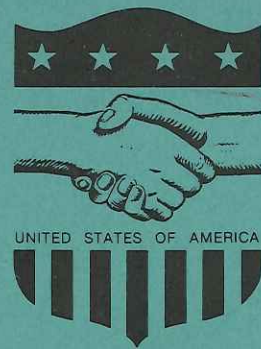


# AGENCY FOR INTERNATIONAL DEVELOPMENT



## Congressional Presentation Fiscal Year 1984

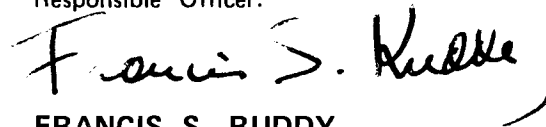
ANNEX I

Africa

( OFFICE  
COPY )

**AFRICA**

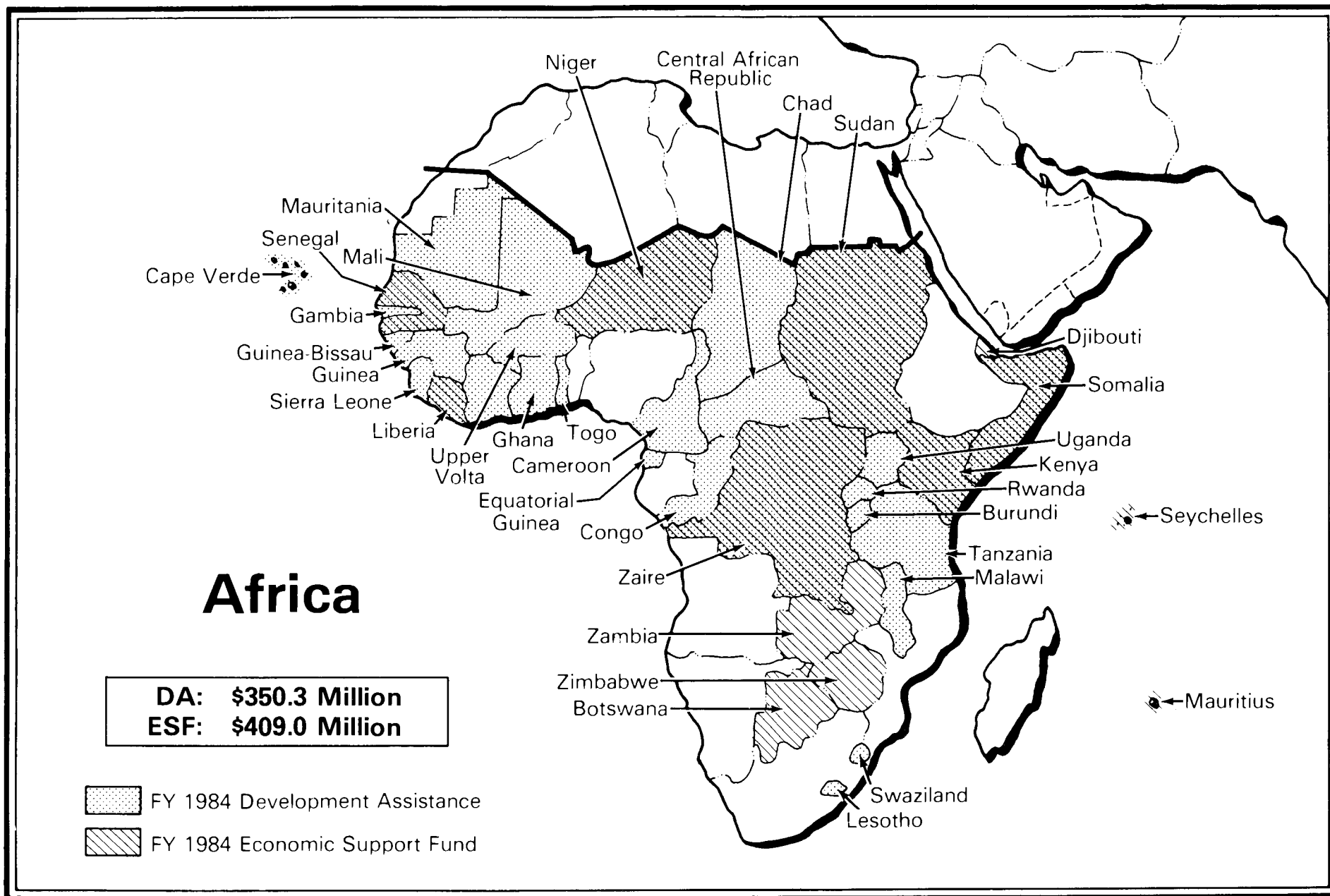
Responsible Officer:

A handwritten signature in black ink that reads "Francis S. Ruddy". The signature is written in a cursive style with a large initial "F" and a long horizontal stroke extending to the right.

**FRANCIS S. RUDDY**

*Assistant Administrator*

*Bureau for Africa*



## ANNEX I

Annex I presents to the Congress all the Development Assistance (DA) and Economic Support Fund programs (ESF) proposed for Africa for which A.I.D. is requesting funds for FY 1984.

The annex begins with a summary table which provides a break-out by country and appropriation account of the Africa region's funding requirements from FY 1981 to FY 1984. There is also a regional summary table showing economic and social data for African countries that receive either A.I.D. DA or ESF. Following these tables is a regional narrative provides a summary statement of the Agency's programs in Africa. Thereafter follows a description of the DA programs, divided into four geographic regions. There are also overview statements for the Sahel and the Southern Africa Regions followed by country narratives which describe the total A.I.D. program, including those projects for which funds are being requested in FY 1984. These narratives are followed by planned project summary sheets which present in detail requests for proposed new projects in FY 1984. The Kenya, Liberia, Niger, Somalia, Sudan; Senegal, and Zaire narratives include a description of both the DA and ESF programs in those countries. Narratives for the seven programs that receive only ESF funds in FY 1984 are included under the appropriate geographic grouping.

The next section of Annex I presents a brief overview of the total ESF request, followed by tables which provide budget data on all the activities for which ESF are requested. As indicated above, ESF country narrative statements are already included in the first section of this annex.

Note that the regional projects presented in this annex are different from centrally funded activities, which are described in Annex V.

The final section of Annex I includes tables on terminating programs.

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 *Receives both Development Assistance and Economic Support Funds in FY 1984	
**Receives only Economic Support Funds.	

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		*Receives both Development Assistance Funds and Economic Support Funds in FY 1984.	
		**Receives only Economic Support Funds.	



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

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REGION: BUREAU FOR AFRICA

C O U N T R Y	TOTAL	AGRICULTURE/ RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
-----									
BENIN									
1981	4,707	---	---	4,707	---	---	---	---	---
1982	---	---	---	---	---	---	---	---	---
1983	---	---	---	---	---	---	---	---	---
1984	---	---	---	---	---	---	---	---	---
BOTSWANA									
1981	10,860	---	---	---	---	---	---	10,860	---
1982	10,984	---	---	---	---	---	---	10,984	---
1983	10,000	---	---	---	---	---	---	10,000	---
1984	10,000	---	---	---	---	---	---	10,000	---
BURUNDI									
1981	3,256	1,256	---	---	---	2,000	---	---	---
1982	5,008	3,902	---	---	---	1,106	---	---	---
1983	5,197	3,997	---	---	---	1,200	---	---	---
1984	4,300	3,000	---	---	---	1,300	---	---	---
CAMEROON									
1981	7,840	6,915	---	925	---	---	---	---	---
1982	15,335	15,335	---	---	---	---	---	---	---
1983	17,000	17,000	---	---	---	---	---	---	---
1984	20,000	16,753	---	---	3,247	---	---	---	---
CAPE VERDE									
1981	3,614	---	---	---	---	---	3,084	---	530
1982	3,450	---	---	---	---	---	3,450	---	---
1983	2,210	---	---	---	---	---	2,210	---	---
1984	2,000	---	---	---	---	---	2,000	---	---
CENTRAL AFR REPUBLIC									
1981	---	---	---	---	---	---	---	---	---
1982	1,000	1,000	---	---	---	---	---	---	---
1983	1,000	1,000	---	---	---	---	---	---	---
1984	1,200	1,200	---	---	---	---	---	---	---
CHAD									
1981	---	---	---	---	---	---	---	---	---
1982	2,822	---	---	---	---	---	---	2,822	---
1983	2,000	---	---	---	---	---	2,000	---	---
1984	9,000	---	---	---	---	---	9,000	---	---
CONGO									
1981	2,000	2,000	---	---	---	---	---	---	---
1982	1,000	1,000	---	---	---	---	---	---	---
1983	1,000	1,000	---	---	---	---	---	---	---
1984	1,000	1,000	---	---	---	---	---	---	---



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

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REGION: BUREAU FOR AFRICA

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
-----									
DJIBOUTI									
1981	4,180	480	---	---	1,700	---	---	2,000	---
1982	2,000	---	---	---	---	---	---	2,000	---
1983	2,000	---	---	---	---	---	---	2,000	---
1984	3,000	---	---	---	---	---	---	3,000	---
EQUATORIAL GUINEA									
1981	1,000	1,000	---	---	---	---	---	---	---
1982	1,000	1,000	---	---	---	---	---	---	---
1983	1,000	1,000	---	---	---	---	---	---	---
1984	1,000	1,000	---	---	---	---	---	---	---
GAMBIA									
1981	5,571	---	---	---	---	---	5,571	---	---
1982	1,219	---	---	---	---	---	1,219	---	---
1983	3,900	---	---	---	---	---	3,900	---	---
1984	3,500	---	---	---	---	---	3,500	---	---
GHANA									
1981	5,028	4,200	---	---	828	---	---	---	---
1982	1,368	---	---	---	1,368	---	---	---	---
1983	3,000	500	2,000	500	---	---	---	---	
1984	2,000	2,000	---	---	---	---	---	---	
GUINEA									
1981	2,800	2,800	---	---	---	---	---	---	---
1982	1,102	1,102	---	---	---	---	---	---	---
1983	2,000	2,000	---	---	---	---	---	---	---
1984	2,300	2,300	---	---	---	---	---	---	---
GUINEA-BISSAU									
1981	1,903	1,903	---	---	---	---	---	---	---
1982	2,380	2,380	---	---	---	---	---	---	---
1983	2,000	2,000	---	---	---	---	---	---	---
1984	1,000	1,000	---	---	---	---	---	---	---
KENYA									
1981	20,328	10,750	---	1,920	500	1,658	---	5,500	---
1982	38,912	13,000	4,000	9,523	---	1,675	---	10,714	---
1983	60,274	25,274	4,500	500	---	---	---	30,000	---
1984	80,000	36,000	2,000	---	---	---	---	42,000	---
LESOTHO									
1981	10,517	3,977	50	3,101	3,389	---	---	---	---
1982	10,215	4,024	---	2,300	3,891	---	---	---	---
1983	10,361	4,361	40	2,553	2,907	---	---	---	---
1984	10,200	1,500	---	1,950	6,750	---	---	---	---

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

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REGION: BUREAU FOR AFRICA

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
-----									
LIBERIA									
1981	37,338	2,123	---	---	2,380	835	---	32,000	---
1982	47,041	6,561	---	---	4,813	667	---	35,000	---
1983	44,000	3,200	300	3,500	2,000	3,000	---	32,000	---
1984	48,000	3,134	407	5,459	2,000	2,000	---	35,000	---
MALAWI									
1981	6,006	2,926	---	1,700	1,380	---	---	---	---
1982	7,721	2,152	---	2,869	2,700	---	---	---	---
1983	7,000	4,035	---	731	2,234	---	---	---	---
1984	10,000	10,000	---	---	---	---	---	---	---
MALI									
1981	14,453	---	---	---	---	---	14,453	---	---
1982	9,611	---	---	---	---	---	9,611	---	---
1983	8,430	---	---	---	---	---	8,430	---	---
1984	9,700	---	---	---	---	---	9,700	---	---
MAURITANIA									
1981	8,500	---	---	---	---	---	8,500	---	---
1982	6,307	---	---	---	---	---	6,307	---	---
1983	5,600	---	---	---	---	---	5,600	---	---
1984	5,000	---	---	---	---	---	5,000	---	---
MAURITIUS									
1981	---	---	---	---	---	---	---	---	---
1982	2,000	---	---	---	---	---	---	2,000	---
1983	2,000	---	---	---	---	---	---	2,000	---
1984	2,000	---	---	---	---	---	---	2,000	---
NIGER									
1981	13,655	---	---	---	---	---	13,655	---	---
1982	12,982	---	---	---	---	---	12,982	---	---
1983	18,000	---	---	---	---	---	16,000	2,000	---
1984	21,000	---	---	---	---	---	16,000	5,000	---
RWANDA									
1981	3,427	2,415	1,012	---	---	---	---	---	---
1982	6,477	5,977	500	---	---	---	---	---	---
1983	5,315	3,615	1,700	---	---	---	---	---	---
1984	5,500	2,000	1,800	---	---	1,700	---	---	---
SAO TOME/PRINCIPE									
1981	1,580	1,580	---	---	---	---	---	---	---
1982	---	---	---	---	---	---	---	---	---
1983	---	---	---	---	---	---	---	---	---
1984	---	---	---	---	---	---	---	---	---

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION  
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REGION: BUREAU FOR AFRICA

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
-----									
SENEGAL									
1981	14,800	---	---	---	---	---	14,800	---	---
1982	16,200	---	---	---	---	---	16,200	---	---
1983	23,000	---	---	---	---	---	18,000	5,000	---
1984	28,000	---	---	---	---	---	18,000	10,000	---
SEYCHELLES									
1981	500	500	---	---	---	---	---	---	---
1982	2,000	---	---	---	---	---	---	2,000	---
1983	2,000	---	---	---	---	---	---	2,000	---
1984	2,000	---	---	---	---	---	---	2,000	---
SIERRA LEONE									
1981	2,309	2,700	---	---	109	---	---	---	---
1982	3,143	2,345	---	---	803	---	---	---	---
1983	1,000	1,000	---	---	---	---	---	---	---
1984	1,000	1,000	---	---	---	---	---	---	---
SOMALIA									
1981	12,080	7,980	---	4,100	---	---	---	---	---
1982	34,400	13,201	---	1,199	---	---	---	20,000	---
1983	53,213	12,730	---	6,238	1,250	---	---	21,000	12,000 <sup>1/</sup>
1984	54,600	12,669	---	4,430	2,501	---	---	35,000	---
SUDAN									
1981	74,487	18,106	1,381	3,500	---	1,000	---	50,000	---
1982	124,871	14,840	596	6,000	---	2,555	---	100,000	880
1983	134,932	25,932	500	1,000	---	1,500	---	95,000 <sup>3/</sup>	11,000 <sup>2/</sup>
1984	148,000	17,193	2,697	2,103	---	5,004	---	120,000	1,000 <sup>2/</sup>
SWAZILAND									
1981	9,635	4,906	---	3,199	1,580	---	---	---	---
1982	8,677	5,297	---	---	3,380	---	---	---	---
1983	6,157	2,500	---	1,057	2,600	---	---	---	---
1984	3,000	4,006	---	---	3,994	---	---	---	---
TANZANIA									
1981	21,625	7,193	---	11,848	1,265	499	---	---	820
1982	10,646	7,646	---	---	3,000	---	---	---	---
1983	10,200	7,200	---	---	3,000	---	---	---	---
1984	8,000	2,925	---	---	5,075	---	---	---	---
TOGO									
1981	4,578	1,000	---	3,248	---	330	---	---	---
1982	3,414	1,022	---	2,392	---	---	---	---	---
1983	2,975	2,300	---	675	---	---	---	---	---
1984	2,900	2,409	---	491	---	---	---	---	---

<sup>1/</sup> Includes \$12 million African Refugee Assistance

<sup>2/</sup> Includes \$11 million in FY 1983, and \$1 million in FY 1984 for African Refugee Assistance

<sup>3/</sup> Includes \$25 million supplemental

SUMMARY OF PROGRAMS BY COUNTRY AND APPROPRIATION  
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REGION: BUREAU FOR AFRICA

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
-----									
UGANDA									
1981	2,000	2,000	---	---	---	---	---	---	---
1982	6,999	6,999	---	---	---	---	---	---	---
1983	7,500	7,500	---	---	---	---	---	---	---
1984	9,000	9,000	---	---	---	---	---	---	---
UPPER VOLTA									
1981	14,122	---	---	---	---	---	14,122	---	---
1982	11,202	---	---	---	---	---	11,202	---	---
1983	8,635	---	---	---	---	---	8,635	---	---
1984	9,800	---	---	---	---	---	9,800	---	---
ZAIRE									
1981	10,570	7,956	---	1,389	1,225	---	---	---	---
1982	10,348	7,071	348	2,929	---	---	---	---	---
1983	16,535	6,131	2,000	1,035	319	---	---	7,000 4/	---
1984	20,000	8,408	1,592	---	---	---	---	10,000	---
ZAMBIA									
1981	20,576	---	---	---	---	---	---	20,576	---
1982	19,999	---	---	---	---	---	---	19,999	---
1983	15,000	---	---	---	---	---	---	15,000 5/	---
1984	20,000	---	---	---	---	---	---	20,000	---
ZIMBABWE									
1981	24,996	---	---	---	---	---	---	24,996	---
1982	75,000	---	---	---	---	---	---	75,000	---
1983	75,000	---	---	---	---	---	---	75,000	---
1984	75,000	---	---	---	---	---	---	75,000	---
SAHEL REG PROGRAM									
1981	22,158	---	---	---	---	---	21,379	---	779
1982	33,184	---	---	---	---	---	32,853	---	331
1983	32,801	---	---	---	---	---	31,786	---	1,015
1984	30,000	---	---	---	---	---	30,000	---	---
SOUTHERN AFR REG									
1981	17,039	---	---	---	---	---	---	17,039	---
1982	17,305	---	---	---	3,000	---	---	14,305	---
1983	18,000	---	---	---	3,000	---	---	15,000	---
1984	40,000	---	---	---	---	---	---	40,000	---
AFRICA REGIONAL									
1981	47,310	11,434	1,559	9,746	10,792	11,276	---	---	2,503
1982	57,584	19,137	1,898	16,659	12,890	7,000	---	---	---
1983	53,455	13,754	1,325	17,125	10,231	11,020	---	---	---
1984	58,300	11,050	2,150	15,763	9,619	13,718	---	---	6,000 6/

4/ Includes \$7 million supplemental

5/ Includes \$15 million supplemental

6/ Includes \$6 million African Refugee Assistance

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

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REGION: BUREAU FOR AFRICA

C O U N T R Y	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	SAHEL DEVELOPMENT PROGRAM	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
-----									
TOTAL									
1981	467,898	108,100	4,502	49,383	25,148	17,598	95,564	162,971	4,632
1982	624,911	134,991	7,342	43,871	35,845	13,003	93,824	294,824	1,211
1983	673,745	149,629	12,365	34,914	27,541	16,720	96,561	313,000	24,015
1984	766,300	149,550	10,646	30,196	33,186	23,722	103,000	409,000	7,000



ECONOMIC AND SOCIAL DATA  
REGIONAL SUMMARY

REGION: AFRICA

COUNTRY	ECONOMY	EDUCATION	POPULATION					HEALTH			
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
SAHEL DEVELOPMENT ASSISTANCE RECIPIENTS											
CAPE VERDE	270	37	293	.7	759	189	25	59	7,186	61.7	105
CHAD	120	15	4,852	2.3	24	9	18	85	42,000	40.9	154
GAMBIA, THE	350	15	635	2.7	274	149	16	79	13,122	42.4	204
MALI	190	9	7,015	2.7	46	14	17	73	24,055	43.6	121
MAURITANIA	480	17	1,561	1.9	10	3	23	69	20,620	43.0	149
NIGER	340	5	5,833	2.9	84	11	9	91	42,544	43.0	151
SENEGAL	500	10	5,991	2.7	192	79	32	76	15,749	43.6	153
UPPER VOLTA	240	5	6,208	2.4	83	58	8	82	64,796	59.2	219
SAHEL DEVELOPMENT ASSISTANCE RECIPIENT SUMMARY (1)	291	9	32,388	2.6	47	14	17	80	27,524	42.5	159

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

ECONOMIC AND SOCIAL DATA  
REGIONAL SUMMARY

REGION: AFRICA

COUNTRY	ECONOMY		EDUCATION		POPULATION				HEALTH		
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOLLAR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
					POP/AGK LAND	POP/TOTAL LAND					
SAHEL ECONOMIC SUPPORT FUND RECIPIENTS											
NIGER	340	5	5,833	2.9	84	11	9	91	42,544	43.6	151
SENEGAL	500	10	5,991	2.7	192	79	32	76	15,749	43.6	153
SAHEL ECONOMIC SUPPORT FUND RECIPIENT SUMMARY (1)	421	8	11,824	2.8	118	20	21	83	22,847	43.6	152

(1) THE TOTAL POPULATION FOR THE GROUP IS GIVEN;  
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ECONOMIC AND SOCIAL DATA  
REGIONAL SUMMARY

REGION: AFRICA

COUNTRY	ECONOMY		EDUCATION		POPULATION				HEALTH		
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
					POP/AGG LAND	POP/TOTAL LAND					
OTHER AFRICA ECONOMIC SUPPORT FUND RECIPIENTS											
BOTSWANA	900	35	975	4.6	6	4	16	86	9,236	50.5	80
DJIBOUTI, DEMOCRATIC RE	480	14	306	4.0	396	36	71	N.A.	4,668	50.0	N.A.
KENYA	430	50	17,832	4.1	770	79	12	78	11,690	55.5	92
LIBERIA	540	25	2,024	3.2	874	47	28	70	9,218	52.9	159
MAURITIUS	1,340	85	990	1.6	2,565	1,282	43	30	2,418	65.8	35
SEYCHELLES	1,800	58	66	1.5	N.A.	N.A.	26	26	2,762	65.0	24
SOMALIA	280	5	6,124	3.5	53	24	29	62	17,197	43.9	150
SUDAN	380	20	19,868	2.8	163	20	20	66	8,643	46.7	131
ZAIRE	230	58	30,289	2.8	253	33	33	75	15,759	47.5	117
ZAMBIA	590	44	6,222	3.2	46	21	40	67	10,553	49.9	111
ZIMBABWE	820	45	8,090	3.5	287	53	20	60	7,106	55.0	49
OTHER AFRICA ECONOMIC SUPPORT FUND RECIPIENT SUMMARY (1)											
	407	42	92,786	3.2	131	30	25	72	10,721	49.6	115
REGIONAL SUMMARY (1)											
	380	38	215,759	3.0	111	32	20	75	14,578	48.4	124

ECONOMIC AND SOCIAL DATA  
REGIONAL SUMMARY

REGION: AFRICA

COUNTRY	ECONOMY	EDUCATION	POPULATION					HEALTH			
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		LABOR FORCE IN AGRICULTURE (PERCENT)		PEOPLE PER 1,000	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
					POP/AGR LAND	POP/TOTAL LAND	% IN URBAN AREAS		000/10K		
TOGO	390	18	2,763	3.0	300	128	15	67	18,336	47.5	115
UGANDA	360	48	13,651	3.2	337	149	7	83	28,200	54.1	101
ZAIRE	230	58	30,289	2.8	253	33	33	75	15,759	47.5	117
OTHER AFRICA DEVELOPMENT ASSISTANCE RECIPIENT SUMMARY (1)	359	42	166,722	3.1	180	44	20	76	14,512	49.1	121

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ECONOMIC AND SOCIAL DATA  
REGIONAL SUMMARY

REGION: AFRICA

COUNTRY	ECONOMY		EDUCATION		POPULATION				HEALTH		
	GNP PER CAPITA (DOLLARS)	LITERACY RATE (PERCENT)	TOTAL (THOUSANDS)	ANNUAL GROWTH RATE (PERCENT)	DENSITY (PERSONS / SQUARE MILE)		% IN URBAN AREAS	LABOR FORCE IN AGRICULTURE (PERCENT)	PEOPLE PER DOCTOR	LIFE EXPECTANCY (YEARS)	INFANT DEATHS PER 1,000 BIRTHS
					POP/AGR LAND	POP/TOTAL LAND					
OTHER AFRICA DEVELOPMENT ASSISTANCE RECIPIENTS											
BURUNDI	240	23	4,438	2.7	676	410	2	84	47,568	42.3	127
CAMEROON	790	41	9,049	3.4	149	49	28	83	16,459	47.5	115
CENTRAL AFRICAN REPUBLIC	330	39	2,471	2.6	107	10	36	86	19,557	44.6	154
CONGO, REP. OF	1,110	50	1,641	2.8	28	12	39	34	7,263	58.9	155
EQUATORIAL GUINEA, REPU	180	N.A.	260	2.3	N.A.	24	N.A.	N.A.	62,000	40.0	149
GHANA	400	30	12,943	3.2	250	140	31	53	9,720	49.9	107
GUINEA	300	20	5,278	2.6	190	55	22	82	16,627	45.0	172
GUINEA-BISSAU	190	9	823	1.6	133	59	23	84	7,638	35.0	250
KENYA	430	50	17,832	4.1	770	79	12	76	11,690	55.5	92
LESOTHO	540	55	1,395	2.2	125	120	3	87	18,627	51.5	114
LIBERIA	540	25	2,024	3.2	874	47	28	70	9,218	52.9	159
MALAWI	200	25	6,410	3.0	405	140	10	86	48,198	44.5	150
RWANDA	250	50	5,451	3.2	941	543	4	91	38,942	45.6	127
SIERRA LEONE	320	15	3,535	2.2	145	127	15	65	18,061	47.5	215
SOMALIA	280	5	6,124	3.5	53	24	29	82	17,197	43.9	150
SUDAN	380	20	19,868	2.8	163	20	20	66	8,643	46.7	131
SWAZILAND	640	65	589	2.9	109	89	11	75	9,148	47.5	140
TANZANIA	300	74	19,868	3.2	103	54	13	83	17,015	52.1	108



AFRICA BUREAU OVERVIEW

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	37,520	11,100	-	4,630	-	-	21,790	
Grants ....	587,391	123,891	7,342	39,241	35,845	13,003	273,034	95,035
Total ....	624,911	134,991	7,342	43,871	35,845	13,003	294,824	95,035
1983								
Loans ....	41,261	26,261	-	-	-	-	15,000	
Grants ....	32,484	122,368	12,365	34,914	27,541	16,720	298,000	120,515
Total ....	73,745	148,629	12,365	34,914	27,541	16,720	313,000	120,575
1984								
Loans ....	31,000	13,600	-	-	1,400	-	16,000	
Grants ....	35,300	135,950	10,646	30,196	31,786	23,722	393,000	110,000
Total ....	66,300	149,550	10,646	30,196	33,186	23,722	409,000	110,000

a/ Includes \$93.8 mil. from Sahel Dev. Program and \$1.2 mil. Foreign Disaster Asst. Act 1974 (FDAA).

b/ Includes \$96.6 mil. from Sahel Dev. Program; \$1 mil. from Foreign Disaster Asst. Act of 1974 (FDAA) and \$23.0 mil. African Refugee Assistance P.L. 97-121.

c/ Includes \$47 mil. supplemental Appropriation request for FY 1983.

d/ Includes \$103 mil. Sahel Dev. Program and \$7 mil. for African Refugee Assistance PL 97-121.

