.1	1.9	-	-	-	-	87.7	-	87.7
		a. A.I.D. and Predecessor Agencies	90.0	-	-	-	-	-	-	436.4	15.4	421.0
		Loans	75.0	-	-	-	-	-	-	397.7	15.4	382.3
		Grants	15.0	-	-	-	-	-	-	38.7	-	38.7
		(Economic Support Fund)	90.0	-	-	-	-	-	-	431.6	-	-
		b. Food for Peace (PL 480)	20.8	1.1	1.9	-	-	-	-	145.5	46.9	98.6
		Loans	13.1	-	-	-	-	-	-	96.5	46.9	49.6
		Grants	2.7	1.1	1.9	-	-	-	-	49.0	-	49.0
		Title I - Total Sales Agreements	18.1	-	-	-	-	-	-	96.5	46.9	49.6
		Repayable in U.S. Dollars - Loans	12.1	-	-	-	-	-	-	76.1	29.8	46.3
		Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	20.4	17.1	3.3
		Title II - Total Grants	2.7	1.1	1.9	-	-	-	-	49.0	-	49.0
		Emerg. Relief, Econ. Develop. & World Food Program	2.7	1.1	1.9	-	-	-	-	45.1	-	45.1
		Voluntary Relief Agencies	-	-	-	-	-	-	-	3.9	-	3.9
		c. Other Economic Assistance	-	-	-	-	-	-	-	-	-	-
		Loans	-	-	-	-	-	-	-	-	-	-
		Grants	-	-	-	-	-	-	-	-	-	-
		Peace Corps	-	-	-	-	-	-	-	-	-	-
		Narcotics	-	-	-	-	-	-	-	-	-	-
		Other	-	-	-	-	-	-	-	-	-	-
		II. MILITARY ASSISTANCE — TOTAL	-	-	-	-	-	-	-	0.1	-	0.1
		Credits or Loans	-	-	-	-	-	-	-	-	-	-
		Grants	-	-	-	-	-	-	-	0.1	-	0.1
		a. MAP Grants	-	-	-	-	-	-	-	*	-	*
		b. Credit Financing - FMS	-	-	-	-	-	-	-	-	-	-
		c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	0.1	-	0.1
		d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-	-	-
		e. Other Grants	-	-	-	-	-	-	-	-	-	-
		III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	110.8	1.1	1.9	-	-	-	-	582.0	62.3	519.7
		Loans	93.1	-	-	-	-	-	-	494.2	62.3	431.9
		Grants	17.7	1.1	1.9	-	-	-	-	87.8	-	87.8
		Other U.S. Government Loans and Grants	-	-	-	-	-	-	-	0.1	0.1	-
		a. Export-Import Bank Loans	-	-	-	-	-	-	-	0.1	0.1	-
		b. All Other Loans	-	-	-	-	-	-	-	-	-	-

* LESS THAN \$50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS

	FY 1982	FY 1983	FY 1984	FY 1946-84
TOTAL.....	23.6	5.0	30.0	676.2
IBRD	22.0	0.0	30.0	555.7
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	47.3
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	0.1	5.0	0.0	49.3
OTHER-UN	1.5	0.0	0.0	8.2
REC	0.0	0.0	0.0	15.7

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

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

SYRIA	CY 1982	CY 1983	CY 1978-83
United States	30.0	28.0	201.0
Germany, Fed. Rep.	28.7	18.6	133.5
France	6.8	6.6	29.5
Japan	1.6	16.4	23.4
Belgium	0.2	0.2	5.5
Other	2.6	4.8	17.6
Total	69.9	74.6	410.5

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

	CY 1982	CY 1983	CY 1978-82
	962.0	N.A.	6,130.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1982	CY 1983	CY 1954-83
USSR	-	326	1,149
Eastern Europe	-	-	1,154
China	-	-	70
Total	-	326.0	2,373.0