Africa's Development Profile and Potential:

Over the last decade, economic development in Sub-Saharan Africa has become more difficult and urgent. After moderate but steady growth and development in the 1960s and early 1970s, the economic performance of Africa has declined, and projections for the 1980s are not bright. At present, average annual growth in per capita GNP is projected between 1.0% and negative 0.1% between 1980 and 1990. Several alarming economic and social trends, unless reversed, portend serious political and human crisis in coming years.

-- The downturn in African economic performance is taking place against a background of population growth, relatively slow rates of technological change, and the fact that in many areas the limit of cultivation has been reached.

-- While Africa's population is estimated to be growing at an average annual rate of about 2.8%, food production has not kept pace. Throughout the 1970s, the average annual per capita growth rate in agriculture, Africa's most important economic activity, was minus 1.4% for all crops. Per capita food production was minus 1.2%. Overall production increases, such as they have been, were attained almost exclusively by expanding the areas under cultivation. Food yields per hectare in Africa have been at a lower level than in other regions. Sub-Saharan Africa is the only developing region of the world where per capita food production declined over the past two decades. Improving agricultural productivity is the most basic cure for persistent poverty both in rural and urban areas and will be the centerpiece of A.I.D. country and regional strategies throughout the Region.

-- Rapid deforestation is contributing to the loss of soil capacity in many areas. Since 80% of African households depend on firewood for their basic energy needs, reforestation efforts must be accelerated along with introduction of other renewable energies.

-- Urbanization growth rates in Africa are the highest in the world. Most urban areas favor imported food and products not processed locally which place a heavy drain on limited foreign exchange reserves for imports of wheat, rice and other offshore foodstuffs.

-- 80% of Sub-Saharan Africans still have no access to basic health care. Life expectancy averages 47 years, compared to 57 years in the rest of the developing world and 73 in the United States.

## AFRICA BUREAU OVERVIEW

Extensive disease in Africa reduces labor productivity in rural areas and often precludes human habitation in more fertile valley areas with greater agriculture potential. Moreover, 76% of the population is functionally illiterate and lack of skilled manpower remains a primary impediment to development progress.

- With the rapidly rising costs of energy, manufactured goods and food grains and relatively stagnant export markets, non-mineral producing African states will face extremely severe balance of payments and debt problems through the 1980s. This will greatly handicap their capacity to meet food deficits and other basic import needs. Greater diversification of African exports, particularly in agriculture products, will be essential.

- Inadequate and high cost transportation systems prevent agricultural, health and other public services from reaching isolated rural peoples and seriously limit the internal marketing of food and other goods.

Since areas of production are frequently great distances from urban consumption areas, transportation systems that facilitate intra-African trade in food are an essential prerequisite for food security in the Sub-Sahara.

- Conflict in several parts of Africa along with projected food deficits portend growing movements of displaced persons and refugees. These destitute people require more than simple life support. Effective approaches are urgently needed for bringing refugee populations into basic development programs within the countries of sanctuary.

Despite these problems, however, there is substantial resource endowment and opportunities in the region for long-term economic growth:

- Africa has the potential for increasing annual production of cereals by 16 million metric tons from rainfed land and by 9 million metric tons from irrigated land, for an annual production increase of 25 million metric tons. This compares to a total production of 42 million metric tons in the period 1977-79. The potential average annual increase in livestock products is estimated at 1.04 million metric tons.

- Sub-Saharan Africa has nine major river basins running through several countries in the Sahel, Central and Southern Africa. Irrigation potential can be compared to the American West. The basins offer the possibility of putting some 14 million hectares under irrigation. Africa is estimated to have over one-third of the world's potential hydropower resources. Energy from hydropower is one of Africa's greatest underutilized resources. The natural highways which are formed by the rivers can serve as low-energy alternatives for moving agricultural products to markets and supplies to producers.

- While distribution among countries is very uneven, Africa is a major producer of minerals such as copper, cobalt, chrome, and uranium. There has also been a steady increase in the number of oil deposits located, particularly in coastal waters. Only a small portion of the land has been surveyed in detail and the potential is believed far greater than current production levels would suggest. Ways should be found to encourage greater local and U.S. private sector activity in this regard.

- With respect to progress, Africa's absorptive capacity has been rapidly enlarging. Today an estimated 60% of all school age children are in primary schools. Since mid-1960 annual secondary and higher education enrollment have increased by 9.8% and 11.1% respectively. Conditions are being created which will increase Africa's ability to use its greatest resource, its population.

## AFRICA BUREAU OVERVIEW

-- In the area of food production, new hybrid cereals varieties have been developed, seed multiplication activities replicated and agriculture research activities initiated. A number of African countries are beginning to re-examine food pricing, marketing strategies and other policies affecting food and agricultural production. New policy frameworks, conducive to producer incentives, may be emerging. We believe the time is auspicious as well as critical to enlarge assistance to food and agriculture production.

### Progress in Programs:

While A.I.D. remains a minor donor in most African countries, our assistance and influence have contributed significantly to recent progress on the continent.

- In Swaziland the Health Manpower Training project has resulted in the establishment of the Institute of Health Sciences which trains new health service workers and provides upgrading for those already in service.
- In Malawi, the Union of Savings and Credit Cooperatives have more than doubled the out-reach of credit unions, making credit available to more than 100,000 smallholders.
- In Rwanda, the Regional Family Health initiatives project was instrumental in facilitating the development of an in-country Maternal Child Health/Family Planning project to assist the Government of Rwanda in developing and implementing a national family planning program.
- Under a resettlement project in Somalia about 200 nomads were trained in various construction skills in order to provide better housing in the drought affected Kurtunwaare area. Other organizations in other areas used the method and techniques used in the project to build other housing.

-- In Sudan, the United States has played a active role in encouraging Sudan to adopt macro economic policy reforms and a positive attitude to IMF reforms.

-- Similar to Sudan, our programs in Kenya, Uganda, Senegal, etc., are a major vehicle for policy dialogue and economic policy reform at the macro and project levels.

-- Our leadership role in the Sahel Program has encouraged other donors to participate in a substantial way even though our own resources have amounted to less than 10% of the total effort.

-- The Zaire Cassava research project has identified several varieties of cassava which are resistant to insects and diseases which were threatening to decimate this staple crop. It has now moved into the extension phase.

-- A recent evaluation of the Rural Road-Route 84 Project in Burundi has shown that the low cost rural road constructed using local labor in a joint food-for-work and development assistance project has greatly stimulated economic activity in the area served by the road.

-- The United States, as coordinator for the Cooperation for Development in Africa (CDA) Technical Committee on Agricultural Research has worked with six other donor countries to develop a methodology to reorient research to focus on the total farming/living situation of small-scale farmers in Sub-Saharan Africa. Consultative (planning) meetings will be held during 1983 in the five ecological zones to develop zonal research programs which will strengthen national research systems and share research results among all countries within each zone.

## AFRICA BUREAU OVERVIEW

-- USAID/Somalia played a significant role in bringing about a IMF-Somalia dialogue concerning exchange reform. Somalia has liberalized its foreign exchange regime as a result. USAID/Somalia was also active in contributing to the GOS-IMF dialogue on increasing the role of market forces in the Somalian economy. As the result of the analysis and advice provided by an A.I.D.-funded consultant, the Somali government has initiated a review of its investment laws and practices. With continued support from USAID, the Somali government intends to provide a better climate for investment, both for foreign private capital and for indigenous entrepreneurs.

### FY 1984 Program Highlights:

The FY 1984 budget request includes \$350.3 million for Development Assistance, of which \$103 million is for the Sahel Development Program. \$409 million is also being requested for programs under the Economic Support Funds. In addition, \$204 million is requested for PL 480 programs of which \$44 million is for Title III and \$72 million for Title II. The FY 1984 request will concentrate on the following areas:

#### Agriculture:

Helping African nations increase their food and agricultural production and improve food distribution is the major emphasis of A.I.D.'s development assistance program in Africa.

In response to the food deficit problem, A.I.D. has implemented a food/agricultural sector assistance strategy. Its three major components are to:

1. Assist in creating national policies and programs that give farmers adequate incentives to expand agricultural output, especially of food.

2. Assist in building self-sustaining institutions that provide appropriate technology, inputs and services at the time and in the quantity necessary for effective production and distribution of food products.
3. Support institutional and human resource development programs that provide the means for greater participation by farmers in the development process, including policy planning, to build popular support and acceptance of programs necessary for self-sustaining growth.

Activities addressing policy reform and redirection in Senegal and Niger are examples of the integrated use of DA, PL 480 and ESF funding to influence policy direction in the Agriculture Sector.

Projects being proposed such as the Agricultural Research and Extension project and Egerton College in Kenya; the Agriculture Institution Rehabilitation project in Uganda and the National Research Development project in Somalia are further examples of institutional support and human resource development activities in support of our agriculture goals.

#### Health:

The goal of the Africa Bureau health sector development program is to assist the countries of the region to address their health problems on a national and regional basis. Health programs are supported for the most part in four general categories: (a) Primary Health Care; (b) Health Planning; (c) Water and Sanitation; and (d) Endemic Disease Control.



## AFRICA BUREAU OVERVIEW

New primary health projects are being proposed in Ghana and the Africa Regional Program and new Rural Health Services activities in Senegal. The ongoing major regional effort to combat childhood diseases and efforts to develop low cost health delivery systems will be continuing in a number of programs.

### Population:

Seven Sub-Saharan African nations (Botswana, Ghana, Kenya, Mauritius, Rwanda, Senegal, Uganda) have declared national population policies. Several others, including Nigeria and Sudan, have recently established national population councils. Twenty-three countries in the region now provide family planning services in government clinics.

In FY 1984 we will continue our earlier efforts to implement our ongoing program and are proposing new projects in the Africa Regional Program.

### Education and Human Resource Development:

In FY 1984 A.I.D. will help expand Africa's human resources capacity. Attention will be devoted to: (1) development administration and technical skills training, as pre-conditions to institutional development and the transfer of technology; (2) strengthening indigenous private voluntary organizations (PVOs) and the commercial private sector by helping them develop management and entrepreneurial skills, and (3) expanding training opportunities in the United States through the Africa Manpower Development Project.

Examples of new training and development administration projects are the Support to Primary Education Project in the Cameroon, the Swaziland Manpower Project and the Lesotho Education Sector Program.

### Private Sector Activity:

A.I.D. is placing special emphasis on support of the private sector of African economies, particularly for indigenous small and medium size enterprises. We are now reviewing projects to assure that wherever appropriate the private sector is used and supported through dollar and local currency funds. Wherever possible we will, in association with A.I.D.'s Private Enterprise Bureau, be alert to opportunities for the U.S. private sector to participate in African development activities. In FY 1984 new Private Enterprise activities are being proposed for Rwanda, Malawi, Africa Regional Program and Mali. A major Agro-Business Project in Kenya, to be started in FY 1983 will also be continuing.

We believe that support of the private sector is an efficient way to expand employment and productivity. Moreover, maximizing use of the private sector will lessen the burden of already overextended governments.

We expect PVO grants of approximately \$29 million in Africa in FY 1984. This includes \$27 million from DA and \$2 million from ESF funds. We believe that A.I.D./PVO cooperation is an effective means for enhancing the impact and effectiveness of our efforts.

### Energy and the Environment:

A.I.D. must continue to address the high cost and increasing scarcity of energy resources, deforestation and ecologically unsound agriculture and livestock practices if Africa's productive

## AFRICA BUREAU OVERVIEW

capability is to be preserved and expanded. A.I.D. will support afforestation, range and soil conservation efforts. In many cases, these activities are designed as integrated components of agriculture production systems.

### The Economic Support Fund Program:

The FY 1984 request for \$409 million is intended to provide the United States with the resources necessary to stem the spread of further economic and political disruption and to support the efforts of friends and allies to deal with threats to security and independence. Economic Support Funds totalling \$409 million are requested for Sudan, Somalia, Kenya, Mauritius, Seychelles, Djibouti, Zimbabwe, Zambia, Botswana, the Southern Africa Regional Program, Liberia, Niger, Senegal and Zaire.

These countries are currently experiencing a broad range of economic and political problems, such as, balance of payments and budgetary deficits, external debt burdens, deteriorating terms of trade and declining output, and the threat of political instability. In addition to the political and security objectives of these funds, A.I.D. makes every effort to assure that they have a developmental effect as well. ESF funds are a particularly versatile development instrument when used as program assistance in support of policy reform.

### PL 480:

The FY 1984 program request for PL 480 is \$204.4 million of which \$132.5 million will be allocated to the Title I category. Within Title I, \$44 million will be directed to Title III. The \$72.9 million balance of the request will be devoted to Title II.

By legislation, PL 480 embodies several objectives, among them the economic and social development of PL 480 recipient countries. The Africa Bureau is committed to fostering sustained development as the objective of its

assistance through PL 480 food resources. Specifically, the Africa Bureau seeks to utilize PL 480 resources (sales revenues and/or commodities) to address and alleviate the underlying causes of the need for food assistance, particularly in the agricultural and rural sectors. The Administrator has instructed our field missions to enhance the effectiveness of PL 480 food aid by: (a) seeking policy dialogue with host governments on ways to alleviate the constraints to increased food production and improved food security; and (b) increasing the degree of integration of PL 480 programs within the total A.I.D. development assistance program.

Self-help measures, under Title I, use of local currency sales revenues, and policy dialogue, or integration with other forms of non-food assistance are intended to enhance the development impact of Title I. The Title III programs in Sudan and Senegal will be continued and new programs are under consideration in several additional countries.

Title II grant commodities have been channeled traditionally into direct food distribution programs through maternal-child health centers, school feeding programs and food for work projects, all of which are administered by U.S. registered private voluntary organizations or by the World Food Program. Similarly under Title II Section 206, we are undertaking food for development programs in Cape Verde and Upper Volta.

**AFRICA**

**DEVELOPMENT ASSISTANCE PROGRAM**

**SAHEL DEVELOPMENT PROGRAM**

**OVERVIEW OF THE  
SAHEL DEVELOPMENT  
PROGRAM**

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## SAHEL OVERVIEW

PROGRAM SUMMARY (In thousands of dollars)									CP 84-13 (8-82)
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs		
							ESF	Other	
1982									
Loans ....	-	-	-	-	-	-	-	-	a/
Grants ....	96,977	-	-	-	-	-	2,822	94,155	
Total ....	96,977	-	-	-	-	-	2,822	94,155	b/
1983									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	104,576	-	-	-	-	-	7,000	97,576	
Total ....	104,576	-	-	-	-	-	7,000	97,576	c/
1984									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	118,000	-	-	-	-	-	15,000	103,000	
Total ....	118,000	-	-	-	-	-	15,000	103,000	

a/ Sahel Development Program

b/ Includes \$2,598,000 from Sahel Development Program prior year funds and \$331,000 from Foreign Disaster Assistance Act of 1974 (FDAA).

c/ Includes \$2,804,000 from Sahel Development Program prior year funds; and \$1,015,000 carryover from Foreign Disaster Assistance Act of 1974 (FDAA).

#### Development Overview

The A.I.D. Sahel Development Program is directed to the needs of the region comprised of the African nations of Cape Verde, Chad, The Gambia, Mali, Mauritania, Niger Senegal and Upper Volta. It constitutes one of the poorest regions of the world. Per capita GNP averages only U.S. \$187. The eight countries have a total population of about 30 million and cover a land area of about two-thirds the size of the United States. These countries share common physical and economic characteristics -- rainfall is low and variable; the soils, increasingly

#### FY 84 PROGRAM HIGHLIGHTS

- Agriculture Production - efforts to increase the food production potential continue to be emphasized. \$24.7 million is proposed for rainfed agriculture and \$16 million for livestock, credit and rural enterprise activities.

- River Basin Development and Irrigation - \$14 million is proposed for irrigation projects and institution development of river basin coordination organizations.

- Agriculture Research - \$6.8 million.

- Program Management - progress achieved in FY 1982-83 will be reinforced through continued strengthening of project accounting systems and training.

degraded by deforestation and the reduction of fallow periods as population pressure intensifies, are generally poor; agriculture and livestock account for the dominant share of economic activity while industrial opportunities are limited; exports are highly concentrated in livestock, cotton and groundnuts with export earnings falling behind rising costs of imports. The economies are weak and the generation of savings for internal investment is painfully slow.

The Sahel has the potential to feed itself. Assisting Sahelians to realize this potential advances U.S. economic, political and humanitarian interests in the region. Were food aid to continue to be required at the current per capita level, the cost of meeting this need would rise to a yearly average of \$160 million by the end of the century. The U.S. long-term economic goal is to assist the Sahelians increase their agriculture productivity and eliminate food aid. This is the key to self-sustained growth of Sahelian economies. Sound Sahelian

## SAHEL OVERVIEW

economies would provide greater markets for U.S. private investment and facilitate open access to Sahelian resources by the free world, e.g., uranium (Niger), phosphate (Upper Volta), iron (Mauritania), bauxite (Mali). Expanding Sahelian economies will strengthen regional stability to help to avoid the costly and destabilizing affect of expansionism (as now practiced by Libya) and economic dislocation. Improving the living conditions of some of the poorest people in Africa, living in a very harsh and fragile environment, will avoid larger scale migration to coastal countries whose economies and institutional structures can ill afford such pressure.

In response to the magnitude of the Sahel's problems and the sustained effort required to address them, a regional framework was established to oversee the development of a region-wide strategy, to develop common approaches to problems and to coordinate assistance. This regional framework is comprised of an organization of Sahelian states, the Permanent Interstate Committee for Drought Control in the Sahel (CILSS), and a donor organization, the Club du Sahel (Club). The CILSS was established in the early days of the Sahel drought emergency nine years ago to coordinate disaster relief assistance. When the member states gave CILSS additional development planning responsibilities, the donors moved to establish the Club. Both the Sahelian states as well as donors participate in the Club. Currently there are 20 participating donor governments and international organizations. The Club provides a forum where both donors and recipients come together to analyze jointly the development problems of the region and frame common approaches to solving them. This collaborative process has produced a strategy for the development of the Sahel region which has the endorsement of both the donors and the Sahelians. The result is a clear commitment by the nations of the Sahel to take difficult and sensitive measures to redress their problems, and a significant response by donors.

The two basic goals of the Club/CILSS regional strategy are the achievement of:

-food self-sufficiency, and

-self-sustaining economic growth and development.

Over the long-term, the Sahel should be in a position to attain food security on a regional basis. With increased rainfed agricultural production capacity, good years will permit the building up of stocks which can be drawn upon during low rainfall years. The spread of irrigation will reduce the vulnerability of Sahelian agriculture to the fluctuations of rainfall. The second objective, self-sustaining economic development, is tied to regional food self-sufficiency because only an economy that can generate resources, inputs and the technological base for long-term increases in agricultural productivity can achieve long-term economic development. Agricultural development is crucial for increasing incomes, employment and export earnings in the Sahel. Raising the incomes of small food producers is essential for generating government revenues and creating a domestic market for goods and services produced in the growing urban areas. However, a dynamic development strategy oriented towards the small farmer takes time to achieve results.

### Progress to Date

The results of the coordinated CILSS-Club approach and of the initial project activities include the following:

- Donor commitments to the Sahel countries currently are averaging over \$1.5 billion per year; commitments for 1981 totaled \$1.97 billion,
- The government of Italy has recently decided to become a major donor to the Sahel at a level of \$500-700 million over the next five to seven years, beginning in 1983,
- Club/CILSS efforts to foster donor-Sahelian collaboration in the development and implementation of national sector strategies resulted in a national forestry/ecology conference in Senegal, a regional forestry/ecology conference in Banjul, and agricul-

## SAHEL OVERVIEW

tural conferences in Mali and Niger.

- Senegal, Mauritania, Mali and Niger are implementing policies to decontrol cereals prices over the next few years and to limit the role of state marketing agencies. This is expected to be an important stimulus to agriculture production,
- Senegal, Mali, Niger and Upper Volta are studying and implementing policies of encouraging the private sector to supply the agriculture inputs required by farmers rather than continuing to use the public development agencies,
- As a result of a January 1982 regional conference, CILSS countries are planning national seminars on recurrent costs. The first was held in Mauritania in July 1982; Upper Volta, Mali and Niger are scheduling workshops for mid 1983.
- Agriculture production statistics in pilot programs are demonstrating that farmer-managed, small irrigated perimeters will produce a yield of greater than 5 tons/hectare at an affordable development cost of under \$6000/hectare, and
- The Sahel countries are taking important steps to improve their financial and program management practices.

The United States is assessing the experiences gained in the first five years of the multidonor Sahel Development Program. The information obtained and the lessons learned from these experiences will serve as a basis for revised programs and new initiatives. The consistent increase in other donor commitments indicates the importance of maintaining sufficient U.S. funding levels to assure that A.I.D. influence in the important areas of agriculture policy formulation, sound and affordable planning, and regional cooperation is maintained. The results of this assessment are expected to reinforce the need for long-term development efforts focused on adaptive agricultural research, policy reform, institution

building and qualified human resources as strong components of the food production strategy.

U.S. security interests also remain a factor in providing support to the Sahel, given that Libyan attempts to destabilize the region are continuing. Chad has survived three years of political turmoil and civil war, and its current government has achieved a broad base of support internally which permits it to address its severe reconstruction and development requirements. The donor community is collaborating to help finance these needs. AID provided emergency food aid, disaster assistance and an Economic Support Fund grant of \$2.8 million in FY 1982. The amounts of \$2.0 million in FY 1983 and \$9.0 million in FY 1984 are requested for Chad from the Sahel Development Program.

### Agriculture Development

Food self-sufficiency goals in the Sahel are now being translated into specific terms. To achieve food self-sufficiency during years of normal rainfall by the year 2000, it is roughly estimated that there needs to be:

- an increase in the rainfed agriculture area from the current 10 million hectares to over 12.5 million hectares,
- an increase in productivity of rainfed agriculture from a mean yield of 500 tons/hectare to 875 tons/hectare on 3.7 million hectares,
- an increase of 335,000 hectares in the area of irrigated agriculture, or a development rate of about 17,000 hectares per year.

These goals will require a significant concentration of Sahelian and donor resources on food production programs. Technical packages are available for higher rainfall areas of the Sahel and for small irrigated perimeters in the river basins. Research programs are being expanded and strengthened in order to improve existing technology and to develop technical packages for areas of

## SAHEL OVERVIEW

low rainfall.

### Irrigated Agriculture and River Basin Development

The Senegal, Gambia and Niger river basin organizations all have made important progress in establishing themselves as institutions for developing the Sahel's water resources potential. The Senegal River Basin Development Organization (OMVS) has obtained donor commitments for the construction of two dams which will permit the irrigation of over 300,000 hectares by the year 2020. The Gambia River Basin Development Organization (OMVG) is conducting long-term development studies of The Gambia basin. The OMVG development plans provide for a significant food grain production surplus for the Senegal portion of The Gambia River Basin and near self-sufficiency for The Gambia by the year 2000. The Niger Basin Authority (NBA) has strong member country endorsement for the preparation of its development plan. The estimated irrigation potential of the Niger basin is approximately one million hectares.

The Senegal River Basin is the first to reach the stage of planning and development for implementation of a significant downstream investment program. Over \$125 million is currently programmed by various donors through 1988 for 19,200 hectares of irrigated perimeter construction and rehabilitation in Senegal alone. Over 4,000 hectares are to be constructed or rehabilitated in Mauritania at a cost of about \$28 million during the same period. Other Senegal basin irrigation programs are also expected to add to this total as the downstream investment plans are progressively completed.

### Improved Sahel Development Program Management

Considerable progress has been made during FY 1982 in improving the management of the Sahel Development Program, particularly in the area of financial accountability. One hundred and eighty-two host country project accounting systems were reviewed. Those with deficiencies were corrected in most cases. Where deficiencies have not yet been corrected, A.I.D. has halted both

disbursements of previously obligated funds for local costs and obligations of new funds. In addition, A.I.D. has terminated two projects because of difficulties in correcting management problems (Mali - Operation Mils Mopti and Mauritania - Renewable Resource Management). To back up these efforts, financial management training was conducted in Niger, Upper Volta, Mali, Senegal, The Gambia and Cape Verde. These training programs were attended by host country and A.I.D. management personnel and by host country accountants. To protect this momentum, high priority is being given to meeting staff requirements, strengthening internal A.I.D. systems, providing management and financial training for host country personnel, and generally giving more attention to program implementation. In FY 1982 A.I.D. launched the Sahel Regional Financial Management project. This project funds a staff of eleven full-time and numerous short-term financial and training experts who will help host country institutions improve their financial and program management systems over the next three years.

### Requested Year Program (FY 1984)

The Sahel Development Program continues to give highest priority to assisting Sahelians increase agriculture productivity (\$69.9 million). In FY 1984 we are helping to develop the knowledge, the policies as well as the human and institutional capacities needed to achieve food self-sufficiency and economic growth. U.S. assistance continues to emphasize rainfed agriculture (\$24.7 million) which must continue to develop in order to keep pace with the growth in food consumption. A.I.D.'s efforts to improve agricultural production encompasses livestock improvement, agriculture credit, seed multiplication, and rural private enterprise activities (\$16 million). A.I.D. also supports research in the Sahel on cereals varieties, plant breeding, farming systems and pest management (\$6.8 million). Erratic rainfall makes mandatory the concurrent development of the Sahel's water resources for irrigation. A.I.D. is developing Sahelian capacity to utilize irrigation technology more effectively. Nearly \$14 million is earmarked for river basin development and small and medium scale irrigated food pro-

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duction activities in Senegal, Niger, Mauritania, Mali and Cape Verde. The largest of these activities is the OMVS Integrated Development Project (625-0621) which contributes to the downstream development plans for the Senegal river waters regulated by the multi-donor financed Manantali and Diama dams. The A.I.D.-financed OMVS project complements the large capital investment made by other donors, including several OPEC countries.

Building on the progress made in strengthening river basin organizations, A.I.D. continues to support sound and comprehensive basin planning as a requisite to assure national and equitable exploitation of the water resources of the great Sahel river systems. These investments are needed and justified on the basis of the higher productivity of irrigated lands and the drought-secure nature of irrigated production.

A.I.D. assistance in the ecology and energy sectors (\$6.4 million) is aimed at rehabilitation of the region's natural resource base and increasing the production and supply of the region's principal source of energy, fuelwood, while emphasizing conservation and more efficient utilization of wood. Our FY 1984 program is focused on reforestation and land use projects. Our assumption is that no alternative source of energy could provide an adequate substitute for fuelwood on a scale that would permit a major reduction of the dependency on its use within the next quarter century.



Cape Verde

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: CAPE VERDE

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982)			293	MAJOR EXPORTS... (1981)	FISH	BANANAS	SALT
PER CAPITA GNP..... (DOLLARS, 1979)			270	EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE..			N.A.	(\$ MILLIONS, US. FOB)			(1973) 1
AVERAGE ANNUAL RATE OF INFLATION			N.A.	AS % OF TOTAL EXPORTS			(1973) 33%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..			N.A.	MAJOR IMPORTS... (1981)	OIL PRODUCTS	CORN	RICE
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 61.7 MALE 59.9 FEMALE 63.6				(\$ MILLIONS, US. CIF) (1976)	1	(1977)	1 (1978) 2
(1968) TOTAL 46.0 MALE 44.4 FEMALE 47.6				AS % OF TOTAL IMPORTS (1976)	3%	(1977)	2% (1978) 3%
ADULT LITERACY RATE (1970) TOTAL 37% MALE N.A. FEMALE N.A.				TRADE BALANCE(\$ MILLIONS, U.S.) (1976)	-37(77)	-44(78)	-56
(1960) TOTAL 27% MALE 39% FEMALE 17%				MAIN TRADING PARTNERS: PORTUGAL	FRANCE	NETHERLANDS	
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP		N.A.	
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE			N.A.	SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
				(\$ MILLIONS, U.S.).....			N.A.
AGRICULTURAL PRODUCTION AS % OF GDP..... (1978)			25%	AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....			N.A.
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)			758	*SOCIAL DATA*			
MAJOR CROP(S)				POPULATION GROWTH RATE... (1970)	2.2%	(1975)	1.8% (1982) 0.7%
SUBSISTENCE: CORN BEANS SUGARCANE		ARABLE LAND	YEAR	POPULATION IN URBAN AREAS.....			(1980) 25%
CASH: BANANAS		32%	(1981)	LIVE BIRTHS PER 1,000 POPULATION.... (1970)	35	(1982)	28
MAJOR AGRICULTURAL EXPORTS: (1980) BANANAS		24%	(1981)	MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.			N.A.
MAJOR AGRICULTURAL IMPORTS: (1981) CORN BEANS WHEAT				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1976)			59%	(0-14YRS) 36 7% (15-64YRS) 60.2% (65+ YRS) 3.1%			
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	105		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1977)	7.186		
(1978) 12 (79) 14 (80)			16	MAJOR CAUSES OF			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DISEASE (1976) FLU & PNEUMONIA ENTERIC DISEASE PARASITIC DISEAS			
(1978) 33 (79) 50 (80)			78	DEATH.. (1975) NATAL DISEASES			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS .			N.A.
(1978) -21 (79) -36 (80)			-62	POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY			N.A.
DEFENSE EXPENDITURES.				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978) 6.2% (79) 4.5% (80) 3.7%				PRIMARY.....	TOTAL	N.A. MALE	N.A. FEMALE N.A.
AS % OF GNP..... (1978) 2.7% (79) 2.1% (80) 2.6%				SECONDARY.....	TOTAL	N.A. MALE	N.A. FEMALE N.A.
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.				POST SECONDARY..	TOTAL	N.A. MALE	N.A. FEMALE N.A.
(\$ MILLIONS, U.S.) (1977) 42 (78) 39 (79) 42				ENERGY PRODUCTION AS % OF CONSUMPTION.....			N.A.
EQUIVALENT TO 8.0 MONTHS OF IMPORTS (1978)							

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

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	CAPE VERDE							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE — TOTAL</b>	5.5	11.4	7.4	5.8	6.0	44.0	-	44.0
Loans	-	-	-	-	-	3.0	-	3.0
Grants	5.5	11.4	7.4	5.8	6.0	41.0	-	41.0
<b>a. A.I.D. and Predecessor Agencies</b>	2.5	6.0	2.4	3.1	3.0	24.9	-	24.9
Loans	-	-	-	-	-	3.0	-	3.0
Grants	2.5	6.0	2.4	3.1	3.0	21.9	-	21.9
(Economic Support Fund)	-	-	-	-	-	1.0	-	1.0
<b>b. Food for Peace (PL 480)</b>	3.2	5.4	4.5	2.7	3.0	19.1	-	19.1
Loans	-	-	-	-	-	-	-	-
Grants	3.2	5.4	4.5	2.7	3.0	19.1	-	19.1
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	3.2	5.4	4.5	2.7	3.0	19.1	-	19.1
Emerg. Relief, Econ. Develop. & World Food Program	3.2	5.4	4.5	2.7	3.0	19.1	-	19.1
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
<b>c. Other Economic Assistance</b>	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE — TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	5.5	11.4	7.4	5.8	6.0	44.0	-	44.0
Loans	-	-	-	-	-	3.0	-	3.0
Grants	5.5	11.4	7.4	5.8	6.0	41.0	-	41.0
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

	A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS			
	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL .....	0.9	0.4	16.0	27.3
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADR	0.0	0.0	0.0	0.0
A FDB	0.0	0.0	15.7	22.3
UNDP	0.9	0.4	0.0	4.0
OTHER-UN	0.0	0.0	0.3	1.0
FEC	0.0	0.0	0.0	0.0
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
1. O.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	6.0	8.0	14.0	
Sweden	7.4	7.2	14.6	
Netherlands	11.6	6.3	17.9	
France	3.3	4.0	7.3	
Germany	4.9	3.8	8.7	
Other	5.8	6.9	12.7	
Total	39.0	36.2	75.2	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	2.0	-	-	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	5	
Eastern Europe	-	-	5	
China	-	-	15	
Total	-	-	25	

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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	3,450	-	-	-	-	-	-	3,450
Total ....	3,450	-	-	-	-	-	-	3,450
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	2,210	-	-	-	-	-	-	2,210
Total ....	2,210	-	-	-	-	-	-	2,210
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	2,000	-	-	-	-	-	-	2,000
Total ....	2,000	-	-	-	-	-	-	2,000

a/

**FY 84 PROGRAM HIGHLIGHTS**

Within overall Sahel Development Program:

A.I.D. will continue to concentrate on implementation of projects for soil and water conservation, watershed management, crop research and extension services. All funding will be used to start phase II of the Watershed Management Project. (\$2.0 million)

a/ Sahel Development Program

Development Overview

The principal constraints to economic development in Cape Verde are its meager natural resource endowment, limited infrastructure, lack of trained manpower and an exceedingly arid climate. Low and erratic rainfall and a scarcity of irrigated land limits agricultural production, resulting in a chronic food deficit situation. Development is further inhibited by the dispersion of the islands within the archipelago and the mountainous topography of the major islands, factors which hinder transportation and communication. The current drought, which began in 1968, has created great stress on the fragile rural-based economy, provoked environmental deterioration and increased the rate of urban migration. With few employment opportunities available outside the agriculture sector, unemployment is a serious problem throughout the

islands and a major concern of the Government of Cape Verde (GOCV). Combined unemployment and underemployment is estimated at 40%. Estimated GNP per capita is \$300. The most recent population estimate is 300,000. Although the Government has devoted considerable energy to arranging adequate food supplies through commercial purchases as well as donor commitments, it has not neglected long term planning. Cape Verde's first four year national development plan was presented in 1982.

Under the Plan, rural development is accorded top priority because most of the people still live in rural areas, and these are the poorest. While projections of growth of the agricultural sector are not encouraging, Cape Verde expects to increase its food security and improve the nutrition of its people through increasing areas devoted to irrigation, diversifying food crop production, and improving farm to market facilities.

The GOCV's agriculture development plans focus on labor

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	6,185	6,083	4,969
<b>Total AID.....</b>	<b>6,185</b>	<b>6,083</b>	<b>4,969</b>
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	2,533	2,504	2,500
<b>Total P.L. 480.....</b>	<b>8,718</b>	<b>8,587</b>	<b>7,469</b>
<b>Total AID and P.L. 480.....</b>			

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	4	5	5
PASAC <sup>c</sup> .....	2	2	2
Contract.....	2	0	2
<b>Total.....</b>	<b>8</b>	<b>7</b>	<b>9</b>
<b>Participants<sup>d</sup></b>			
Noncontract.....	5	5	4
Contract.....	7	3	4
<b>Total.....</b>	<b>12</b>	<b>8</b>	<b>8</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b>						
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies.....		-		-		-
World Food Programs		288		315		523
Gov't-to-Gov't.....		2,245		2,189		1,977
<b>Title II Total.....</b>		<b>2,533</b>		<b>2,504</b>		<b>2,500</b>
<b>Total P.L. 480.....</b>		<b>2,533</b>		<b>2,504</b>		<b>2,500</b>

intensive soil and water conservation, reforestation, the exploration and development of groundwater resources for irrigation, the introduction of some drought resistant crops, training of agricultural technicians and the institutionalization of applied agricultural research capacity. These activities require large outlays of public funds, but such an approach has already begun to return dividends in terms of reclaimed land and a more than doubling of the agricultural sector's contribution to GDP between 1978 and 1980. Investments will be made in other sectors as well. Light industry will be developed at the principal port city of Mindelo where a facility for ship repair is under construction. The GOCV hopes to reduce reliance on imported fossil fuels by using wind and solar energy, while increasing water supply through installation of desalination plants. The limited road network, which is of good quality, will be expanded, ports and airports improved and telecommunications upgraded. Commercial infrastructure and hotel facilities will be expanded. Human resources are to benefit from higher standards of sanitation, nutrition, adult literacy, elementary education, vocational education, and access to external scholarship programs. Population growth of 40% by

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the year 2000 is foreseen, with a transformation from one third, to two thirds urban and a reduced rural population. Improved management of health services, decentralized sector development, improved marketing facilities, specialized training above high school level in a variety of fields, substitution of private for public initiative in construction, and increase of popular participation in development are also important objectives. The proposed land reform to be inaugurated in January 1983, will seek to achieve a better distribution of land in terms of those who actually work the soil and provide incentives for increased investment by private farmers. Commercial fisheries development offers possibilities for private sector investment as well.

### Total Resources

Agriculture and fisheries account for approximately 25% of GDP. Construction, principally in employment-oriented rural works programs and other development projects, forms 18% of GDP. Trade, transportation and other private services account collectively for 37% of the GDP while public services account for 14%.

In 1981, estimated current GOCV revenues totalled \$17.9 million and estimated current expenditures were \$18.0 million, thus creating a very slight current account deficit. However, public investment expenditure of \$38.1 million necessitated heavy external foreign assistance loans and grants of approximately \$32.3 million. The \$5.8 million balance of the deficit was financed internally. Cape Verde has a very large and growing trade deficit, caused by low and stagnating exports. Imports were estimated to exceed exports by more than \$64.6 million in 1981 which compares to a trade deficit of \$47.4 million in 1980. Inflow of foreign aid, remittances from Cape Verdeans living abroad, and other transfers traditionally cover the foreign exchange shortfall.

Donor assistance to Cape Verde includes a fairly wide range of pilot projects which seek to demonstrate improved technologies for extracting ground water, using

wind and solar energy and introducing new crops including tree crops. Integrated rural development programs are carried out on the most populated and agriculturally productive islands. Complementing U.S. efforts on Santiago Island are those of West Germany on Fogo, the Netherlands on Santo Antao and France at Sao Nicolau. These programs deal with soil and water conservation, development of water resources, and irrigated agriculture. The United Nations is providing technical assistance and small capital inputs for water resources development, reforestation, soil conservation and rural public works.

Reviewing the major sectors, the United States is contributing to institutional development in agricultural research, while the French and the UN are assisting the GOCV to organize its national planning and water resources programs. Sweden is active in family planning and untied budget support; Portugal and Brazil in overseas training and technical support. The West Germans are continuing to provide assistance for inter-island transportation. The Praia ocean port improvements are supported by the World Bank and Portugal. The major industrial project is the Mindelo ship-repair yard, financed by the European Investment Bank and Portugal. Airports are being improved with assistance from South Africa, Italy and probably the EEC. Health is receiving inputs from a variety of donors principally the African Development Bank, Cuba, the USSR and the Netherlands. Education is receiving assistance on school construction and teacher training from the United States, the United Kingdom and the Netherlands. Norway is assisting in maritime training, while Belgium and others support vocational training.

The main activities in the energy field are exploitation of Cape Verde's excellent wind energy resources in which the Dutch and Danes as well as the United States are active. Provision of urban services, such as water, sewers and electricity are supported at Praia, mainly by the EEC, at Sal by the United States and at Mindelo by the Dutch and the African Development Bank.

Food assistance is provided mainly by the United States,

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West Germany, other European countries, the EEC, Japan, the World Food Program and the Islamic Committee. The amounts provided by each donor vary from year to year, with the United States making the largest and most consistent contribution. The principal impacts are on nutrition and employment generation. Food storage in Praia is also funded by the Netherlands.

### U.S. Interests and Objectives

U.S. interest in Cape Verde stems from: (1) the country's strategic geographic location at the intersection of several sea and air routes between Africa, Europe, the United States and Latin America; (2) humanitarian concern about the continuing drought conditions and resulting human and economic hardship facing Cape Verde designated by the UN as a relatively least developed country (RLDC) and; (3) strong historical and family ties between the Americans and Cape Verdeans because of the large community of Americans of Cape Verdean descent.

### A.I.D. Assistance Strategy

U.S. economic assistance to Cape Verde began in 1975 following independence with emergency food shipments to counter the particularly severe drought which had been affecting the Sahel since 1968. To date, bilateral aid in the form of grants, excluding emergency food aid, totals \$29.9 million.

The U.S. strategy in Cape Verde encourages the economic development of the country in order to lessen its dependence on foreign donors for budget support and food imports. While U.S. resources are necessarily limited, it is believed that by investing in activities that attack the key constraints to food production it will be possible to have a measurable impact upon the food self-sufficiency problem. Because there are so many different factors which play a role in the food production equation, the A.I.D. strategy is to attack various aspects of the problem including soil and water conservation, technology transfer, crop protection, crop research, training, infrastructure development and policy reform. Eval-

uation of previous A.I.D. experience in Cape Verde has led to the design and implementation of projects intended to increase food production, maximize use of available land and water resources and strengthen the GOCV's institutional capacity to maintain and expand these activities. Related technology transfer includes erosion control measures, irrigation systems, investigation of crops more suitable to the climate and topography of Cape Verde and technology for harnessing solar and wind energy. A.I.D. is also concerned with agricultural policies and has supported changes encouraging production by the small private farmer. For example, A.I.D. helped influence the GOCV to increase artificially low prices of imported grains to world market levels over a period of several years.

Part of the program concentration effort being undertaken by A.I.D. in Cape Verde is a phasing out of those activities which do not directly contribute to the food production strategy objectives. As a result A.I.D. will be ceasing activity in school construction, renewable energy and water supply when the current project activity in those fields is completed.

### A.I.D. Program (FYs 1982 - 1983)

In addition to the bilateral program, Cape Verde benefits from Africa-wide regional training projects through which a significant number of Cape Verdeans are sent to the United States annually for university level training. Their courses of study are limited to those which will contribute directly to the food production strategy of the mission.

FY 1982 funds were invested exclusively in projects representing the proposed area of concentration in rural development; \$1.8 million has gone into extending the Watershed Management Project which by generating rural employment supports the established program of soil and water conservation; \$1.1 million was committed to start a 5-year program of Food Crop Research, which will enable the GOCV to apply technical knowledge from parallel research facilities outside Cape Verde. A three-year Food

## CAPE VERDE

for Development Program using P.L. 480 resources provides 15,000 MT per year of corn that will be sold at market prices. The local currency generated is being used to support a series of rural works projects similar to those undertaken under the Watershed Management Project. Six hundred thousand dollars was used to complete financing for the Sal Island Desalination and Power Project, now nearing completion. At the end of FY 1982, A.I.D. approved \$15,000 in disaster assistance to assist Brava Island residents to rebuild/replace roofs destroyed in a late August hurricane.

In FY 1983, A.I.D. proposes to use all available program resources to complete funding of the Food Crop Research project. No new initiatives are planned.

During early FY 1982, the Tarrafal Water Resources Project was evaluated, and this led to a one-year extension to enable Phase I to be completed. It also led to the decision not to fund further water resource investigations. The watershed management activities being financed under Phase I may be continued but only under an expanded Watershed Management Project. The results of the Tarrafal Evaluation indicated that discovery and utilization of water resources had been far below project targets. In early FY 1983, a major evaluation of Watershed Management and related projects is planned.

### Ongoing Bilateral Projects

Rural Works (655-0001) - 1,100 check dams and 150 km of retaining walls were built, 150 hectares of arable land was reclaimed, and water supply systems were improved for 25 rural communities.

Tarrafal Water Resources (655-0005) - 4 wells are ready to supply water for approximately 50 hectares of irrigated land and an improved water supply for the town of Tarrafal.

Mindelo Potable Water Supply (655-0004) - Installation of a boiler for the desalination plant serving the city of Mindelo, with a population of 40,000 in-

habitants, was completed during FY 1982.

Sal Desalination (655-0005) - The system for serving 4,200 residents of Sal with water and power is expected to be fully operational by March 1983.

Watershed Management (655-0006) - This project has similar accomplishments to Rural Works, with results to be evaluated shortly.

Primary and Non-Formal Education (655-0008) - 100 classrooms, 15 teachers' homes and 2 workshops are in the process of being built. About two-thirds have been finished. Schools will serve 7,000 students in split sessions. Over 300 teachers have also been trained under this project which ended in December 1983.

Food Crop Research (655-0011) - This project was just authorized at the end of FY 1982 and is now in the mobilization stage.

### Requested Year Program (FY 1984)

For FY 1984, \$2 million is required to begin phase II of the Watershed Management Project and continue the Food Crop Research. The Watershed Management Project will continue employment generation activities involving 2,000 - 3,000 rural workers who will carry out labor-intensive soil conservation and water resources development activities.

The proceeds from the final year of the Food for Development Program will continue to be used to finance soil and water conservation projects in rural areas.

These are the only resources currently planned and will be used to continue activities that are underway. There will be increases in water available for irrigation, improved irrigation infrastructure, soil conservation techniques being employed and strengthened GOCV support services to agriculture. A new aspect will be the experimental application of promising research results gene-



CAPE VERDE

rated by the Food Crop Research Project which will be facilitated by the fact that the rural sector projects are geographically close together. Successful research applications will be made available to small farmers and extended by their private efforts in part through a proposed new GOCV extension program.

In addition, we would expect to demonstrate that the increases in producer prices for corn in Cape Verde, negotiated under the P.L. 480 Title II Section 206 project, provide incentives to the farmer to rationalize his planting decisions.

COUNTRY DEVELOPMENT OFFICER: James Anderson

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

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PROGRAM: CAPE VERDE

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY82- OBLIG ACTIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ACTIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION										
TARRAFAL WATER RESOURCES	G 655-0003	77	80	2,200	2,200	1,962	---	238	---	---
TOTAL FOR ACCOUNT GRANTS				2,200	2,200	1,962	---	238	---	---
LOANS				---	---	---	---	---	---	---
HEALTH										
MINDELO DESALINATION	G 655-0004	77	77	606	606	549	---	57	---	---
SAL DESALINATION/POWER	G 655-0005	78	81	525	525	---	---	525	---	---
TOTAL FOR ACCOUNT GRANTS				1,131	1,131	549	---	582	---	---
LOANS				1,131	1,131	549	---	582	---	---
SELECTED DEVELOPMENT ACTIVITIES										
SAL DESALINATION/POWER	G 655-0005	78	81	5,765	5,765	4,633	---	1,132	---	---
TOTAL FOR ACCOUNT GRANTS				5,765	5,765	4,633	---	1,132	---	---
LOANS				5,765	5,765	4,633	---	1,132	---	---
SAHEL DEVELOPMENT PROGRAM										
TARRAFAL WATER RESOURCES	G 655-0003	77	80	800	800	639	---	161	---	---
SAL DESALINATION/POWER	G 655-0005	78	82	1,500	1,500	---	---	700	---	800
WATERSHED MANAGEMENT	G 655-0006	79	82	6,275	6,275	2,353	---	1,500	---	2,392
PRIMARY AND NONFORMAL EDUCATION	G 655-0008	78	80	3,000	3,000	1,453	---	770	---	777
FOOD CROP RESEARCH	G 655-0011	82	84	3,688	3,688	1,089	---	2,210	389	1,000
WATERSHED MANAGEMENT II	G 655-0013	84	87	---	5,000	---	---	---	1,611	---
TOTAL FOR ACCOUNT GRANTS				15,263	20,263	12,664	2,210	4,131	2,000	4,969
LOANS				15,263	20,263	12,664	4,475	4,131	2,000	4,969

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: CAPE VERDE

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82-		-ESTIMATED FY83-		-PROPOSED FY84-		
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
TOTAL FOR COUNTRY				24,359	29,359	21,760	11,619	2,210	6,083	2,000	4,969
GRANTS				24,359	29,359	21,760	11,619	2,210	6,083	2,000	4,969
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Watershed Management II		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 1,611	LIFE OF PROJECT FUNDING: 5,000	
NUMBER GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To assist the Government of Cape Verde (GOCV) formulate and implement a national watershed plan in order to increase food production.

Project Description: This project will provide foreign exchange costs and local cost financing to support labor-intensive soil and water conservation projects (including the introduction of perennial cover on steep slopes) for the substantial decrease of land erosion. It will enhance prospects for increased agricultural production and increase family incomes and food supplies of the rural poor. In addition, provision is made for a pilot agricultural extension program supporting and ensuring its effectiveness through planned field demonstration plots and training.

This project is a continuation of activities under an earlier ongoing A.I.D. project (Watershed Management I). Given the experience of the GOCV with similar projects, implementation of the project should provide employment in part of Santiago during the life of the project and management and administration provided by GOCV, skilled and unskilled support by Cape Verdeans, and planning and financial support by A.I.D., will combine to produce completed soil and conservation works. These facilities and the benefits that accrue from the agricultural extension program will result in increased food production and an improvement in the welfare of the resident Islanders.

Relationship of Project to A.I.D. Country Strategy: The U.S. strategy in Cape Verde encourages the economic development of the country in order to lessen its dependence on foreign donors for budget support and food imports. While U.S. resources are necessarily limited, it is believed that by investing in activities that attack the key constraints to food production it will be possible to have a measurable impact upon the food self-sufficiency problem. Because there are so many different factors which play a role in the food production equation, the A.I.D. strategy is to attack various aspects of the problem including soil and water conservation, technology transfer, crop protection, crop research, training, infrastructure development and policy reform. Evaluation of previous A.I.D. experience in Cape Verde has led to the design and implementation of projects intended to increase food production, maximize use of available land and water resources and strengthen the GOCV's

institutional capacity to maintain and expand these activities. Related technology transfer includes erosion control measures, irrigation systems, investigation of crops more suitable to the climate and topography of Cape Verde and technology for harnessing solar and wind energy.

Host Country and Other Donors: The GOCV will contribute the land, supervisory personnel, logistic support, equipment maintenance and nursery stocks for re-vegetation activities estimated at \$1,526,000.

Beneficiaries: Approximately 3,500 farm families, who will be employed in the construction of the dams, will directly benefit from this project. The A.I.D. cost per family will be about \$1,800. In addition to the direct beneficiaries, 2,000 farmers who will be trained in crop diversification, ground cover use, improved agricultural land use and better agricultural practices, will be indirect beneficiaries.

Chad

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: CHAD

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982) 4.852				MAJOR EXPORTS... (1981) COTTON LIVESTOCK			
PER CAPITA GNP..... (DOLLARS,1980) 120				EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) -1.8%				(\$ MILLIONS, US. FOB) (1973) 3 (1974) 3 (1976) 1			
AVERAGE ANNUAL RATE OF INFLATION (1960-70) 4.6% (1970-79) 7.9%				AS % OF TCTAL EXPORTS (1973) 8% (1974) 8% (1976) 2%			
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.				MAJOR IMPORTS... (1981) CEMENT PETROLEUM FOODSTUFFS			
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 40.9 MALE 39.5 FEMALE 42.4				(\$ MILLIONS, US. CIF) (1979) 3 (1980) 2 (1981) 1			
(1968) TOTAL 38.0 MALE 36.5 FEMALE 39.6				AS % OF TOTAL IMPORTS N.A.			
ADULT LITERACY RATE (1977) TOTAL 15% MALE N.A. FEMALE N.A.				TRADE BALANCE(\$ MILLIONS. U.S.)(1974) -50(75) -85(76) -55			
(1963) TOTAL 6% MALE 12% FEMALE 1%				MAIN TRADING PARTNERS: FRANCE GERMANY, FED NIGFRIA			
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 31.7%			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE N.A.				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 57%				(\$ MILLIONS, U.S.)..... (1980) 16			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 23				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979) 14.4%			
MAJOR CROP(S) ARABLE LAND YEAR				*SOCIAL DATA*			
SUBSISTENCE: MILLET 36% (1981)				POPULATION GROWTH RATE...(1970) 2.0% (1975) 2.1% (1982) 2.3%			
CASH: COTTON 9% (1981)				POPULATION IN URBAN AREAS..... (1969) 10% (1978) 18%			
MAJOR AGRICULTURAL EXPORTS:(1981) COTTON				LIVE BIRTHS PER 1,000 POPULATION....(1970) 44 (1982) 45			
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT SUGAR				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 1%			
PROPORTION OF LAEOR FORCE IN AGRICULTURE..... (1980) 85%				POPULATION (1981) IN AGE GROUP:			
*CENTRAL GOVERNMENT FINANCES*				(0-14YRS) 42.4% (15-64YRS) 54.1% (65+ YRS) 3.5%			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 154			
(1976) 72 (77) 70 (78) 77				PEOPLE PER PHYSICIAN..... (1977) 42,000			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF			
(1976) 110 (77) 86 (78) 95				DISEASE (1978)MALARIA DYSENTERY SCHISTOSOMIASIS			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				DEATH.. N.A.			
(1976) -38 (77) -16 (78) -18				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 72%			
DEFENSE EXPENDITURES,				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 26%			
AS % OF TOTAL EXPENDITURES.. (1977) 28.9% (78) 25.8% (79) 29.0%				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF GNP..... (1977) 4.0% (78) 3.4% N.A.				PRIMARY..... (1976) TOTAL 35.0% MALE 51.0% FEMALE 19.0%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				SECONDARY..... (1976) TOTAL 3.0% MALE 6.0% FEMALE 1.0%			
(\$MILLIONS, U.S.) (1979) 17 (80) 12 (81) 12				POST SECONDARY.. TOTAL N.A. MALE N.A. FEMALE N.A.			
EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1978) 42				ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.			

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

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1948-81	REPAY- MENTS AND INTEREST 1948-81	TOTAL LESS REPAY- MENTS AND INTEREST 1948-81
	CHAD							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	12.00	19.4	10.0	3.8	-	65.2	-	65.2
Loans	-	-	-	-	-	-	-	-
Grants	12.00	19.4	10.0	3.8	-	65.2	-	65.2
<b>a. A.I.D. and Predecessor Agencies</b>	0.00	12.2	3.1	0.2	-	24.7	-	24.7
Loans	-	-	-	-	-	-	-	-
Grants	0.00	12.2	3.1	0.2	-	24.7	-	24.7
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	5.5	6.8	6.2	3.6	-	32.5	-	32.5
Loans	-	-	-	-	-	-	-	-
Grants	5.5	6.8	6.2	3.6	-	32.5	-	32.5
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	5.5	6.8	6.2	3.6	-	32.5	-	32.5
Emerg. Relief, Econ. Develop. & World Food Program	4.7	6.1	5.4	2.5	-	29.0	-	29.0
Voluntary Relief Agencies	0.8	0.7	0.8	0.7	-	3.5	-	3.5
<b>c. Other Economic Assistance</b>	0.5	1.4	0.7	-	-	8.0	-	8.0
Loans	-	-	-	-	-	-	-	-
Grants	0.5	1.4	0.7	-	-	8.0	-	8.0
Peace Corps	0.5	1.4	0.7	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>ff. MILITARY ASSISTANCE - TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	12.00	19.4	10.0	3.8	-	65.2	-	65.2
Loans	-	-	-	-	-	-	-	-
Grants	12.00	19.4	10.0	3.8	-	65.2	-	65.2
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1948-82
	TOTAL .....	1.5	4.1	15.1
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	59.9
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDR	0.0	0.0	15.1	49.1
UNDP	1.5	0.0	0.0	19.8
OTHER-UN	0.0	4.1	0.0	9.6
EEC	0.0	0.0	0.0	106.8
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. O.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	6.0	1.0	39.0	
France	10.5	43.0	165.8	
Norway	1.4	-	9.4	
Germany	1.5	0.3	10.5	
Canada	0.2	0.2	4.7	
Other	1.3	1.9	14.8	
Total	20.9	46.4	244.2	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1978-81	
	-	-	-	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1964-81	
USSR	-	-	5	
Eastern Europe	-	-	-	
China	-	-	65	
Total	-	-	70	

CHAD

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982	-	-	-	-	-	-	-	-
Loans ....	2,822	-	-	-	-	-	2,822	-
Grants ....	2,822	-	-	-	-	-	2,822	-
Total ....								
1983	-	-	-	-	-	-	-	-
Loans ....	2,000	-	-	-	-	-	-	2,000
Grants ....	2,000	-	-	-	-	-	-	2,000
Total ....								
1984	-	-	-	-	-	-	-	-
Loans ....	9,000	-	-	-	-	-	-	9,000
Grants ....	9,000	-	-	-	-	-	-	9,000
Total ....								

CP 84-13 (8-82)

a/

FY 84 PROGRAM HIGHLIGHTS
Within overall Sahel Development Program: - Continue relief efforts to prevent deterioration in nutritional status of needy Chadians, P.L. 480 foods and funding for in-country transport will be used. - Continued rehabilitation efforts designed to improve key road segments; help small farm production and procure medicines for rural areas. - Train selected agricultural, health and public works staff needed to plan and manage rehabilitation and longer-range development activities.

a/ Sahel Development Program

Development Overview

Economic conditions in Chad continued to worsen in 1982 due largely to increased civil war fighting during the first half of the year and to persistent drought. Chad remains one of the world's poorest countries, with a per capita income in 1980 estimated at \$120, down from the 1977 estimate of \$130. Despite the scarcity of reliable data regarding the Chadian economy, a number of key and widely accepted indicators reflect the harsh conditions currently prevailing in Chad.

- The gap between food production and food needs has increased to an estimated 190,000 metric tons for 1982/83 (June through May). An estimated 500,000 persons, mostly in the Sahelian Zone, are at various degrees of nutritional risk. (In some prefectures it is estimated that

up to 50% of the children under five are suffering mal-nourishment.)

- Health, education and other services for the rural population have continued to decline with a virtual stagnation in such important areas as life expectancy at birth (estimated at about 41 years for 1981), infant deaths in first year of life (estimated at 154/thousand in 1982), and literacy (estimated at 15% for 1977).

- The limited physical infrastructure (particularly the roads component) was further damaged and is inadequate to support essential production and all but minimal movement of goods and people.

- The government institutional infrastructure (manpower, records, equipment, supplies) has been further disbanded or inactivated and is now inadequate to mount or conduct either short-term relief or longer-term development efforts.



RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	77	1,552	5,622
<b>Total AID.....</b>	<b>77</b>	<b>1,552</b>	<b>5,622</b>
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	2,460	328	243
<b>Total P.L. 480.....</b>	<b>2,460</b>	<b>328</b>	<b>243</b>
<b>Total AID and P.L. 480.....</b>	<b>2,537</b>	<b>1,880</b>	<b>5,865</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	-	2	6
PASA <sup>c</sup> .....	-	1	1
Contract.....	-	-	-
<b>Total.....</b>	<b>-</b>	<b>3</b>	<b>7</b>
<b>Participants <sup>d</sup></b>			
Noncontract.....	28	23	26
Contract.....	-	-	-
<b>Total.....</b>	<b>28</b>	<b>23</b>	<b>26</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies.....	-	1,265	-	328	-	243
World Food Programs	-	1,195	-	-	-	-
Gov't-to-Gov't.....	-	-	-	-	-	-
<b>Title II Total.....</b>	<b>-</b>	<b>2,460</b>	<b>-</b>	<b>328</b>	<b>-</b>	<b>243</b>
<b>Total P.L. 480.....</b>	<b>-</b>	<b>2,460</b>	<b>-</b>	<b>328</b>	<b>-</b>	<b>243</b>

- Government revenues (estimated at \$72 million in 1976) are inadequate to support emergency relief efforts or to meet basic government operating costs.

In the face of these very difficult circumstances there were some positive developments during 1982. The present Government of Chad, under the leadership of Hissene Habre, established itself in Ndjamena in June 1982 after several months of relatively heavy fighting and appears to have a strong commitment to improving the conditions of life of the Chadian poor and to strengthening the country's economy. The Habre Government appears to have consolidated its position and gained widespread acceptance both domestically and internationally. It appears to be in effective control of the entire country (with some exceptions in the north where certain limited areas are controlled by either Libyan or Libyan-supported Chadian forces). There is a broad African and Western consensus that the Habre Government has the capability and commitment to maintain itself in power as an effective national government.

Despite continuing armed opposition (financed and other-

wise supported primarily by the Government of Libya), the present government appears to be committed to and actively pursuing a policy of reconciliation, i.e., peaceful settlement of differences among the several factions which have kept Chad in a state of virtually continuous civil war since the mid-1970's. This policy of reconciliation, including efforts to gain participation in the government of opposition groups and individuals, seems to have gained some support, particularly in the south where the country's critical food production capability resides. In addition, the present Government appears to have the interest and political will to move effectively in enforcing its domestic authority throughout Chad by extending services and other benefits of government through immediate relief and rehabilitation activities and longer term development efforts.

A number of factors are working against Chad's early achievement of a level of agricultural production sufficient to meet its food needs. Past destruction of property, disruption of governmental and private capabilities to provide needed production and marketing inputs (both goods and services), displacement of large numbers of rural people and continued political and social uncertainties combined with the chronic drought and ineffective technology employed by most small farmers indicate that agricultural output (including livestock production) are not likely to meet mid-1970 levels in the near future (2-5 years). Chad will, therefore, remain dependent on imported foods.

Again in the next two to five years, it is unlikely that Chad's revenues will increase significantly. Its tax base remains very weak, confined largely to customs receipts, and prospects for early earnings (or savings) from petroleum or resumed cotton exports do not seem good at present. On the other hand, government operating costs, including those for security purposes and essential non-food imports, are likely to increase substantially during this period - even with a limited development program. These circumstances in effect, represent the rationale for significant levels of highly concessional assistance during this period with the emphasis

being on food assistance. The focus will continue to be primarily on assuring the avoidance of catastrophic starvation and health problems while gradually moving toward reestablishment of the productive capability of the small farmer. Government of Chad policies are emerging in support of this approach. The donor community recognizes its soundness and is prepared to cooperate in support of it.

#### Total Resources

Another positive development in 1982 was the holding of a Donors Conference for Chad. The conference was held in Geneva, November 29 and 30, 1982, under the auspices of the OAU and the UN Secretary General's Office and was attended by representatives of 29 countries as well as the IBRD, IMF, UNDP, African Development Bank and OPEC Fund. The holding of the conference, which had been planned and aborted on two previous occasions, reflects the present Government's recognition of the need for external support in its efforts to relieve the serious conditions prevailing in Chad and its interest in obtaining that assistance from economic development-oriented donors. The conference also reflected the Government's persistence and effectiveness in gaining donor attendance and expressions of support.

The Chadian delegation to the conference was well prepared and articulate in expressing its Government's needs for short term relief and rehabilitation assistance and for longer term development assistance. As explained by the Chadian delegation, the Government's plans call for a two year program focussed primarily on relief and rehabilitation efforts: the relief will be aimed at avoiding a further deterioration in the nutritional status of some 25% of the Chadian population at risk; rehabilitation will focus on improving key road segments, reestablishing the nucleus of the governmental structure and capability in the key areas of agriculture, health and public works and reviving the private small farm sector's capability to produce grains and other agricultural products at a level needed to meet domestic requirements. Assistance during this relief and rehabilitation period will also

## CHAD

focus on developing a strategy and program for longer-term development.

The donor community has responded well to the current Chadian situation. The French have made it clear that they will continue to be the leading donor and have agreed to provide short-term budgetary and food assistance as well as other emergency and project-related assistance; longer-term budgetary support e.g., for civil servants' salaries is needed and possibilities for providing it are being considered by the French. The IBRD will explore possibilities for resuming certain activities in which it had been involved and which were discontinued in 1980-82 because of increased armed conflict. The Bank will also try to initiate new projects aimed at increasing agricultural production and improving road transport. The UNDP, which continued in 1982 to operate as a leading donor in Chad, will expand its operations there, largely in agriculture, education and health. Assistance is also expected from the Government of Saudi Arabia (which had a representative at the conference) and possibly from other Gulf states. The form in which this assistance would be provided has not yet been decided; budgetary support and the financing of food imports would be useful and much appreciated by the Chadians and would avoid placing a heavy burden on Saudi (or other Gulf state) manpower and administrative capabilities.

For the near term, Chadian financial and trained manpower resources available even for relief and rehabilitation are likely to be very limited. Customs duties now constitute the main source of Government revenues with other tax and earnings income from parastatals practically nonexistent. This situation is likely to persist until major improvements are achieved in strengthening government operations.

At the November 1982 Donors Conference, considerable interest was expressed in assisting Chad. While the chairman of the conference and others made it clear that the conference was not a "pledging" session, several countries and international organizations did provide firm commitments of assistance. It is not feasible at

this time to estimate the total donor community assistance level planned for FY 1983. However, it seems likely that it will exceed the pre-1980 economic aid levels which ran at about \$90 million a year, equivalent to a then per capita expenditure of about \$20. France then (as now) was Chad's major donor and provided about 50% of the total while the United States provided about 13% (including food aid).

### U.S. Interests and Objectives

The primary short-term U.S. interest in Chad is humanitarian: to help in providing at least minimally adequate levels of food to the large number of Chadian poor and malnourished. Such help, by us and other donors, is essential in FY 1983 and, we believe, will continue to be essential in FY 1984 if widespread starvation is to be avoided. On a longer-term basis our interest is to help assure the integrity of Chad and the stability and effectiveness of its present government and thereby to contribute to the nation's economic development. This interest is closely linked to our concurrent interest in helping Chad to pursue a helpful (to itself and other African countries) and moderate foreign policy free of interference in Chadian affairs by other countries or forces. The present Government's policies are compatible and consistent with these U.S. interests.

The U.S. assistance program for Chad was resumed in FY 1982 after a hiatus of two years due to heavy fighting in Ndjama and elsewhere in Chad. The FY 1982 program consisted of food and other relief aid and was greatly appreciated by the present Government as was the assistance provided by France and other western donors. It seems clear that such assistance will be needed during FY 1984, not only to avoid a disaster of major proportions in the form of widespread starvation, but also to enable the present Government to demonstrate its effectiveness in addressing current problems and thereby to maintain its credibility and position of authority. This is essential if the domestic and external policies intended to serve Chadian interests, and which we support, are to survive and be implemented.

CHAD

### A.I.D. Assistance Strategy

A.I.D.'s strategy during the next few years consists of a two-stage and dual approach to the Chadian situation and our efforts to help improve it. The first stage was begun in FY 1982 and is expected to continue through FY 1984. It concentrates on providing relief and rehabilitation assistance.

This element of the program will also be used, to the extent feasible, to generate local currency to help support efforts aimed at reestablishing at least the basic nucleus of the government apparatus involved in economic/development work; repairing some of the most critical road and health facilities; and beginning the process of improving the productivity and income of the country's small farmers.

This first stage of our strategy will help to lay the groundwork for the second stage which will focus on longer-term development. As currently projected, the second stage effort will center on strengthening the government and private sector's capabilities to plan and manage agricultural production and marketing activities, rural health delivery systems, and the training of technical and managerial people needed for such activities.

In implementing the U.S. strategy we will recognize that during the first stage, Government of Chad resources and capabilities will be extremely limited and our responsibilities for assuring the usefulness of the aid provided will be greater than is normally the case. It will also be necessary to give careful study to the formulation and development of economic policies appropriate to Chad's evolving circumstances. In this regard, we will work closely with other donors, particularly the French, the IBRD and the IMF, to assure that a range of policy alternatives are formulated and presented to the Government for its consideration and adoption of those that are both technically sound and feasible. Starting in FY 1983, A.I.D. will maintain a U.S. direct-hire staff in Ndjamena to provide essential policy direction and guidance for the program and to assure its utility in terms of U.S.

interests in Chad and conformance with A.I.D./U.S. Government standards of accountability and performance. Beyond this, the first stage of the A.I.D. assistance effort will be implemented initially by PVO's and contractors.

### A.I.D. Program (FYs 1982 - 1983)

In FY 1982, the U.S. Government provided \$17.8 million in emergency assistance for Chad, of which \$2.8 million was from ESF. The FY 1982 funds were used primarily to import and distribute (by land and airlift) P.L. 480 Title II foods to refugees in and outside of Chad and to other needy Chadians. The balance was provided for procurement of medical supplies and for repair of some key rural road segments. All FY 1982 assistance was provided through CARE and the WFP.

In FY 1983, we plan to provide an additional \$2.0 million to continue these efforts and to initiate new relief and rehabilitation efforts in the agricultural, health, and rural roads sectors likely to produce improvements in the conditions of life of Chad's rural poor. In addition, we plan to provide up to 15,000 metric tons of P.L. 480 foods for in-country refugee and non-refugee feeding programs. Opportunities will also be sought for other productive food-for-work programs.

### Requested Year Program (FY 1984)

In FY 1984, we plan to increase our funding for relief and rehabilitation efforts to \$9.0 million. To the extent necessary, a portion of these funds will continue to be used to finance in-country transport costs for emergency foodstuffs. It is impossible to forecast with accuracy the FY 1984 emergency food requirements for Chad. However, if the seriousness of the situation continues, we should be prepared to meet a significant portion of Chadian food needs, as was done in FY 1982 and is planned for FY 1983.

Those FY 1984 funds not needed to finance food transport costs within Chad will be used to undertake other prior-

CHAD

ity rehabilitation and development activities. Distribution of supplemental food to persons at nutritional risk must remain our highest priority in FY 1984. Provision of urgently need pharmaceuticals and basic medical care remains our second priority. Beyond this, we believe it essential to move as rapidly as feasible in the rehabilitation of two major sectors of the economy: small farm production and basic transport. Progress in these two areas is needed to assure the feasibility and success of further development efforts which the Government might be prepared to undertake with donor assistance in FY 1985 and beyond.

We also view as urgent the need to reestablish and strengthen the Government's capability to provide a full range of services and support to its rural population. Toward this end, we believe improvements need to be made in the organization and administrative practices of key development agencies and, most importantly, in the technical and administrative skills of the staffs of these agencies. Accordingly, we plan to program a portion of our FY 1984 funds, and such future year funds as might be appropriated, to finance the cost of participant training, both in Chad and abroad, and such technical services as might be useful in up-grading the government's administrative capability.

Chadian participants were funded in FY 1981 and FY 1982 under the regional Sahel Manpower Development Project (SMDP) FY 1981 - \$298,000 and FY 1982 - \$217,000. Additional participants will be funded in FY 1983 and FY 1984 under SMDP II.

A.I.D. REPRESENTATIVE: John B. Woods

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

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02/10/83

PROGRAM: CHAD

CP 84

PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL	FY OF FINAL	TOTAL PROJECT COST	-THROUGH FY82- OBLIG EXPENDI	-ESTIMATED FY83- OBLIG EXPENDI	-PROPOSED FY84- OBLIG EXPENDI
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FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: GAMBIA. THE

*BASIC DATA*				*FOREIGN TRADE*				
TOTAL POPULATION.. (THOUSANDS, MID 1982)	635			MAJOR EXPORTS... (1981)	GROUNDNUTS	FISH	PALM PRODUCT	
PER CAPITA GNP..... (DOLLARS, 1981)	350			EXPORTS TO U.S.				
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-76)	3.9%			(\$ MILLIONS, US. FOB)	(1977)	1 (1978)	1	
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.2%	(1970-77)	9.2%	AS % OF TOTAL EXPORTS	(1977)	2% (1978)	3%	
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	TEXTILES	FOODSTUFFS	TOBACCO	
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.				
(1981) TOTAL 42.4 MALE 40.8 FEMALE 44.0				(\$ MILLIONS, US. CIF) (1979)	7 (1980)	5 (1981)	4	
(1968) TOTAL 38.5 MALE 37.0 FEMALE 40.1				AS % OF TOTAL IMPORTS (1979)	5% (1980)	3% (1981)	N.A.	
ADULT LITERACY RATE (1980) TOTAL 15% MALE 27% FEMALE 3%				TRADE BALANCE(\$ MILLIONS, U.S.) (1978)	-62(79)	-83(80)	-132	
(1962) TOTAL 6% MALE 9% FEMALE 3%				MAIN TRADING PARTNERS: UNITED KINGDOM	FRANCE	NETHERLANDS		
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1977)	21.0%			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE	N.A.			SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.				
				(\$ MILLIONS, U.S.)..... (1977)	0			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1977)	58%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1978)	0.8%			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	274			*SOCIAL DATA*				
MAJOR CROP(S)	ARABLE LAND	YEAR		POPULATION GROWTH RATE... (1970)	2.1%	(1975)	2.6% (1982)	2.7%
SUBSISTENCE: RICE MILLET	27%	(1981)		POPULATION IN URBAN AREAS..... (1963)	9%	(1973)	16%	
CASH: GROUNDNUTS	38%	(1981)		LIVE BIRTHS PER 1,000 POPULATION.... (1970)	47	(1982)	48	
MAJOR AGRICULTURAL EXPORTS: (1981) GROUNDNUTS				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)	1%			
MAJOR AGRICULTURAL IMPORTS: (1981) RICE WHEAT SUGAR				POPULATION (1981) IN AGE GROUP:				
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977)	79%			(0-14YRS) 44.4% (15-64YRS) 52.6% (65+ YRS)	3.0%			
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	204			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1976)	13,122			
(1978) 48 (79)	46 (80)	56		MAJOR CAUSES OF				
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DISEASE (1978) MEASLES DYSENTERY CHILDHOOD DIS.				
(1978) 81 (79)	70 (80)	87		DEATH.. N.A.				
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1974)	98%			
(1978) -33 (79)	-24 (80)	-31		POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1970)	12%			
DEFENSE EXPENDITURES,				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:				
AS % OF TOTAL EXPENDITURES.. N.A.				PRIMARY..... (1979) TOTAL 42.0% MALE 56.0% FFEMALE	28.0%			
AS % OF GNP..... N.A.				SECONDARY..... (1979) TOTAL 12.0% MALE 17.0% FFEMALE	7.0%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POST SECONDARY.. TOTAL N.A. MALE N.A. FFEMALE	N.A.			
(\$ MILLIONS, U.S.) (1979) 2 (80) 6 (81)	5			ENERGY PRODUCTION AS % OF CONSUMPTION.....	N.A.			



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

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	GAMBIA							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	1.2	2.8	5.9	7.4	7.7	30.4	-	30.4
Loans	-	-	-	-	-	-	-	-
Grants	1.2	2.8	5.9	7.4	7.7	30.4	-	30.4
<b>a. A.I.O. and Predecessor Agencies</b>	0.1	1.3	4.5	4.7	5.6	12.4	-	12.4
Loans	-	-	-	-	-	-	-	-
Grants	0.1	1.3	4.5	4.7	5.6	12.4	-	12.4
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	0.7	1.1	0.8	1.9	1.5	12.6	-	12.6
Loans	-	-	-	-	-	-	-	-
Grants	0.7	1.1	0.8	1.9	1.5	12.6	-	12.6
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.7	1.1	0.8	1.9	1.5	12.6	-	12.6
Emerg. Relief, Econ. Develop. & World Food Program	0.5	0.8	0.1	1.2	0.2	7.2	-	7.2
Voluntary Relief Agencies	0.2	0.3	0.7	0.7	1.1	5.4	-	5.4
<b>c. Other Economic Assistance</b>	0.4	0.4	0.6	0.6	0.6	5.4	-	5.4
Loans	-	-	-	-	-	-	-	-
Grants	0.4	0.4	0.6	0.6	0.6	5.4	-	5.4
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	0.4	0.4	0.6	0.6	0.6	5.4	-	5.4
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	1.2	2.8	5.9	7.4	7.7	30.4	-	30.4
Loans	-	-	-	-	-	-	-	-
Grants	1.2	2.8	5.9	7.4	7.7	30.4	-	30.4
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	25.9	0.0	4.7
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	27.5
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	25.5	0.0	4.7	34.2
UNDP	0.0	0.0	0.0	6.3
OTHER-UN	0.4	0.0	0.0	1.4
EEC	0.0	0.0	0.0	0.0
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	4.0	5.0	13.0	
Germany	12.6	5.0	30.0	
U.K.	5.3	4.7	27.9	
Canada	0.1	0.1	3.3	
Other	2.6	5.1	12.0	
Total	24.6	19.9	86.2	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	7.1	-	20.4	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	-	
Eastern Europe	-	-	-	
China	-	-	15	
Total	-	-	15	

THE GAMBIA

PROGRAM SUMMARY									CP 84-13 (8-82)
(In thousands of dollars)									
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs		a/
							ESF	Other	
1982									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	1,219	-	-	-	-	-	-	1,219	
Total ....	1,219	-	-	-	-	-	-	1,219	
1983									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	3,900	-	-	-	-	-	-	3,900	
Total ....	3,900	-	-	-	-	-	-	3,900	
1984									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	3,500	-	-	-	-	-	-	3,500	
Total ....	3,500	-	-	-	-	-	-	3,500	

FY 84 PROGRAM HIGHLIGHTS
Within overall Sahel Development Program:
- A new P.L. 480, Title II, Section 206 program to ease the country's severe budgetary constraints and to foster government policy reforms.
- \$1 million for a project to develop and manage a comprehensive forestry conservation program.
- Expansion of the Mixed Farming and Resource Management project (2.5 million) to include greater agricultural diversification.

a/ Sahel Development Program

Development Overview

The Gambia is a small, densely populated country with approximately 635,000 inhabitants occupying a narrow strip of land on both sides of the Gambia River, forming an enclave of 10,400 km inside Senegal. With a per capita GNP of approximately \$260, annual population growth rate of 2.7%, a life expectancy of 42 years and a 15% literacy rate, The Gambia is clearly among the world's least developed countries.

The economy is predominantly agricultural (58% of GDP) with groundnuts the major product, comprising between 30 and 40% of GDP and 90% of the country's export earnings. Subsistence cropping consists primarily of millet, sorghum, rice and maize. Local food production provides only 70% of the population's requirements and about 30-35,000 tons of rice are commercially imported each

year. Trade and transport are also important elements of the economy which is reflective of the country's role as a major port for Senegal and other countries in West Africa. Tourism has emerged as a factor, contributing 6% of GDP and employing 3,000 persons. Industrial activity is limited to two groundnut oil mills, a brewery, a soft drink factory and a shoe manufacturer.

During the first ten years of independence (1965-1975), the country undertook a fairly conservative approach to development and succeeded in maintaining a careful balance between development outlays and fiscal reserves. Groundnut production and the world market price during this period were generally good. The four-fold increase in petroleum prices in 1973-74 jolted the economy but basically it withstood the shock. In 1975, the Government launched a Five-Year Development Plan (subsequently extended for one year) which was aimed at achieving rapid economic growth in the agricultural sector. The plan was to cost \$61 million with 70% external financing. Over

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans.....	-	-	-
Grants.....	2,340	4,712	6,430
<b>Total AID</b> .....	<b>2,340</b>	<b>4,712</b>	<b>6,430</b>
P.L. 480**			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	1,098	803	1,199
<b>Total P.L. 480</b> .....	<b>1,098</b>	<b>803</b>	<b>1,199</b>
<b>Total AID and P.L. 480</b> .....	<b>3,438</b>	<b>5,515</b>	<b>7,629</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel <sup>a</sup>			
Direct Hire <sup>b</sup> .....	7	6	6
PASA <sup>c</sup> .....	1	1	1
Contract.....	10	11	16
<b>Total</b> .....	<b>18</b>	<b>18</b>	<b>23</b>
Participants <sup>d</sup>			
Noncontract.....	33	40	40
Contract.....	-	-	-
<b>Total</b> .....	<b>33</b>	<b>40</b>	<b>40</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total</b> .....						
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<i>Title II</i>						
Voluntary Agencies.....		798		470		720
World Food Programs.....		300		333		479
Gov't-to-Gov't.....		-		-		-
<b>Title II Total</b> .....		<b>1,098</b>		<b>803</b>		<b>1,199</b>
<b>Total P.L. 480</b> .....		<b>1,098</b>		<b>803</b>		<b>1,199</b>

22% of the funds were to go to the agriculture sector and 20% to transport and communication, the next largest category in the plan. At the end of the six-year period, \$147 million was actually spent or committed, of which 74% was externally financed. Moreover, only 16% of the funds were spent on agriculture while more than 44% went to transport and communications. This seeming shift in emphasis was due primarily to the comparative ease with which construction-type infrastructure projects could be implemented compared to the more difficult task of extending improved agriculture technology. Nonetheless, over \$24 million was spent in the agriculture sector during the Plan period and during this period agriculture production fell by 6% per annum. More importantly, groundnut production decreased at an annual rate of 17%. While other elements of the economy had a positive growth rate, the net effect was a decline in per capita income of 1.1% per annum over the Plan period. The poor performance of the economy had a deteriorating effect on the balance of payments as the account moved from a positive balance of \$5.7 million in 1974/75 to a deficit of \$44.4 million in 1980/81.

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In July 1981, the country was badly shaken by a coup attempt. Senegalese troops, at the Gambian government's request, put down the coup, but the losses from widespread looting and destruction disrupted the economy. One outcome of this event was the formal joining of Senegal and The Gambia into a Senegambian confederation. The basic political and security arrangements under this pact have been finalized, but the countries have yet to agree on the implementation of the fiscal amalgamation called for in the treaty.

Socially, The Gambia does not differ greatly from other lesser developed countries. The population is primarily rural-based, 70% vs. 30% urban, but there is a clear pattern of rural to urban migration. Educational opportunities are very limited with only 12% of school age children enrolled in secondary and 42% in primary schools. Technical training opportunities are insufficient.

### Total Resources

The country's greatest natural resource is the Gambia River. While it is extraordinarily navigable, its value for irrigation has been limited by saltwater intrusion for half of its length. Thus, the country, though endowed with an abundance of water, has had to depend on the vagaries of weather for its agricultural production. To counter this anomaly, The Gambia, in conjunction with Senegal and Guinea, have embarked upon a UNDP-developed strategy to exploit the Gambia River Basin. As part of this plan, an anti-salinity barrage is to be constructed across the river about 135 kms from the mouth. Fresh water behind the barrage will then be used to develop, over a 20-year period, 24,000 hectares of irrigated rice. Construction is scheduled to begin by the late 1980's. A.I.D. is participating through a regionally-funded \$13.4 million project designed to study the environmental impact of the barrage and other planned physical structures on the river and to provide technical assistance to river basin development planners. This large scale undertaking represents The Gambia's long-term strategy for the achievement of food self-sufficiency.

In the interim, the Government recently launched its second Five-Year Development Plan to concentrate on increasing cereals production through the application of improved agriculture technology, expanding the fishing and livestock sector and enhancing the private sector. The Plan is budgeted at 475 million Dalasis (\$200 million) of which more than 80% is expected to come from foreign sources. It is unclear at this point as to what specific donor funding has been lined up for all of the proposed activities under the new plan. Major donor projects at present largely reflect the emphasis on the transportation/infrastructure sector from the first Five-Year Plan. For example, one of the largest on-going projects at some \$20 million is the improvement to the Banjul port which is being jointly funded by the World Bank (IDA), the Federal Republic of Germany (FRG) and the African Development Bank (AFDB). The British Government (ODA) will soon initiate a \$7.1 million project to replace a major urban/rural connecting bridge. The project will be done in conjunction with an \$18 million effort beginning later this year by the AFDB and the Saudi Development Fund to build an 11 kilometer dual carriage-way between Banjul and an important suburban town. Other notable projects include: \$16.7 million to improve Banjul sewage and drainage systems (AFDB, FRG and EEC); \$18.5 million to build/improve wharves along the Gambia River (Kuwait); a \$15.1 million sports stadium (People's Republic of China); and two rural roads projects at \$9.3 million (AFDB) and \$8 million (IDA).

The two largest projects proposed for the productive sector in the second Plan are a \$26 million industrial fisheries effort and a \$21 million agricultural project. The latter will likely be funded jointly by ODA and IDA. Norway has expressed interest in the fisheries projects. The Plan's third most important project is an irrigated rice experiment that is expected to provide important information for the river basin development strategy. The project is already underway and is being implemented by the Netherlands, FRG and the AFDB. Other important donors in The Gambia include UNDP/FAO and Denmark.

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### U.S. Interests and Objectives

The Government of The Gambia boasts a free market economy, favorable investment climate and a private enterprise philosophy similar to ours, as well as an unbroken record of parliamentary democracy and a superior human rights record. Thus, our objectives are to help maintain and improve the economic and social environment in which these qualities can prosper, not only for the sake of The Gambia, but to serve as a model for other countries in similar stages of development.

### AID Assistance Strategy

Despite the high quality professionalism at the economic planning level in the Government of The Gambia (GOTG), achievement of the growth targets indicated in the Second Five-Year Plan is highly unlikely because of both internal and external constraints. Failure to achieve intermediate targets will have adverse effects on the balance of payments and national budgets. This will, in turn, begin a circular reaction between growth on the one hand and the balance of payments and the budget, on the other, which will further constrain growth. Thus, relief from balance of payments and budgetary constraints is essential if a positive growth rate is to be achieved. For this reason, the first priority in the A.I.D. assistance strategy is to address constraints underlying Gambia's balance of payments and budgetary problems, and to assure that during the plan period, A.I.D.-financed projects will minimize, if not totally eliminate, the need for GOTG financing from either its recurrent or development budget.

The major means selected to deal with this first priority is to provide program assistance in the form of PL 480, Title II, Section 206, over a three to five-year period. In addition to assisting the country financially, we expect to gain leverage for influencing necessary policy reforms under the program in the following areas: (a) reducing government rice and fertilizer subsidies; (b) beginning to shift domestic agricultural marketing from the state-controlled marketing board to the commercial

sector, and (c) diversifying and restructuring the agricultural production and marketing system.

The Gambia's over-dependence on groundnut exports for foreign exchange, coupled with the deterioration in the terms of trade of groundnuts to rice, suggest an urgent need to diversify agricultural production. To this end, as a second priority, we propose to undertake a new effort which will support structural changes in the agricultural sector, initially in the area of research to determine feasible alternatives to groundnuts and how to improve the existing farming systems. The third priority in A.I.D.'s strategy is to assist in fostering private sector growth. While the private sector environment in The Gambia is favorable, there are constraints, especially in diversification in commercial agriculture and growth of agro-industry. While our strategy is still embryonic, it is intended that all new A.I.D. projects will utilize private sector channels wherever possible and this sector will be a thread running through the entire future program. We will focus our private sector activities on the agricultural and agro-industry areas including fisheries and we will try to improve mechanisms for identifying and preparing bankable, well-designed business activities based on solid marketing studies.

The fourth priority is to build upon our current forestry effort in assisting the GOTG prevent further destruction of existing forests and woodlands, to build a reserve against contingencies and to improve management and utilization of wood resources with emphasis on integration within the farming system.

### A.I.D. Program (FYs 1982-1983)

The key activity in the Mission's on-going program is the Mixed Farming and Resource Management project which is composed of six components: (1) aerial photography for land resource use, evaluation and classification; (2) livestock grazing areas development and management; (3) improved crop and forage production and management; (4) improved rural technology; (5) strengthening of the Ministry of Agriculture's planning and evaluation

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capacity; and (6) agricultural skills training and communication. The aerial photography component of the project was completed in 1980. The cartographic element of this component will be done in early 1983. Technical assistance activities were initiated in 1981 under a Title XII institution, the Consortium for International Development.

A full scale evaluation of the project is scheduled for February 1983; however, it is already evident that considerable progress has been made to date. For example, 150 farm families have been engaged in a maize seed production effort using improved technology over the past year which, from preliminary estimates, will yield 2 1/2 tons of grain per hectare versus 3/4 of a ton from traditional methods. It is anticipated that the seeds from this year's harvest will lead to the production of five thousand tons of maize next year, more than the country's annual output. Project technicians calculate that yields of up to 5 1/2 tons per hectare are possible.

Owing to an underestimate of the cost of technical assistance at the design stage of the project, it has been determined that an additional \$3 million will be required for its completion. It is proposed that \$943,000 of this amount be programmed for FY 1983, with the balance in FY 1984.

Two evaluations of the on-going \$2 million Soil and Water Management Unit project (635-0202) determined that more effort had to be put into long-term training than had originally been calculated in the project's design. As a result, the project's implementation schedule is being stretched out to FY 1986. The evaluations indicated that the project will have a shortfall which will be funded in FY 83. Success in project implementation includes the establishment of a soil and water conservation unit within the Ministry of Agriculture. The unit has been providing conservation advice to farmers and to other agriculture technicians on a limited basis, but its effectiveness will be constrained until the long-term participants funded under the project return. This

project is basically of an institution building nature, though its long-term benefits will be felt in increased production through better conservation.

A.I.D. is also providing \$2.2 million through its Rural Roads Maintenance Project (635-0206) in support of a \$15.5 million multi-donor program designed to increase the institutional capability of the Government to routinely maintain the country's 1000 kilometer rural roads network, thus facilitating farm to market access. The A.I.D. portion, initiated in FY 1979, will finance the construction and equipping of a central workshop for the maintenance and repair of highway equipment as well as technical assistance to improve the management capabilities of the Public Works Department. Final plans have been drawn for the workshop; however, it has been determined that the project will require another \$2 million to be completed. Funding will be provided in FY 1983.

The on-going \$1.6 million Gambia Forestry Project (635-0205), is directed towards reducing the depletion of the forests through the establishment of 1,300 hectares of fast-growing fuelwood plantations. The project has had its setbacks as 90% of the first two years of planting were lost to drought and wildfire. However, the affected hectareage has now been replanted and new areas have been opened, to the extent that there are currently 596 hectares of clear plantation of which 406 hectares are planted. In addition, five experimental village woodlots comprising seven hectares have been established in conjunction with the Peace Corps to help villagers better understand the relationship of trees to their environment and thus to their economic well-being.

Under the PL-480 Title II Program, A.I.D. is reaching some 33,500 recipients through the Catholic Relief Services. Significant management improvements have been made by CRS over the past year in response to an FY 1981 A.I.D. audit. A major evaluation of the program, scheduled for FY 1983, will determine its nutritional and economic impact and outline ways in which it can be better integrated into AID's overall economic development effort.

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There are three on-going PVO activities in the country. These are: the Cooperatives Development Project (635-0208) under the Cooperative League of the U.S.A. (CLUSA); the Training for Development Project (635-0215) under the Opportunities Industrialization Center Organization (OICI) and Save the Children's Integrated Rural Development Project (635-0217). The OICI project terminated in December 1982. An evaluation will be conducted. The CLUSA project was expanded in FY 1982 with the addition of \$500,000. Save the Children activities just got underway in mid-1982.

A.I.D. programmed \$25,000 in Planning, Management and Research (PM&R) activities in FY 1982. The major items included: a study of women in development; a private enterprise study; and financing the participation of an agricultural economist in the World Bank-led appraisal of the proposed Agricultural Development project noted above.

Under the Mixed Farming Project, 635-0203, 18 demonstration grazing plots were established with 16 Livestock Owners Associations; improved production packages were introduced to 150 maize farmers; a socio-economic study unit was established, which has trained 24 enumerators who have completed a nationwide baseline survey to determine existing crop and livestock systems; an in-depth farm management study has begun, using trained Gambian enumerators in nine villages; and first cattle feeding trials have been completed, using different crop residues, achieving an average growth rate of 1.7 pounds daily. Under the Albert Market Project (635-0211), a Private and Voluntary Organization (PVO) completed a socio-economic and environmental study that included a proposed design for the renovation/new construction of the Albert Market in Banjul. Under the Forestry Project (635-0205), 350 hectares were replanted with trees; the trees on 150 of these hectares had been planted under this project in 1981 but had been destroyed in an accidental forest fire. Another 200 hectares are being replanted in FY 1983.

## Requested Year Program (FY 1984)

Our major new activity will be the initiation of a PL 480 Title II, Section 206 program to help ease severe budgetary constraints and to stimulate policy reforms that could pave the way for increased agricultural production. The proposed importation of some seven thousand tons of rice annually, at a cost of approximately \$2.4 million for three years, represents about one fourth of the country's normal rice imports. Proceeds from the sale of rice would be directed towards food production efforts including applied research in traditional and non-traditional crops. The Government has expressed genuine interest in the policy reforms and it is expected that, as a result of the Section 206 program, these reforms will begin in FY 1984.

To carry out the fourth priority in our new strategy, A.I.D. is also proposing an initial obligation in FY 1984 of \$1.0 million of an \$8.0 million project entitled Forestry Management and Institutional Development (635-0220). The purpose is to provide the Government with the institutional capacity to initiate and manage a comprehensive forestry development and conservation program. The project will (1) ease the continuing pressure on the forests for fuelwoods, thus addressing budgetary problems associated with fuel imports and (2) enhance and maintain the farmer's total environment to foster increased food production through soil and water conservation, livestock management and the maintenance of energy resources. In FY 1984, A.I.D. expects to initiate basic project start-up activities, such as the placement of technical advisors in-country and the commencement of participant training efforts.

Other funding proposed for FY 1984 includes \$2.5 million for the Mixed Farming and Resource Management Project. The funds will provide for existing shortfalls and additional new activities directed at agricultural diversification. These new activities, estimated at \$4.0 million, are part of our strategy of assisting the GOTG to reduce its reliance on traditional crops by providing alterna-

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tive means of increasing food production through applied research in non-traditional crops. This proposed initiative would examine irrigated as well as rainfed crops and would enhance the country's production possibilities for irrigation planned under the Gambia River Basin development effort.

A.I.D. REPRESENTATIVE: Byron Bahl



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

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02/10/93

PROGRAM: GAMBIA

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PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY32- OBLIG ATIONS	FY32- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
SAHEL DEVELOPMENT PROGRAM											
SOIL AND WATER RESOURCES MANAGEMENT UNIT	G 635-0202	78	83	2,037	2,747	2,037	1,066	710	300	---	300
MIXED FARMING AND RESOURCE MANAGEMENT	G 635-0203	79	88	6,000	14,000	6,000	2,944	943	1,500	2,460	1,500
GAMBIA FORESTRY	G 635-0205	79	79	1,575	1,575	1,575	513	---	640	---	422
RURAL ROADS MAINTENANCE SYSTEMS	G 635-0206	79	83	4,744	8,744	4,515	784	2,189	1,500	---	3,500
COOPERATIVES DEVELOPMENT (PVO)	G 635-0208	80	83	983	1,001	983	213	18	350	---	438
TRAINING FOR DEVELOPMENT (PVO)	G 635-0215	80	82	794	794	794	646	---	148	---	---
INTEGRATED RURAL DEVELOPMENT (PVO)	G 635-0217	81	81	300	300	300	36	---	234	---	30
FORESTRY MGMT AND INSTITUTIONAL DEV	* G 635-0220	84	87	---	8,000	---	---	---	---	1,000	200
SMALL PROJECT ASSISTANCE-AID/PC	G 635-0221	83	87	200	200	---	---	40	40	40	40
TOTAL FOR ACCOUNT GRANTS				16,633	37,361	16,204	6,202	3,900	4,712	3,500	6,430
LOANS				16,633	37,361	16,204	6,202	3,900	4,712	3,500	6,430
TOTAL FOR COUNTRY GRANTS				16,633	37,361	16,204	6,202	3,900	4,712	3,500	6,430
LOANS				16,633	37,361	16,204	6,202	3,900	4,712	3,500	6,430

\* Refer 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Forestry Management and Institutional Development		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	LIFE OF PROJECT FUNDING: 8,000
635-0220						1,000		
								ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To develop capacity of the Gambian Government's Forestry Department to initiate and manage a comprehensive program for the enhancement and conservation of forests and woodlands.

Project Description: The project will provide long-term technical assistance in forest planning and management, organizational management, siviculture, fire control, sociology and the environment, and short-term assistance in forest products technology, soil conservation, engineering and hydrology. Long-term participant training will be provided for Forestry Department officials in the above areas as well as short-term and on-the-job training for forest rangers, firefighters and extension agents. Limited fire-fighting and communications equipment will be funded as well as vehicles and office equipment.

The government of The Gambia clearly perceives the value of the country's forests for its economic well-being. Fuelwood comprises 90% of the country's energy needs. It is aware of pressures on the forests from wood cutting, fire and livestock. The government has put a high priority on addressing the problem of the forest sector, but it lacks the managerial and technical skills to carry out a comprehensive improvement effort. A.I.D. has had first-hand experience with these limitations during the implementation of the Gambia Forestry project. Setbacks in project progress have occurred because of insufficient supervisory skills and poor resource allocation. An example is the loss of 220 hectares of an A.I.D.-funded fuelwood plantation through fire because government petrol was not available and firefighters were unable to get to the site. A trained cadre of mid-level technicians is required to make the overall forestry program effective on a national scale.

Relationship of Project to A.I.D. Country Strategy: Destruction of the forests is largely caused by two agents: fire and livestock. Losses occur because villagers do not perceive the preservation of trees as being in their interest. They see the relationship of trees to soil conservation but have no alternatives to traditional farming methods, such as, slash and burn, and free-grazing of livestock. In order to improve agricultural production, through diversification, efforts will be made to enhance the farmers' comprehension of the inter-relationship of the components that make up his environment, so that this knowledge can be used to maximize

output. The importance of trees for the prevention of soil erosion, the availability of fence posts, the labor saved by having fuelwood within reach, and preservation of hardwood and timber species will be emphasized. Soil conservation techniques being taught under the A.I.D.-funded Soil and Water Resources Unit project and livestock management, forage development and socio-economic components of the Mixed Farming and Resource Management project will complement this objective.

Host Country and Other Donors: A.I.D. is the key donor in the forestry sector at the present time. The Federal Republic of Germany is also involved, but its efforts are aimed essentially at conducting a forest inventory which is scheduled for completion in late 1982. Tree nurseries will be established throughout the country. The results of the inventory will have an important bearing on this project and the seedlings from the nurseries will be used for replenishment of the natural forest. In view of the comprehensive nature of the project, it is expected that the host country's Forestry Department will be wholly involved in its implementation.

Beneficiaries: The project's primary beneficiaries will ultimately be the farmers and villagers who adopt and apply forestry management techniques in their farm operations.

Mali

FY84 CF ECONOMIC AND SOCIAL DATA

COUNTRY: MALI

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982) 7,015				MAJOR EXPORTS... (1981) LIVESTOCK GROUNDNUTS FISH			
PER CAPITA GNP..... (DOLLARS, 1981) 190				EXPORTS TO U.S. (\$ MILLIONS, US. FOB) (1981) 1			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 1.4%				AS % OF TOTAL EXPORTS N.A.			
AVERAGE ANNUAL RATE OF INFLATION (1960-70) 5.5% (1970-80) 10.1%				MAJOR IMPORTS... (1981) TEXTILES MOTOR VEHICLE OIL PRODUCTS			
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.				IMPORTS FROM U.S. (\$ MILLIONS, US. CIF) (1979) 7 (1980) 7 (1981) 5			
LIFE EXPECTANCY AT BIRTH, IN YEARS (1981) TOTAL 43.6 MALE 42.0 FEMALE 45.2 (1968) TOTAL 37.2 MALE 36.5 FEMALE 38.0				AS % OF TOTAL IMPORTS (1979) 2% (1980) 2% (1981) N.A.			
ADULT LITERACY RATE (1976) TOTAL 9% MALE 14% FEMALE 6% (1962) TOTAL 3% MALE 4% FEMALE 1%				TRADE BALANCE(\$ MILLIONS, U.S.) (1978) -168(79) -212(80) -241			
*AGRICULTURE*				*SOCIAL DATA*			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) -0.6%				MAIN TRADING PARTNERS: FRANCE IVORY COAST GERMANY, FFD			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 42%				EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 43.8%			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 46				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... (1980) 11 AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO) ... (1980) 3.6%			
MAJOR CROP(S) ARABLE LAND YEAR				POPULATION GROWTH RATE... (1970) 1.3% (1975) 2.7% (1982) 2.7%			
SUBSISTENCE: RICE MILLET 25% (1981)				POPULATION IN URBAN AREAS..... (1961) 11% (1976) 17%			
CASH: COTTON GROUNDNUTS 10% (1981)				LIVE BIRTHS PER 1,000 POPULATION.... (1970) 49 (1982) 49			
MAJOR AGRICULTURAL EXPORTS: (1981) COTTON LIVESTOCK				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 1%			
MAJOR AGRICULTURAL IMPORTS: (1981) RICE WHEAT SUGAR				POPULATION (1981) IN AGE GROUP: (0-14YRS) 45.5% (15-64YRS) 51.8% (65+ YRS) 2.7%			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 73%				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 121			
*CENTRAL GOVERNMENT FINANCES*				PEOPLE PER PHYSICIAN..... (1977) 24,055			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.) (1978) 121 (79) 135 (80) 139				MAJOR CAUSES OF DISEASE (1979) MEASLES MALARIA DYSENTERY DEATH.. (1979) MEASLES MALARIA RESPIRATORY			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.) (1978) 152 (79) 159 (80) 172				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 83%			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.) (1978) -31 (79) -24 (80) -33				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1976) 10%			
DEFENSE EXPENDITURES, AS % OF TOTAL EXPENDITURES.. (1978) 20.0% (79) 20.3% (80) 20.5%				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP: PRIMARY..... (1978) TOTAL 28.0% MALE 36.0% FEMALE 20.0% SECONDARY..... (1977) TOTAL 9.0% MALE 13.0% FEMALE 5.0% POST SECONDARY.. (1978) TOTAL .9% MALE 1.6% FEMALE .2%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$ MILLIONS, U.S.) (1979) 7 (80) 15 (81) 18				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 3%			

**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	MALI								
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
		1977	1978	1979	1980	1981			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	10.6	16.1	19.0	17.3	15.9	161.4	1.0	160.4	
Loans	-	-	-	-	-	0.8	1.0	0.8	
Grants	10.6	16.1	19.0	17.3	15.9	154.0	-	154.0	
<b>a. A.I.D. and Predecessor Agencies</b>	10.0	10.1	16.6	15.5	14.5	104.7	0.9	103.8	
Loans	-	-	-	-	-	0.4	0.9	0.5	
Grants (Economic Support Fund)	10.0	10.1	16.6	15.5	14.5	98.3	-	98.3	
<b>b. Food for Peace (PL 480)</b>	*	0.3	1.4	0.6	-	4.0	0.1	4.5	
Loans	-	-	-	-	-	0.4	0.1	0.3	
Grants	-	0.3	1.4	0.6	-	4.0	-	4.2	
Title I - Total Sales Agreements	-	-	-	-	-	0.4	0.1	0.3	
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	0.4	0.1	0.3	
Title II - Total Grants	*	0.3	1.4	0.6	-	4.2	-	4.2	
Emerg. Relief, Econ. Develop. & World Food Program	*	0.3	1.4	0.6	-	4.0	-	4.0	
Voluntary Relief Agencies	-	-	-	-	-	0.2	-	0.2	
<b>c. Other Economic Assistance</b>	0.6	0.7	1.0	1.2	1.4	7.1	-	7.1	
Loans	-	-	-	-	-	-	-	-	
Grants	0.6	0.7	1.0	1.2	1.4	7.1	-	7.1	
Peace Corps	0.6	0.7	1.0	1.2	1.4	7.1	-	7.1	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
<b>II. MILITARY ASSISTANCE - TOTAL</b>	-	-	0.1	0.1	0.1	3.4	*	3.4	
Credits or Loans	-	-	-	-	-	-	-	-	
Grants	-	-	0.1	0.1	0.1	3.4	-	3.4	
<b>a. MAP Grants</b>	-	-	-	-	-	1.9	-	1.9	
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	*	*	*	
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	0.1	0.1	0.1	1.3	-	1.3	
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	0.2	-	0.2	
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-	
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	10.6	16.1	19.1	17.4	16.0	164.8	1.0	163.8	
Loans	-	-	-	-	-	0.8	1.0	0.8	
Grants	10.6	16.1	19.1	17.4	16.0	158.0	-	158.0	
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-	
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-	
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-	

\* LESS THAN \$50,000.

	A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS			
	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	23.0	1.5	37.0	454.3
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	2.6	3.2
IDA	8.0	0.0	0.0	176.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	13.4	0.0	25.6	85.2
UNDP	1.6	0.9	0.0	44.8
OTHER-UN	0.0	0.6	8.8	19.0
EEC	0.0	0.0	0.0	126.1
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>I. O.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	23.0	18.0	76.0	
Germany	27.0	36.0	191.5	
France	45.0	65.7	201.1	
Netherlands	12.5	6.3	38.5	
Canada	12.8	11.2	41.7	
Other	11.5	11.8	46.6	
Total:	131.8	149.0	595.4	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	17.3	-	42.5	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	5	100	
Eastern Europe	-	-	25	
China	-	-	125	
Total	-	5	250	

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	9,611	-	-	-	-	-	-	9,611
Total ....	9,611	-	-	-	-	-	-	9,611
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	8,430	-	-	-	-	-	-	8,430
Total ....	8,430	-	-	-	-	-	-	8,430
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	9,700	-	-	-	-	-	-	9,700
Total ....	9,700	-	-	-	-	-	-	9,700

## FY 84 PROGRAM HIGHLIGHTS

Within overall Sahel Development Program:

- Food self-sufficiency efforts supported through support for research, livestock (\$6,880,000).
- Private Sector encouraged through Agricultural Enterprise Development project (\$820,000).
- Development planning and management capabilities strengthened through training key Malian leaders (\$1,000,000).
- Maternal/child health and family planning (\$1,000,000).

## a/ Sahel Development Program

Development Overview

Mali is one of the ten poorest countries in the world although she has considerable resources. Only a fraction of the potential of her two great river basins has been tapped for irrigation, power or transport. Two decades ago, Mali was considered the bread basket of French West Africa, and has agricultural and pastoral land which, if managed properly, would allow her to become self-sufficient in food and a supplier for neighboring countries. There is export potential to West and North Africa for Malian sheep and cattle. The development of these sectors is also the key to improving rural living conditions. Perhaps Mali's greatest asset is her industrious people. Despite this potential, life for most Malians is a risky, year-to-year struggle for existence. Subsistence agriculture provides a precarious livelihood for about 73% of Mali's 7 million people.

Average per capita income is about \$190, with many agriculturalists earning far less. Poor health conditions limit life expectancy to little over 40 years, and it is estimated that 50% of Malian children die before age five. About five million Malians have little or no access to opportunities to improve their quality of life, such as education, health care, improved agricultural services and credit.

Climate and geography constrain development efforts. Mali is a large, sparsely populated country whose borders are 1,000 kilometers from the nearest ocean ports of Dakar and Abidjan. Most of Mali's rain falls within a four-month season; the amount and distribution of each year's precipitation determines the well-being of the population. After the severe drought of the early 1970s, better rainfall has allowed some subsistence farmers to build up village stocks and livestock herds to be replenished. However, every year irregular rainfall patterns cause localized crop failure and threaten

RESOURCE FLOWS (in thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	7,924	15,450	14,397
<b>Total AID.....</b>	<b>7,924</b>	<b>15,450</b>	<b>14,397</b>
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	792	2,164	3,077
<b>Total P.L. 480.....</b>	<b>792</b>	<b>2,164</b>	<b>3,077</b>
<b>Total AID and P.L. 480.....</b>	<b>8,716</b>	<b>17,614</b>	<b>17,474</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	31	24	20
PASA <sup>c</sup> .....	1	12	10
Contract.....	13	13	8
<b>Total.....</b>	<b>45</b>	<b>49</b>	<b>38</b>
<b>Participants<sup>d</sup></b>			
Noncontract.....	49	100	84
Contract.....	-	-	-
<b>Total.....</b>	<b>49</b>	<b>100</b>	<b>84</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b> (of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies.....		792		2,164		3,077
World Food Programs		-		-		-
Gov't-to-Gov't.....		-		-		-
<b>Title II Total.....</b>		<b>792</b>		<b>2,164</b>		<b>3,077</b>
<b>Total P.L. 480.....</b>		<b>792</b>		<b>2,164</b>		<b>3,077</b>

livestock production. In good years, these failures are limited to pockets of arable land; in bad years, whole regions are affected.

Historical and institutional factors have also retarded development. Centralized planning has provided the only model for this generation of Malian decision-makers. The centralized French colonial model was succeeded, upon independence in 1959, by state control of nearly all economic activities. This centralization has resulted in an oversized and inefficient bureaucracy that incurred increasing deficits in its efforts to maintain unprofitable state enterprises and inadequate, urban-focused social services. By 1980, the Government of the Republic of Mali (GRM) came to recognize that internal and external structural imbalances were so severe that they threatened the country's stability and the success of its development efforts. Since that time, the GRM has initiated a series of measures that reflect an increasing commitment to reform and economic liberalization. It has authorized a series of price realignments; producer prices of agricultural commodities have been sharply increased, while consumer prices for many essential

## MALI

goods, especially petroleum products, have been increased to reflect real costs. Other reform measures include the de facto liberalization of the cereals market along with restructuring of the state cereals marketing agency (OPAM).

On May 21, 1982, the GRM accepted stiff performance criteria to qualify for an IMF stand-by agreement. These included increased ceilings on bank credit to the government and the economy; reductions in both total and external payment arrears; and no contracting of new short-term concessional external loans. The GRM has also taken steps to reduce the state enterprise system by opening a large number of industries to total or partial private sector participation. It increased the tariffs of the state railroad system and the electricity agency in order to reduce their deficits. Implementation of these reforms will require a long-term effort by Malian leadership and sustained foreign donor support.

To date, donors have responded positively to the reform initiatives and the government has been responsive to donor concerns and ideas. The IMF granted Mali's request for a one-year standby agreement totaling \$30.375 million in special drawing rights. Western donors are establishing a common donor program to supply food aid, the proceeds from which will be used to cushion the economic and political shocks of consumer price increases and to help finance OPAM's restructuring. The World Bank has financed a study that led to the restructuring of the state enterprise system and a study of the government rural development organizations, currently under review by the GRM, which recommends major restructuring of the rural parastatals.

Finally, in preparing for the December 1982 Donor Round Table, the government enlisted the technical assistance of the UNDP and encouraged donor agency coordination. While differences exist between the GRM and foreign donors as to the timing, methods and means of implementing these policy changes, dialogue and collaboration have improved markedly during the past two years.

## Total Resources

Despite Mali's considerable resources, a rapid improvement in her situation is unlikely. Financial resources are severely limited and there is little domestic surplus available for capital investment. The central government budget is about \$200 million annually and has been in deficit for the past five years. This amount is committed almost entirely to paying salaries and is inadequate even to maintain existing facilities.

At present, Mali has virtually no manufacturing base. Transport difficulties have helped limit livestock exports, and both high transport costs and unfavorable export prices have limited revenues from the two other major exports, cotton and groundnuts. Continued urban growth increases the demand for consumer imports. As a consequence of all these factors, the balance of trade deficit, which was \$241 million in 1981 is growing at a rate of 20% annually. External public debt, excluding military loans, is almost 45% of the GNP. With an annual rate of inflation of over 10%, the average annual real GNP growth rate is only 1.4%. Under these circumstances, external donor financing is required for almost all investment projects, including the financing of the recurrent operating costs of such projects until they can be self-financing.

Over the past five years, Mali has received commitments in external concessionary development assistance averaging over \$200 million annually. In 1981, France was the largest donor, contributing \$40 million for technical assistance, budgetary and balance of payments assistance. Other major donors are the Arab Countries (\$30 million) the World Bank (\$22.7 million), the European Economic Community, West Germany (\$20 million each), the U.N. agencies (\$17.6 million) the United States (\$15.9 million), and Canada (\$15 million). Considerable assistance is also received from the USSR, China and a number of Eastern bloc countries.



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While the United States has been in the forefront on some of the on-going policy reform efforts, the decreasing levels of U.S. assistance require that we work more within the context of the donor community, as in the case of the cereals market restructuring project.

### U.S. Interests and Objectives

The United States is concerned that Mali remain an independent, politically and economically stable country, free from domination by outside powers and friendly towards the United States. Assistance efforts to help develop a stable economy in Mali offer the best prospect for achieving these goals.

The United States is encouraged by the broad range of economic reforms which Mali has begun during the past two years and hopes to play a role in furthering these reforms through its assistance programs, encouragement of improved management techniques and promotion of private sector initiatives.

The United States shares the general international concern that the fragile Sahelian environment remain viable for human habitation and enterprise and that international donors collaborate with the Sahelian states in the development of a region-wide economic strategy. Mali's central location, size and potential for food production give it a key role in any such regional strategy. A.I.D. programs are closely identified with the Club du Sahel and the Permanent Interstate Committee for Drought Control in the Sahel (CILSS).

### A.I.D. Assistance Strategy

A.I.D.'s primary goal in Mali remains the increasing of the country's agricultural production and economic viability. However, there has been a change in overall strategy and areas of emphasis. Historically, the emphasis has been on food production/rural development agencies (RDAs) responsible for delivering a broad range

of services. These projects have not been as successful as anticipated, due partly to the difficulties of the RDAs in managing programs on such a broad scale. A series of A.I.D.-generated evaluations and audits conducted in FY 1982 emphasized the need to reduce implementation targets and concentrate activities in order to improve project management and to achieve intended objectives.

A.I.D. is revising its strategy in Mali and is undertaking negotiations in this regard with the GRM. Two key elements of this strategy are the development of the private sector to provide needed goods and services and the continuation of efforts to strengthen the management of development resources.

As part of the management improvement effort, the A.I.D. program is being geographically consolidated. There will be a livestock development program and a core group of two or three agricultural production projects focused on specific geographical areas of high potential. Projects will continue to be implemented by the rural development agencies but the number of project activities will be reduced and the RDAs will be restructured to specialize primarily in the provision of essential agricultural services. Other activities which support our efforts will be implemented within the agricultural zones by private and public sector entities with demonstrated technical and management capacity and experience to deliver these services.

### A.I.D. Program (FYs 1982-1983)

There has been a consolidation and reorientation of the A.I.D. program toward emphasis on project management and a larger role for the private sector. This process will continue in FY 1983 as A.I.D. explores the capabilities of the private sector, the GRM Ministries and the credit and banking institutions as a means to identify effective implementation agencies and develop appropriate projects for future year implementation.

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The A.I.D. projects in FY 1982 and 1983 continue to emphasize food production. The largest project, signed in late FY 1982, is Livestock II (688-0218). This project consolidates and builds upon previous A.I.D.-supported activities in this sector to develop a regional approach to increase cattle production. The emphasis is on animal health research and improved health delivery services, farm-level research to integrate forage production into existing cropping systems, small farmer cattle feeding, and management and planning assistance to GRM agencies. A number of food production projects, two of which (Action Riz-Sorgho and Action Ble) are located in the remote 6th and 7th regions, are being phased out. The largest of these projects, Operation Mils-Mopti, experienced severe management problems and was terminated in early FY 1983. A.I.D. is exploring possibilities of alternative activities in the 5th region, one of our areas of concentration in Mali. The other major food production activity, Operation Haute Vallee (688-0210), located in the potentially highly productive 2nd region south of Bamako, is being redesigned. In preparation for the redesign, A.I.D. is studying the possibilities of transferring additional responsibilities to more appropriate entities. Some support activities, such as road construction and functional literacy, have already been contracted to other organizations; other activities, for example, health services, have been dropped.

While the main focus of A.I.D.'s program will be on the 2nd and 5th regions, limited activities will begin in FY 1983 in the 1st region (western Mali), mainly as part of the Senegal River Basin Authority (OMVS) development program. The major A.I.D. activity is expected to be the resettlement of the population to be displaced by the Manantali Dam.

The other on-going projects continue to support A.I.D. objectives in a number of areas. Both the International Crop Research Institute for Semi-Arid Tropics (ICRISAT) and the Semi-Arid Food Grain Research and Development Institute (SAFGRAD) are conducting research projects in

an effort to develop viable extension packages and realize production increases. The Land Use Inventory Project (688-0205) is providing important new information on the country's soil, vegetation and water resources which will help the government improve land use planning and resource investment in its efforts to achieve food self-sufficiency.

Mali's need for agricultural and management training is being addressed by support for the Agricultural Officers Training project (688-0207) which graduates 160 extension agents each year. The Development Leadership Training project (688-0221), is strengthening the Malian management cadre by sending 15 participants annually to study advanced planning and managerial methods at U.S. universities.

In the field of energy and environment, A.I.D. continues to support the development of solar, wind and biomass technologies for rural use through the Renewable Energy project (688-0217). Prototypes of a number of renewable energy devices have been developed, such as improved woodstoves, windmills, solar dryers and water heaters. In future years, it is expected that the private sector and the proposed multi-donor financed Regional Solar Energy Center in Bamako will produce and market appropriate renewable energy devices developed and tested by the project. The Village Reforestation project (625-0937), is demonstrating the technical and economic viability of small scale, rural forestry activities that encourage good environmental practices, increase the supply of forest products and help sustain agricultural production.

In FY 1983, A.I.D. hopes to join other donors in their support of the GRM's restructuring of the cereals market, by contributing P.L. 480 Title II Section 206 food grains in an effort to realign prices and to increase the role of the private sector in cereals marketing.

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In FY 1983, Mali will use \$40,000 of bilateral program funds for the new Small Project Assistance Program (SPA) with the Peace Corps. These funds will be used for small "self-help" activities which will have immediate impact at the community level. The activities will be in the areas of food, energy, competitive enterprise and/or a productive income generating activity. No more than \$10,00 will be obligated per activity.

The SPA program will utilize Peace Corps Volunteers (PCVs) in the identification and implementation of these activities. This approach will facilitate the local self-help efforts by combining the PCVs knowledge of local conditions and established working relationships at the community level. The program will enhance field collaboration between A.I.D. and Peace Corps.

Requested Year Program (FY 1984)

In FY 1984, A.I.D. will begin full implementation of its new strategy. There will continue to be an emphasis on food production projects, in which \$6.8 million will be invested. The largest portion will go toward strengthening Mali's livestock sector which is an important source of national income, nutrition and foreign exchange. Implementation will begin of a restructured, scaled-down crop production project for the Haute Vallee in Mali's 2nd region.

A number of support activities will be designed to provide needed technical and social services within the agricultural intervention zones. Almost \$1.9 million will be provided for agricultural research, through the on-going Semi-Arid Tropics Research project implemented by ICRISAT and a newly-designed Farming Systems Research and Development project (688-0232) focused on crops, livestock and forestry. The private sector will be encouraged to provide agricultural inputs and services in support of these food production projects.

A.I.D. will begin its first project in Mali designed to directly assist indigenous private businesses in agribusiness and agro-industry. The Agricultural Enterprises Development Project (688-0231) will finance business management training seminars for local entrepreneurs and similar training in credit systems for local banks.

In the health area, A.I.D. will fund the provision of maternal-child health/family planning services in the 2nd and 5th region through a new health project (688-0227).

Technical and management capabilities of Malian cadre will be strengthened through provision of technical assistance and in-service training programs integrated into each project and through advanced specialized training in the United States and third countries. An additional \$1 million will finance advanced study in planning and management methods for promising Malian leaders at American universities under the on-going Development Leadership Training project.

The P.L. 480 Title II section 206 program is expected to continue. Mali will also continue to participate in several regional programs, particularly those being carried out through the OMVS. The Small Project Assistance program, involving the Peace Corps will also continue.

MISSION DIRECTOR: David Wilson

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

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PROGRAM: MALI

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY32- OBLIG ACTIONS	FY32- EXPENDITURES	-ESTIMATED FY83- OBLIG ACTIONS	FY83- EXPENDITURES	-PROPOSED FY84- OBLIG ACTIONS	FY84- EXPENDITURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
LIVESTOCK SECTOR I	G 688-0203	77	78	603	603	603	394	---	209	---	---
AGRICULTURAL OFFICERS TRAINING	G 688-0207	77	81	5,000	5,000	5,000	4,229	---	123	---	771
TOTAL FOR ACCOUNT GRANTS LOANS				5,603	5,603	5,603	4,623	---	332	---	771
				5,603	5,603	5,603	4,623	---	332	---	771
				---	---	---	---	---	---	---	---
SAHEL DEVELOPMENT PROGRAM											
OPERATION MILS - PHASE II	G 688-0202	76	81	7,820	7,820	7,820	4,869	---	1,255	---	652
LIVESTOCK SECTOR I	G 688-0203	77	81	9,482	9,488	9,482	7,795	---	1,542	---	145
LAND USE INVENTORY	G 688-0205	78	82	5,222	5,222	5,222	4,090	---	917	---	215
ACTION RIZ-SORGHO	G 688-0206	76	82	2,223	2,223	2,223	1,705	---	395	---	123
AGRICULTURAL OFFICERS TRAINING	G 688-0207	77	82	2,350	2,350	2,350	799	---	465	---	701
RURAL HEALTH SERVICES DEVELOPMENT	G 688-0208	77	81	2,705	2,705	2,705	2,036	---	270	---	285
OPERATION HAUTE VALLEE	G 688-0210	78	83	18,395	14,762	11,912	9,395	2,850	3,575	---	1,432
KAYES-NIORD ROAD	G 688-0212	80	80	2,400	2,400	2,400	20	---	1,000	---	1,380
ACTION BLE	G 688-0213	78	81	4,426	2,066	2,066	1,697	---	309	---	---
RENEWABLE ENERGY	G 688-0217	78	83	4,100	4,517	3,817	1,897	700	1,480	---	923
LIVESTOCK SECTOR II	G 688-0218	82	86	17,000	17,000	5,630	---	2,315	1,880	3,960	3,700
DEVELOPMENT LEADERSHIP TRAINING	G 688-0221	81	85	4,566	4,566	1,350	164	1,000	455	1,000	850
TRAINING CENTER FOR RURAL WOMEN	G 688-0225	80	80	500	500	500	132	---	130	---	210
SEMI-ARID TROPICS RESEARCH II	G 688-0226	81	84	3,750	3,955	1,710	795	1,365	1,200	880	800
MATERNAL CHILD HEALTH/FAMILY PLANNING	* G 688-0227	84	87	---	3,460	---	---	---	---	1,000	750

\* Refers to the planned project summary sheet

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C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: MALI

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
SAMEL WELLS	G 688-0229	31	81	405 405	405	140	---	165	---	100
AGRICULTURAL ENTERPRISE DEVELOPMENT	* G 688-0231	34	87	--- 11,320	---	---	---	---	820	400
FARMING SYSTEMS R & D	* G 688-0232	34	91	--- 8,000	---	---	---	---	1,000	600
HAUTE VALLEE AREA DEVELOPMENT	* G 688-0233	84	87	--- 6,000	---	---	---	---	1,000	200
SMALL PROJECT ASSISTANCE-AID/PC	G 688-0234	83	87	200 200	---	---	40	40	40	40
VILLAGE REFORESTATION	G 688-0937	83	83	--- 160	---	---	160	40	---	120
TOTAL FOR ACCOUNT GRANTS				85,544 109,619	59,592	35,534	8,430	15,118	9,700	13,626
LOANS				85,544 109,619	59,592	35,534	8,430	15,118	9,700	13,626
TOTAL FOR COUNTRY GRANTS				91,147 115,222	65,195	40,157	8,430	15,450	9,700	14,397
LOANS				91,147 115,222	65,195	40,157	8,430	15,450	9,700	14,397

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: MALI

## PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Strengthening Maternal and Child Health and Family Planning Services		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)			
NUMBER 688-0227 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 1,000	LIFE OF PROJECT FUNDING: 3,460	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To strengthen the Malian system for delivering maternal and child health and family planning (MCH/FP) services.

There have been a number of A.I.D.-funded project activities in Mali such as the Johns Hopkins Program for International Education in Gynecology and Obstetrics (JHPIEGO), International Training in Health (INTRAH), the Futures Group's RAPID program, International Fertility Research Program (IFRP) and Center for Disease Control (CDC) and Rural Health Services Development (688-0208). These have shown that there is an unmet need and demand for MCH/FP services. These include ante- and postnatal care, family planning, nutrition monitoring and surveillance, health education and immunization services. The evaluation of MCH/FP services conducted jointly by IFRP and CDC indicated that there were organizational weaknesses in the Government of Mali (GRM) Family Health Division (DSF), the division charged with overall responsibility for MCH/FP. The GRM Ministry of Health (MCH) concurs with the major finding of the evaluation which concluded that FP services were not integrated with other MCH services provided in the same delivery sites, stockouts of FP supplies were reported in over 50% of the centers, staff lacked adequate training and supervision, and no programs for the prevention of sexually transmitted diseases existed.

The experience of the Rural Health Project has shown that these services cannot be delivered in rural areas in the absence of minimally adequate supporting MCH/FP services at higher levels. The need is to develop the necessary training, planning, management, and services support base in Bamako and in several other regional centers as the basis for subsequent expansion into rural areas.

Project Description: The GRM Family Health Division will be re-organized to more effectively deliver and manage MCH/FP services at all levels. Technical assistance will be provided in planning, administration, MCH/FP services delivery, financial accounting, and support services in order to enable an eventual expansion of adequate basic services. A system of ordering, receiving, inventory, distribution, restocking and financial accounting will be established. Pre-service training and retraining programs for midwives and nurses shall emphasize MCH/FP and will include training in supervision and

supply management. Some specific services that will be included are oral rehydration, nutrition monitoring and education, contraception education and supply, and immunization.

Vehicles, MCH/FP equipment and supplies, limited renovations, and operations support will also be provided. Training and technical assistance will also come from A.I.D. centrally-funded projects (JHPIEGO, INTRAH, RAPID, CDC, IFRP) already functioning in Mali.

Relationship of Project to A.I.D. Country Strategy: This project supports A.I.D.'s principal objective of helping Mali achieve food self-sufficiency. Unless the rate of population growth is controlled the gains made in food production will be nullified. The project aims to improve and strengthen the MCH/FP system that exists so that the program can eventually be expanded to meet the country's present and future needs.

Host Country and Other Donors: The bulk of recurrent operating expenses will be financed by the GRM. The project will complement a proposed program by the World Bank which will address curriculum development in the nursing and medical schools.

Beneficiaries: MOH personnel in the Division of Family Health receiving training and equipment which will enable them to perform their duties will be the primary beneficiaries. Other direct beneficiaries will be the people of Bamako and the other cities who will benefit from improved MCH/FP services. These are estimated to potentially include 80,000 family units.

TITLE Agricultural Enterprises Development		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 688-0231 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 820	LIFE OF PROJECT FUNDING: 11,820	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 88

**Purpose:** To increase participation of the private sector, especially small- and medium-sized enterprises, in agribusiness and agro-industry and improve small farmers' access to needed agricultural inputs.

**Project Description:** The project addresses the need for improved management skills in the public and private sectors and the need for a more effective provision of credit and agricultural inputs. Given the new Government of Mali (GRM) emphasis on expanding the private sector, which includes a recently liberalized investment code, prospects for the agriculture enterprise project are encouraging. The project will be implemented in two phases.

During Phase I, activities will be focused on the agricultural production zones in Regions 1, 2 and 5 where A.I.D. is concentrating its investments. They will include:

1. Credit. Credit will be provided through a local lending institution. This credit will be directed towards three major groups: (a) private enterprises producing or distributing agricultural inputs (e.g., farm equipment, fertilizers, pesticides, herbicides, etc.) and relevant renewable energy devices; (b) farmer associations and small farmers involved in agricultural production; and (c) private ventures marketing agriculture outputs. To insure the success of this component, short- and long-term technical assistance and training in rural credit implementation will be provided to local lending institutions.

2. Business Management Training. Technical and financial assistance will be provided for private entrepreneurs and farmer associations. Projected training will include cost accounting, finance, marketing, management, administration, and international commerce.

3. Studies. This phase will finance studies to identify potential opportunities and constraints to expanding the private sector, including attitudes of the public sector towards such an expansion; socio-cultural traditions, management/administration capacity; institutional/legal barriers, etc. Based on these studies and the results of Phase I implementation experience, Phase II will be designed for a sectorally and geographically expanded private sector development effort.

Relationship of Project to A.I.D. Country Strategy: To achieve A.I.D.'s primary goal of food self-sufficiency, the emphasis of the

project will be to assist private entrepreneurs in agricultural production, agricultural inputs, agribusiness, and agro-industry. Increased involvement of the private sector is foreseen in existing projects including: (1) agricultural development (rural credit program and private sector manufacture/delivery of agricultural inputs); (2) livestock (private commercial cattle feedlots); (3) human resources development (business management training); (4) renewable energy (private development and marketing of renewable energy devices); and (5) forestry (commercial nurseries).

Host Country and Other Donors: Since independence in 1959, the Malian economy has been almost totally controlled by the state. Recently, with encouragement from donors, the GRM has developed and published plans to reduce involvement in areas best suited to the private sector and has evidenced a concrete commitment to expand the role of private enterprise. The use of A.I.D. resources in the agriculture enterprise development project is in accord with the GRM's new initiative to promote private sector participation.

The project will complement United Nations Industrial Development Organization (UNIDO) efforts to assist a local government agency now trying to promote private enterprise. Similarly, by providing credit system expertise and credit to a local lending institution, the project will complement current efforts of the World Bank, West Germany, and the French Caisse Centrale de Cooperation Economique to provide technical assistance and capital for the initiation and expansion of private business.

Beneficiaries: Local entrepreneurs will benefit from the project's business management training and credit. Local lending institutions will receive technical assistance to improve credit systems and financial assistance to augment credit funds. Farmers will benefit by having an alternative supply of agricultural inputs from private suppliers and a means to finance them. Private and public organizations, in the process of conducting feasibility studies to promote private enterprise will receive technical assistance. The population, as a whole, will benefit from economic improvements resulting from an expanded private sector.

TITLE Millet and Sorghum Based Farming Systems Research		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 688-0232 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 1,000	LIFE OF PROJECT FUNDING: 8,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 91	ESTIMATED COMPLETION DATE OF PROJECT FY 92

**Purpose:** To increase the capacity of the Malian agricultural research system to develop appropriate technologies for the production of sorghum and millet, using the Farming Systems Research (FSR) approach. This approach involves performing research, often at the farm level, which emphasizes farmer attitudes and adaptation of traditional practices. Feedback from the recipient farmers is an important aspect of this approach.

**Project Description:** The project will build on the excellent foundation laid by ongoing assistance programs carried out in collaboration with The International Center for Research in Semi-Arid Tropics (ICRISAT), Semi-Arid Food Grain Research and Development project (SAFGRAD), International Livestock Center for Africa (ILCA), and The West African Rice Development Association (WARDA). The ICRISAT effort has concentrated on varietal improvement of sorghum and millet and the development of cropping systems suited to the semi-arid conditions of Mali. SAFGRAD, in close collaboration with ICRISAT, developed a successful system of farm trials which will form the basis for developing research/extension links. Work completed and ongoing by WARDA and ILCA in rice and livestock, respectively, will provide additional scientific information.

The strategy for accomplishing this project's purpose will involve two phases. The objectives of Phase I, which is expected to last 4 years, will be to demonstrate the effectiveness of the FSR approach and to identify the institutional and resource requirements for expanding this approach in all agricultural zones in Mali. During this phase, activities will be focused in the 2nd and 5th Region area development programs financed by A.I.D. Here research/extension/training links will be forged within the context of the farming systems research methodology. This will involve formal program agreements between the rural development authorities and the national research organizations. Technical assistance, on-the-job and formal academic training and capital inputs will be provided to develop the capacity of the institutions involved to carry out FSR. In addition, detailed studies will be carried out on the technical, institutional, financial and time requirements needed for expanding the FSR approach to all Mali's agricultural zones. Based on the studies and the results of evaluations, a design will be prepared for such an expansion, if appropriate.

It is expected that Phase II of the project will involve the expansion of the FSR approach to other agricultural zones and will take up to ten years to implement.

Principal project outputs will be: trained Malian researchers, improved research organizations and facilities, including better links to the extension training systems, more relevant research results, and improved links to U.S. and international research institutions.

**Relationship of Project to A.I.D. Country Strategy:** A.I.D.'s agricultural strategy emphasizes the disaggregation of services previously supplied by the parastatal rural development agencies, and supporting the restructuring of those agencies to enable them to become effective suppliers of agricultural extension services.

This project will play a key role in the new strategy described above. Beyond developing a viable crop research program, it is designed to forge a working link between farmers, extension agents and researchers. The farming systems approach which formally and institutionally links technical transfer to generation of technology, insures that farmers' problems dictate lines of research, and that research results are relevant to farmers' conditions. Our efforts to promote private sector groups in agricultural marketing in conjunction with this project will help to produce a comprehensive strategy for promoting Malian agriculture.

**Host Country and Other Donors:** Other donors are supporting agricultural research in several areas. These include the ILCA, which is working in sheep and goats and mapping livestock distribution, and WARDA, which is working on improvement of irrigated rice varieties. Other donors are active in supporting extension and other direct production activities through support for regional development organizations. The Government of Mali has an extensive research network which conducts research on a wide variety of crop and livestock problems.

**Beneficiaries:** Malian research institutions will be direct beneficiaries. Farmers will benefit through increased production and income. Successful, accelerated technical advance will also benefit the population as a whole through greater food supplies at lower prices.



TITLE Haute Vallee Area Development		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 688-0233 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 1,000	LIFE OF PROJECT FUNDING: 6,000	ESTIMATED COMPLETION DATE OF PROJECT FY 88
NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>					INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	

Purpose: To strengthen the institutional capacity of public and private entities in the Haute Vallee to deliver essential agricultural services to the region's rural population while identifying alternative private or public sources for services that Operation Haute Vallee (OHV) failed to deliver efficiently.

Project Description: Providing goods and services to rural populations to increase food production and rural income has been a high priority for the Government of Mali (GRM) particularly since the devastating drought of 1968-1974.

In order to achieve self-sufficiency in food production, Mali established several parastatal "operations" or rural development agencies that were given responsibilities for the integrated development of an entire region or responsibilities for helping increase the production of specific crops within a region. Various donors have supported these agencies.

A.I.D. has been supporting one of these "operations", OHV, for a five-year period with the objective of increasing food production in the Second Region. It financed virtually all the operating expenses for a wide range of activities including agricultural credit, delivery of farm inputs, road construction, agricultural extension, functional literacy, irrigation improvement, village organization and research. The project has been faced with financial and managerial problems and outputs fell short of projected levels. A series of evaluations revealed that the complexity and scope of activities was too great for the management capacity of both USAID and the Operation.

In the second phase of the project, therefore, A.I.D. will reduce and disaggregate its funding. The project will continue to assist OHV by helping it to enhance its capacity to provide agricultural extension services to farmers and to help it identify applied agricultural research priorities.

The project will also assist OHV (or a suitable line ministry) to develop farmer organizations to better plan the use of resources and improve access to essential services (credit and inputs). Technical assistance, training, and commodities will be the major inputs.

Relationship of Project to A.I.D. Country Strategy: The A.I.D. strategy in Mali identifies food production management and planning and stimulation of private enterprise as high priorities. Because of the failure of state enterprises to meet Mali's needs due to inadequate management, alternatives to these parastatals will be sought to reach the goal of increased food production. The new strategy recognizes the role of the public sector in agricultural development, and where appropriate, as in delivery of extension services, will assist government agencies to improve their capabilities to deliver essential services to rural populations.

Host Country and Other Donors: The GRM will provide an estimated \$2 million of the cost of the project. The World Bank, West Germany, Canada, and European Economic Community are financing analyses of rural development agencies, holding policy discussions with the government and using financial assistance as leverage to encourage the reduction of the activities of the operations while encouraging increased private sector involvement in agricultural development. This project will complement these ongoing efforts to effect policy change.

Beneficiaries: Farmers will benefit directly from improved delivery of essential agriculture services. Consumers will benefit from increased and lower cost food supplies. Private entrepreneurs will benefit from increased investment opportunity, credit and business management assistance for delivery of inputs to farmers, and marketing of agricultural products. The GRM will benefit by streamlining one of its largest operations and cutting expenses.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: MAURITANIA

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982) 1,561				MAJOR EXPORTS... (1981) IRON ORE FISH			
PER CAPITA GNP..... (DOLLARS,1981) 480				EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 1.6%				(\$ MILLIONS, US. FOB)		(1978) 2	
AVERAGE ANNUAL RATE OF INFLATION (1960-70) 0.8% (1970-80) 9.6%				AS % OF TOTAL EXPORTS		(1978) 2%	
AVERAGE ANNUAL RATE OF INFLATION (1960-70) 0.8% (1970-80) 9.6%				MAJOR IMPORTS... (1981) FOODSTUFFS PETROLEUM MACHINERY			
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.				IMPORTS FROM U.S.			
LIFE EXPECTANCY AT BIRTH, IN YEARS				(\$ MILLIONS, US. CIF) (1979) 8 (1980) 20 (1981) 30			
(1981) TOTAL 43.6 MALE 42.0 FEMALE 45.2				AS % OF TOTAL IMPORTS (1979) 3% (1980) 8% (1981) N.A.			
(1968) TOTAL 41.0 MALE 39.4 FEMALE 42.6				TRADE BALANCE(\$ MILLIONS, U.S.) (1978) -58(79) -112(80) -92			
ADULT LITERACY RATE (1977) TOTAL 17% MALE N.A. FEMALE N.A.				MAIN TRADING PARTNERS: FRANCE SPAIN ITALY			
(1965) TOTAL 11% MALE N.A. FEMALE N.A.				EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 139.7%			
*AGRICULTURE*				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE N.A.				(\$ MILLIONS, U.S.)..... (1980) 30		AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO) ... (1980) 32.9%	
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 26%				*SOCIAL DATA*			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 10				POPULATION GROWTH RATE..(1970) 2.3% (1975) 2.3% (1982) 1.9%			
MAJOR CROP(S) ARABLE LAND YEAR				POPULATION IN URBAN AREAS..... (1965) 7% (1977) 23%			
SUBSISTENCE: MILLET RICE SORGHUM 53% (1981)			LIVE BIRTHS PER 1,000 POPULATION....(1970) 50 (1982) 50				
CASH: N.A. N.A.			MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 1%				
MAJOR AGRICULTURAL EXPORTS:(1981) SHEEP GOATS CATTLE EXPORTS				POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT RICE				(0-14YRS) 46.0% (15-64YRS) 51.3% (65+ YRS) 2.7%			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 69%				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 149			
*CENTRAL GOVERNMENT FINANCES*				PEOPLE PER PHYSICIAN..... (1976) 20,620			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF DISEASE (1977)MALARIA DYSENTERY PARASITIC DISEAS			
(1978) 117 (79) 128 (80) 125		DEATH.. N.A.		PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 94%			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1970) 17%			
(1978) 272 (79) 283 (80) 316		DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)		TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGF GROUP:			
(1978) -155 (79) -155 (80) -191		DEFENSE EXPENDITURES.		PRIMARY..... (1978) TOTAL 28.0% MALE 36.0% FEMALE 20.0%			
AS % OF TOTAL EXPENDITURES.. (1978) 28.9% (79) 29.0% (80) 24.0%				SECONDARY..... (1978) TOTAL 6.0% MALE 11.0% FEMALE 2.0%			
AS % OF GNP..... (1978) 14.6% (79) 13.6% (80) 11.7%				POST SECONDARY.. (1977) TOTAL .4% MALE .7% FEMALE .1%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.			
(\$MILLIONS, U.S.) (1979) 115 (80) 147 (81) 163		EQUIVALENT TO 6.0 MONTHS OF IMPORTS (1980)					

**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	MAURITANIA									
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81	
		1977	1978	1979	1980	1981				
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>										
	Loans	5.0	9.2	0.7	11.0	15.8	76.9	2.2	74.7	
	Grants	-	-	-	-	-	1.4	2.2	0.8	
		5.0	9.2	0.7	11.0	15.8	75.5	-	75.5	
<b>a. A.I.D. and Predecessor Agencies</b>										
	Loans	1.7	0.0	0.5	2.7	0.5	32.0	2.2	29.8	
	Grants	-	-	-	-	-	1.4	2.2	0.8	
	(Economic Support Fund)	1.7	0.0	0.5	2.7	0.5	30.6	-	30.6	
<b>b. Food for Peace (PL 480)</b>										
	Loans	1.7	2.9	1.7	0.0	0.2	41.1	-	41.1	
	Grants	-	-	-	-	-	-	-	-	
	Title I - Total Sales Agreements	1.7	2.9	1.7	0.0	0.2	41.1	-	41.1	
	Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-	
	Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	
	Title II - Total Grants	1.7	2.9	1.7	0.0	0.2	41.1	-	41.1	
	Emerg. Relief, Econ. Develop. & World Food Program	1.1	2.0	0.0	0.7	3.4	34.0	-	34.0	
	Voluntary Relief Agencies	0.6	0.9	0.7	1.3	2.8	6.5	-	6.5	
<b>c. Other Economic Assistance</b>										
	Loans	0.2	0.3	0.7	0.9	1.1	3.8	-	3.8	
	Grants	-	-	-	-	-	-	-	-	
	Peace Corps	0.2	0.3	0.7	0.9	1.1	3.8	-	3.8	
	Narcotics	0.2	0.3	0.7	0.9	1.1	3.8	-	3.8	
	Other	-	-	-	-	-	-	-	-	
<b>II. MILITARY ASSISTANCE - TOTAL</b>										
	Credits or Loans	-	-	-	-	-	*	-	*	
	Grants	-	-	-	-	-	*	-	*	
<b>a. MAP Grants</b>										
<b>b. Credit Financing - FMS</b>										
<b>c. Military Assistance Service-Funded (MASF) Grants</b>										
<b>d. Transfers from Excess Stocks</b>										
<b>e. Other Grants</b>										
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>										
	Loans	3.6	9.2	0.7	11.0	15.8	76.9	2.2	74.7	
	Grants	-	-	-	-	-	1.4	2.2	0.8	
		3.6	9.2	0.7	11.0	15.8	75.5	-	75.5	
<b>Other U.S. Government Loans and Grants</b>										
	a. Export-Import Bank Loans	-	-	-	-	-	5.9	2.4	3.5	
	b. All Other Loans	-	-	-	-	-	-	-	-	

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	26.1	11.8	4.9	347.0
IBRD	0.0	0.0	0.0	126.0
IFC	0.0	0.0	0.0	17.9
IDA	0.3	0.0	0.0	48.1
IDB	0.0	0.0	0.0	0.0
ADB	0.0	3.0	0.0	0.0
AFDB	0.0	7.3	2.9	34.3
UNDP	1.1	3.7	0.0	17.6
OTHER-UN	0.0	0.8	2.0	6.6
ECC	25.0	0.0	0.0	96.3

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	15.0	19.0	47.0
France	21.9	31.6	100.2
Germany	12.1	8.0	50.7
Canada	0.9	1.0	9.7
Netherlands	4.7	4.5	11.7
Other	1.3	4.1	13.6
<b>Total</b>	<b>55.9</b>	<b>68.2</b>	<b>232.9</b>

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

	CY 1980	CY 1981	CY 1976-81
	70.3	-	262.4

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	10
Eastern Europe	-	-	10
China	-	-	85
<b>Total</b>	<b>-</b>	<b>-</b>	<b>105</b>

MAURITANIA

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	6,307	-	-	-	-	-	-	6,307
Total ....	6,307	-	-	-	-	-	-	6,307
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	5,600	-	-	-	-	-	-	5,600
Total ....	5,600	-	-	-	-	-	-	5,600
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	5,000	-	-	-	-	-	-	5,000
Total ....	5,000	-	-	-	-	-	-	5,000

CP 84-13 (8-82)

**FY 84 PROGRAM HIGHLIGHTS**

Within overall Sahel Development Program:

- Emphasis on increasing food production through improvements in both dryland and irrigated farming systems. Total food sector component is \$4.0 million, of which \$2.2 million is for the new Food Production support program.
- Continued support for rural primary health care through the Primary Health Care program (\$960,000).

a/ Sahel Development Program

Development Overview

Mauritania is a poor country suffering from chronic drought conditions. The causes of Mauritania's poverty are: (1) Poor resource endowment such that productive land area is less than one-third of the country's entire surface; (2) lack of water limiting agricultural growth possibilities; and (3) a sparsely inhabited country with poorly developed communications and transportation systems; and extensive environmental degradation as a result of desertification. Additional major economic and social constraints on development activities include a lack of basic planning data, a lack of trained personnel to manage development projects, a limited institutional infrastructure to extend new techniques, a high rate of rural to urban migration with consequent decline in agricultural production and an increase in unemployment, land tenure problems which inhibit rural productivity,

and the current tight budgetary squeeze which permits only a gradual expansion of developmental spending of the Government of the Islamic Republic of Mauritania (GIRM).

Mauritania's economic performance has been uneven. The economy grew during the 1960s at about 10% per year in real terms, fueled by development of iron ore mining and rapid livestock herd expansion. Since then, growth has slowed to less than 2% per year, due primarily to the drought of the early 1970s and involvement in the war in the Western Sahara. The drought, together with inappropriate GIRM economic policies, caused a massive migration out of the rural areas and a more than 50% decline in crop production.

However, since 1978, the GIRM's economic management policies have significantly improved. Current expenditures have stabilized and there has been a reduction in both military equipment purchases and in funding for large infrastructure projects. Proposed public invest-

MAURITANIA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	3,789	7,519	7,546
<b>Total AID.....</b>	<b>3,789</b>	<b>7,519</b>	<b>7,546</b>
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	3,412	5,125	5,598
<b>Total P.L. 480.....</b>	<b>3,412</b>	<b>5,125</b>	<b>5,598</b>
<b>Total AID and P.L. 480.....</b>	<b>7,201</b>	<b>12,644</b>	<b>13,144</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	19	18	18
PASAC <sup>c</sup> .....	1	1	1
Contract.....	18	30	40
<b>Total.....</b>	<b>38</b>	<b>49</b>	<b>59</b>
<b>Participants <sup>d</sup></b>			
Noncontract.....	20	17	24
Contract.....	0	0	0
<b>Total.....</b>	<b>20</b>	<b>17</b>	<b>24</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b>						
(of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies.....		1,706		1,581		1,428
World Food Programs.....		281		544		1,090
Gov't-to-Gov't.....		1,425		3,000		3,080
<b>Title II Total.....</b>		<b>3,412</b>		<b>5,125</b>		<b>5,598</b>
<b>Total P.L. 480.....</b>		<b>3,412</b>		<b>5,125</b>		<b>5,598</b>

ments are now concentrated in the productive sectors and donor involvement is designed to encourage the GIRM's shift in spending toward such development areas as agriculture, health and education.

The GIRM raised producer prices for millet and sorghum late in 1981 in a major move to increase incentives for agricultural production. Prices were raised for millet and sorghum from 8 to 13 ouguiyas per kilogram, and for rice from 10 to 12.5 ouguiyas per kilogram. (Ouguiyas 50 = \$1 approximately). These prices are now about 50% and 80%, respectively, of import parity price. The GIRM also committed itself, during negotiations in connection with the proposed P.L. 480 section 206 agreement, to additional, gradual rises in the producer price until import parity is reached.

The GIRM has been gradually devoting more of its resources to preventive rather than curative aspects of public health care and has been increasing expenditures in the rural areas. It has been increasingly calling for greater assumption of the costs of medicines and local health workers by the villagers themselves. The GIRM has

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also stated that it intends to press herders to assume a greater share of the cost of veterinary programs; to encourage parents, private groups and communities to cover a much higher proportion of schooling fees at the secondary and higher levels, as well as to gradually reduce input subsidies in agriculture. Progress has been made by the GIRM in moving away from capital-intensive projects and concentrating on the revival of the dryland interior where a majority of the population lives.

### Total Resources

Total GIRM spending rose from \$95 million in 1973 to \$373 million in 1976. Since these sharp increases in military spending, infrastructure and heavy industry were financed almost entirely by foreign assistance, the contribution of this assistance to total GIRM expenditures rose from 32% in 1973 to 65% in 1976. Spending was lowered to a level of close to \$300 million annually for 1977-81; foreign assistance fell to 50% of expenditures for 1982. The GIRM is continuing to hold to austerity spending levels and is expanding its vigilance in the collection of customs, taxes and fishing royalties. These measures, plus a policy favoring projects with rapid pay-out periods, have as their objective the availability of domestic revenues to cover all central government expenditures, except foreign project support expenditures.

Foreign assistance to the Mauritanian government has taken three principal forms: food aid, budgetary support, and developmental project support. Local food production, even in relatively good years, meets less than one-third of Mauritania's total consumption needs (estimated at 180,000 metric tons based on per capita food requirements of 120 kilograms) and food imports account for approximately another third. The balance must be provided by food aid. This aid, valued at about \$20 million annually, comes principally from the United States (1/3rd); the European Economic Community (EEC), World Food Program (WFP), France, and the Federal Republic of Germany (FRG) on a regular basis; and from

others such as Saudi Arabia less regularly. The food deficit is chronic in nature and its complete elimination is not a realistic possibility within the foreseeable future. While the harvest in 1981/82 was the best in the past ten years, deficient rainfall and swarms of grasshoppers may make the 1982/83 harvest the worst in recent years.

Budgetary support grants, principally from Saudi Arabia, Kuwait, Iraq, and other Arab states, amounted to about \$70 million annually from 1976-1979. After Mauritania withdrew from the Western Sahara conflict in August 1979, this aid increasingly took the form of loans and declined to \$52 million in 1980, \$48 million in 1981 and under \$40 million in 1982. The main donors have been Iraq, the International Monetary Fund and the Arab Monetary Fund.

Project support disbursements from France, the FRG, the EEC, the United States, the PRC, various Arab states, international organizations, and the IBRD amounted to approximately \$65 million annually for the 1976-79 period. Major projects have included the Nouakchott-Nema road, the Guelbs iron mine expansion, and the Nouakchott port, and generally continue to focus on regional hospitals and clinics, schools, water facilities, training, earth dams, wells, and irrigation facilities.

Technical assistance in the form of teachers and advisors has been valued at about \$20 million yearly and specially financed imports have averaged about \$30 million yearly from 1976-80, dropping to \$18 million for 1981. Scholarships and grants and loans for studies and building construction have been valued at about \$18 million annually.

### U.S. Interests and Objectives

The U.S. interest in Mauritania is primarily developmental, political and humanitarian. U.S. assistance began in 1961, following independence, and totals about \$54 million. One aspect of our interest is the fact that

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Mauritania, with its mixture of Arab and Sub-Saharan peoples and cultures, represents a bridge between Black Africa and the Arab/Berber north. Mauritania's proximity to the Western Sahara conflict, its exposure to Libyan and Algerian pressure, its recent alienation from Morocco, and its tradition of internal instability pose an increasing challenge to U.S. efforts to promote regional stability in West and North-west Africa. Economic development offers the best means to reduce Mauritania's vulnerability to outside pressure. It is in the U.S. interest, therefore, to play an active role in development assistance programs. U.S. efforts focus on rural development assistance in an attempt to encourage political stability, social integration, and economic growth in one of the world's poorest countries. A.I.D. programs are closely identified in that context with the Club du Sahel and the Permanent Interstate Committee for Drought Control in the Sahel (CILSS).

### A.I.D. Assistance Strategy

The A.I.D. strategy in Mauritania is designed to assist the country in its efforts to increase food production, protect its scarce natural resources, and promote rural primary health care. The strategy aims at assisting agricultural producers in productive rural areas of the southern third of Mauritania. It focusses on the improvement of rainfed agriculture and oases production with a concomitant emphasis on the reinforcement of rural primary health care systems to assure a healthier, more productive agricultural work force. This strategy also encompasses the development of irrigated agriculture along the Senegal River Basin in conjunction with activities to be financed under the OMVS program.

The focus of the strategy in the agriculture sector is on the transfer of improved technology and water resources management, applied agricultural research appropriate to rural producers in oases, rainfed, and irrigated cereal production areas, local training and institution building, and improvement of the agricultural extension

system. Policy reform is being addressed by the use of P.L. 480 and other USAID programs to promote increased producer prices for cereals and to establish a land tenure system which assures broader access to productive lands. The strategy addresses market access constraints by planning for improvements to key rural routes in the country's most productive regions.

USAID strategy in the health sector centers on a reorientation of health policy from a predominant emphasis on an urban-based curative approach to an approach emphasizing rural primary health care. The lack of health services is among the factors involved in the exodus from rural areas which has plagued the country since the early 1970s. The objective is to promote a largely village financed health care system, including control of environmental diseases, which will foster the well-being of the rural population and increase labor productivity.

### A.I.D. Program (FYs 1982 - 1983)

The FY 1982 - 83 program's focus has been on effectively implementing on-going activities through increased USAID management control and expanded dialogue with host-country counterparts on issues affecting project execution. One new activity was begun in FY 1982, Rural Roads Improvement (682-0214). This project, designed to improve access to inputs and markets in the currently most productive area in Mauritania, is therefore regarded as a critical element in A.I.D.'s food production strategy. The Renewable Resources Management project (682-0205) was cancelled when it became apparent that it would not be able to attain its development objective.

A number of projects have been continued. The Guidimaka Integrated Rural Development (682-0201) project's primary purpose is the demonstration to the inhabitants of the dryland area around Selibaby (the heart of Mauritania's agriculturally productive region) of improved methods of livestock and food production. Some of the successful elements of this project will be continued under the P.L.



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480, Title II, section 206 program. The Small Irrigated Perimeters OPG (682-0226), being carried out by the PVO, AFRICARE, is located in the same region and is A.I.D.'s first effort in irrigated agriculture in Mauritania. Crop yields have risen, and lessons learned from the project will be used in implementing Senegal River Basin Development Authority (OMVS) activities in Mauritania.

The Oases Development project (682-0207) is designed to foster improved food production and living conditions in the Assaba region. It is anticipated that there will be major progress in FY 1983 in extending new water resources utilization techniques, improving productivity from date palm cultivation; increasing cereal, vegetable and fruit crop production; and developing appropriate measures to stabilize the fragile environment around the oases. The recently completed Vegetable Development project (682-0204), implemented as a joint A.I.D.-Peace Corps activity, focussed on the feasibility of expanding vegetable production through a program of adaptive research and demonstration. Over 600 farming families have been trained in improved vegetable production techniques. The Rural Land Reclamation project (682-0203) has been designed to strengthen the capacity of the Ministry of Rural Development's Rural Works Directorate to ensure the proper design, construction and maintenance of small dams for recessional agriculture, which is an integral component of the Mauritanian production system. The criteria developed would eventually be used to promote dam construction by local private construction firms.

Two major projects are on-going in the health sector, the Rural Medical Assistance project (682-0202), which is assisting Mauritania in the development of a community-based rural health delivery system in the Trarza Region, and the Expanded Program of Immunization A.I.P (625-0937.05), which is part of a nation-wide childhood vaccination program. A new project, Primary Health Care (682-0230), will be proposed for FY 1983. This will continue selected successful components of the earlier projects and further develop a system of low cost, high

coverage rural primary health care to improve productivity and the quality of life for rural Mauritians and emphasize a program designed to be largely supported financially by local communities. The entire program is expected to require \$4,000,000 in A.I.D. financing, of which \$1,000,000, is requested for FY 1983.

Mauritania is also benefitting from a number of regional projects. The Mauritanian component of the Regional Food Crop Protection project (625-0928.6) has been highly successful in its efforts to assist the GIRM in institutionalizing the concept of crop protection in the country.

The Land Tenure A.I.P. (625-0937.08) has been developed to act as a catalyst in reformulating Mauritanian policy on the critical question of land tenure with the objective that the individuals trained under this project will be able to assist in the resolution of actual tenure disputes which are a major obstacle to improving agricultural production.

The regional Sahel Manpower Development project (625-0936) provides undergraduate and graduate training in the United States and Africa to participants in various agricultural fields, economics, statistics and rural sociology. Mauritania also benefits through the OMVS projects including Agricultural Research II (625-0959), Groundwater Monitoring (625-0958) and a major project expected to begin in FY 1983, the Integrated Development project (625-0621). This project will include development activities and exploration of longer term programs throughout the Senegal River Basin.

P.L. 480 Title II food resources are being used to offset Mauritania's chronic and structural food deficit while producing a climate for food policy reform. A long term Catholic Relief Service administered Title II program focusses on maternal and child health care, nutritional rehabilitation and adult health programs, especially in rural areas. Additionally, in FY 1982, 10,000 tons of

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sorghum and wheat were provided under an interim one-year project designed to precede a multi-year Title II, Section 206 effort. The sorghum and wheat was provided for sale with the proceeds being used to support the development of Mauritania's food security system and selected agricultural production activities. In FY 1983, the multi-year Title II, Section 206 project will commence operations. This project will provide up to 20,000 metric tons of grain a year for sale in Mauritania. Arrangements for this project have included an agreement by the GIRM to increase the purchase price of basic cereals through government marketing channels with the goal of reaching parity with world market prices within several years. Sales proceeds will be used to improve Mauritania's grain production and marketing capabilities through a series of sub-projects involving the development of bulk grain handling facilities, support of road construction in critical grain producing regions (local currency for the Rural Roads Improvement Project), support of Mauritania's food security system and assistance to agricultural development activities in the Guidimaka Region. Complementing local currency resources generated by the P.L. 480 section 206 project, USAID/Mauritania plans to use \$1,269,000 in FY 1983 to finance the foreign exchange costs of these sub-projects.

In FY 1983, Mauritania will use \$40,000 of bilateral program funds for the new Small Project Assistance Program (SPA) with the Peace Corps. These funds will be used for small "self-help" activities which will have immediate impact at the community level. The activities will be in the areas of food, energy, competitive enterprise and/or a productive income-generating activity. No more than \$10,000 will be obligated per activity. The SPA program will utilize Peace Corps Volunteers (PCVs) in the identification and implementation of these activities. This approach will facilitate the local self-help efforts by combining the PCVs knowledge of local conditions and established working relationships at the community level. The program will enhance field collaboration between A.I.D. and the Peace Corps.

### Requested Year Program (FY 1984)

The new Food Production Support project (682-0229), based on a Food and Agricultural Assessment now in progress is proposed for FY 1984. It is currently projected as a three-year program, for which \$2,200,000 will be required in FY 1984. The program contains sub-projects designed to strengthen private and public sector institutions that support food production activities, finance productive, economically sound interventions in the sector and train the human resources critical to sector development. Another food sector initiative, already under way, which will require additional financing of \$1,800,000 in FY 1984, is the Rural Land Reclamation project (682-0203). Two other ongoing activities, the Oases Development project (682-0207) and the Rural Roads Improvement project (682-0214), will also continue during this period.

Close to a million dollars will be needed in the health sector to continue the rural primary health care initiatives begun under the Primary Health Care program (682-0230) in FY 1983.

FY 1984 will also see the continuation of the P.L. 480, Title II, Section 206 program, and the major regional initiatives in the Senegal River Basin. This FY 1984 program is designed to reinforce the strategic goal of improving Mauritania's institutional and technical capabilities in food production. The program will also assist in the maintenance and improvement of labor productivity and the well-being of the rural population, a critical factor in the overall effort to increase food production. The Sahel Manpower Development project will continue to meet critical needs in the area of human resources development. The Small Program Assistance Program (\$40,000) utilizing Peace Corps Volunteers, will also continue in FY 1984.

MISSION DIRECTOR: Peter Benedict

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

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PROGRAM: MAURITANIA

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PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG	FY84- EXPENDI TURES	
SAHEL DEVELOPMENT PROGRAM											
INTEGRATED RURAL DEVELOPMENT (GUIDIMAKA)	G 682-0201	77	82	3,901	3,901	3,901	2,604	---	1,097	---	---
RURAL MEDICAL ASSISTANCE	G 682-0202	79	79	1,662	1,662	1,662	871	---	525	---	206
RURAL LAND RECLAMATION	G 682-0203	81	85	8,900	8,900	2,122	86	1,582	1,625	1,300	1,700
VEGETABLE PRODUCTION	G 682-0204	78	82	1,805	1,805	1,305	1,458	---	347	---	---
RENEWABLE RESOURCES MANAGEMENT	G 682-0205	78	81	4,678	4,678	4,678	2,639	---	250	---	---
OASES DEVELOPMENT	G 682-0207	80	85	5,991	5,991	3,042	838	1,709	1,600	---	1,400
RURAL ROADS IMPROVEMENT	G 682-0214	82	82	4,810	4,310	4,810	---	---	1,125	---	1,800
SMALL IRRIGATED PERIMETERS (OPG)	G 682-0226	81	81	457	457	457	197	---	260	---	---
AGRICULTURAL SECTOR GRANT	* G 682-0229	84	88	---	20,000	---	---	---	---	2,200	1,000
PRIMARY HEALTH CARE	G 682-0230	83	86	---	4,000	---	---	1,000	250	960	1,000
SECTION 206, PROGRAM SUPPORT	G 682-0231	93	93	---	1,269	---	---	1,269	400	---	400
SMALL PROJECT ASSISTANCE-AID/PC	G 682-0232	83	87	200	200	---	---	40	40	40	40
TOTAL FOR ACCOUNT GRANTS				32,404	57,673	22,477	3,893	5,600	7,519	5,000	7,546
LOANS				32,404	57,673	22,477	3,893	5,600	7,519	5,000	7,546
TOTAL FOR COUNTRY GRANTS				32,404	57,673	22,477	3,893	5,600	7,519	5,000	7,546
LOANS				32,404	57,673	22,477	3,893	5,600	7,519	5,000	7,546

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Food Production Support		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
					FY 84 2,200	LIFE OF PROJECT FUNDING: 20,000	
NUMBER 682-0229	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 90
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>							

Purpose: Increase food production and productivity (agriculture, fisheries, livestock) by (1) strengthening those private and public sector institutions that support agricultural and rural development activities; (2) financing productive, economically sound and cost effective interventions in the sector; and (3) strengthening and enlarging the human resources within the sector.

Project Description: The food production support program will have two basic components: (1) activities designed to strengthen local capacity to program, finance, design, and implement rural development projects, including reinforcement of the rural extension system. A.I.D. funded assistance will focus on private, public and parastatal institutions; (2) funding for a series of food production oriented sub-projects complementary to the OMVS-funded activities in the Senegal River Basin as well as consolidation of components of the initial Mauritanian program activities in rainfed agriculture. The core component of the program will include the provision of technical assistance relating to food production concerns and assistance to the appropriate ministerial level planning group in the design and implementation of subsequent program activities promoting food production and related employment in rural areas. Consolidation of components of ongoing A.I.D. supported agricultural activities will be part of the core activity, including successful elements of the Guidimaka Integrated Rural Development activity.

The key to effective implementation of this proposed program is the trained human resources required to design and implement such activities. Mauritania lacks sufficient numbers of adequately trained personnel to design and implement effective rural interventions. Therefore, another activity of the project will be to train and upgrade technical personnel in those skills needed to enhance the country's food production capabilities. On-the-job training will be done through actual implementation of sub-activities and the core activity. Training will use both third country (Francophone) institutions and U.S. universities, technical schools, and junior colleges. Much of the in-country training of field staff will be done at the Kaedi Agricultural Training School, which will be a major focus of program activities. Curricula and refresher courses will be developed to meet sectoral needs.

In the area of identifying the development of Mauritanian technical capacities, the program will finance the creation of a rural development fund to provide resources to implement the needed interventions in rural areas. This component, not expected to begin until the third year of this seven year program, will establish a set of general project/sub-project criteria. Thereafter, the financial institution, the Government of Mauritania (GIRM) and A.I.D. will identify projects or sub-projects for subsequent funding. The core technical assistance team will work with entrepreneurs, ministries and the financial institutions to establish project/sub-project identification, implementation and financing guidelines.

Relationship of Project to A.I.D. Country Strategy: This project is being developed to assist in meeting the primary goal of the A.I.D. program in Mauritania: assisting the Mauritanians meet their food needs. Specific interventions will be developed from the sector assessment which will be carried out by a team of experts during the first quarter of FY 1983.

Host Country and Other Donors: The GIRM will agree to provide resources to this program in the form of personnel, facilities and land. The GIRM recently established the National Development Fund (FND), which has a private sector orientation. The FND may take an equity position in financial ventures along with private citizens and public and private corporations. A.I.D.-financed feasibility studies will determine if the FND is an institution with which this program should work. (It is possible that other donors will find the rural development fund component a useful device through which to channel their own development resources.)

Beneficiaries: The target group of this program are those rural food producers who, with proper motivation and training, can increase supplies of food and other agricultural goods and improve their living standards. They include small land-owners in oases; river valley agriculturalists; and communities in the rainfed areas with clear title to specific dam-recession sites.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: NIGER

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	5,833			MAJOR EXPORTS... (1981)	URANIUM ORE	GROUNDNUTS	LIVESTOCK
PER CAPITA GNP..... (DOLLARS,1981)	340			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	-1.6%			(\$ MILLIONS, US. FOB)	(1972)	1 (1975)	2
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	2.3%	(1970-80)	12.2%	AS % OF TOTAL EXPORTS	(1972)	2% (1975)	2%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	FUELS	MACHINERY	TRANSPORT EQ
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 43.6 MALE 42.0 FEMALE 45.2				(\$ MILLIONS, US. CIF) (1979)	19 (1980)	22 (1981)	14
(1968) TOTAL 38.5 MALE 37.0 FEMALE 40.2				AS % OF TOTAL IMPORTS	N.A.		
ADULT LITERACY RATE (1980) TOTAL 5% MALE 10% FEMALE 1%				TRADE BALANCE(\$ MILLIONS, U.S.)(1975)	-11(76)	7(77)	-36
(1962) TOTAL 1% MALE 2% FEMALE 1%				MAIN TRADING PARTNERS: FRANCE GERMANY, FED NIGERIA			
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	22.1%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
(1970-1981) 2.1%				(\$ MILLIONS, U.S.)..... (1980)			39
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 33%				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)			2.3%
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	82			*SOCIAL DATA*			
MAJOR CROP(S)		ARABLE LAND	YEAR	POPULATION GROWTH RATE...(1970)	2.5% (1975)	2.6% (1982)	2.9%
SUBSISTENCE: MILLET SORGHUM		18%	(1980)	POPULATION IN URBAN AREAS..... (1960)	6%	(1976)	9%
CASH: GROUNDNUTS COWPEAS		10%	(1981)	LIVE BIRTHS PER 1,000 POPULATION....(1970)	51	(1982)	51
MAJOR AGRICULTURAL EXPORTS:(1981) LIVESTOCK				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)			1%
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT RICE SUGAR				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 91%				(0-14YRS) 47.0% (15-64YRS) 50.6% (65+ YRS) 2.5%			
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)			151
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1977)	42,544		
(1978) 224 (79) 292 (80) 356				MAJOR CAUSES OF			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DISEASE (1978)MALARIA			
(1978) 220 (79) 276 (80) 364				DEATH.. (1964)MEASLES MALARIA MENINGITIS			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)			91%
(1978) 4 (79) 16 (80) -8				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)			27%
DEFENSE EXPENDITURES,				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978) 5.6% (79) 5.7% (80) 4.8%				PRIMARY..... (1978) TOTAL 23.0% MALE 29.0% FEMALE 17.0%			
AS % OF GNP..... (1978) 0.8% (79) 0.8% (80) 0.7%				SECONDARY..... (1978) TOTAL 4.0% MALE 5.0% FEMALE 2.0%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POST SECONDARY.. (1978) TOTAL .2% MALE .4% FEMALE .1%			
(\$MILLIONS, U.S.) (1979) 132 (80) 126 (81) 106				ENERGY PRODUCTION AS % OF CONSUMPTION.....			N.A.
EQUIVALENT TO 6.0 MONTHS OF IMPORTS (1977)							

**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 1948-81	REPAY- MENTS AND INTEREST 1948-81	TOTAL LESS REPAY- MENTS AND INTEREST 1948-81
	NIGER							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	0.4	14.8	12.9	12.7	17.5	136.6	0.9	135.7
Loans	-	-	-	-	-	3.5	0.9	2.6
Grants	0.4	14.8	12.9	12.7	17.5	133.1	-	133.1
<b>a. A.I.D. and Predecessor Agencies</b>	0.7	10.0	10.9	9.5	13.7	70.3	0.9	69.4
Loans	-	-	-	-	-	3.5	0.9	2.6
Grants	0.7	10.0	10.9	9.5	13.7	66.8	-	66.8
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	0.4	2.8	0.1	1.0	1.4	47.1	-	47.1
Loans	-	-	-	-	-	-	-	-
Grants	0.4	2.8	0.1	1.0	1.4	*	-	47.1
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.4	2.8	0.1	1.0	1.4	47.1	-	47.1
Emerg. Relief, Econ. Develop. & World Food Program	0.4	2.8	0.1	1.0	1.4	47.1	-	47.1
Voluntary Relief Agencies	-	-	-	-	-	*	-	*
<b>c. Other Economic Assistance</b>	0.3	1.4	1.9	2.2	2.4	19.2	-	19.2
Loans	-	-	-	-	-	-	-	-
Grants	0.3	1.4	1.9	2.2	2.4	19.2	-	19.2
Peace Corps	0.3	1.4	1.9	2.2	2.4	19.2	-	19.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	2.5	2.0	-	2.0
Credits or Loans	-	-	-	-	2.5	2.3	-	2.3
Grants	-	-	-	-	0.2	0.3	-	0.3
<b>a. MAP Grants</b>	-	-	-	-	-	0.1	-	0.1
<b>b. Credit Financing - FMS</b>	-	-	-	-	2.3	2.3	-	2.3
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	0.2	0.2	-	0.2
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	0.4	14.8	12.9	12.7	20.0	139.2	0.9	138.3
Loans	-	-	-	-	2.5	2.8	0.9	4.9
Grants	0.4	14.8	12.9	12.7	17.5	136.4	-	133.4
<b>Other U.S. Government Loans and Grants</b>	-	0.4	-	-	-	0.4	1.0	4.4
<b>a. Export-Import Bank Loans</b>	-	0.4	-	-	-	0.4	1.0	4.4
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1948-82
TOTAL	48.0	3.0	27.2	339.4
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	2.6	2.6
IDA	36.7	0.0	0.0	138.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.8	0.0	14.6	28.5
UNDP	2.0	3.0	0.0	32.7
OTHER-UN	4.0	0.0	0.0	9.9
ECC	4.5	0.0	10.0	127.3

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	9.0	10.0	46.0
France	50.8	63.0	214.1
Germany	21.5	36.8	154.3
Belgium	10.1	12.1	32.7
Japan	6.3	1.4	44.4
Other	9.6	11.3	84.7
<b>Total</b>	<b>107.3</b>	<b>134.6</b>	<b>576.2</b>

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

	CY 1980	CY 1981	CY 1976-81
	1.7	-	20.9

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	-
Eastern Europe	-	-	-
China	-	-	50
<b>Total</b>	<b>-</b>	<b>-</b>	<b>50</b>

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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	12,982	-	-	-	-	-	-	12,982
Total ....	12,982	-	-	-	-	-	-	12,982
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	18,000	-	-	-	-	-	2,000	16,000
Total ....	18,000	-	-	-	-	-	2,000	16,000
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	21,000	-	-	-	-	-	5,000	16,000
Total ....	21,000	-	-	-	-	-	5,000	16,000

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**FY 84 PROGRAM HIGHLIGHTS**

Within overall Sahel Development Program:

- Strengthening of Niger's institutional capacity to develop and deliver improved agricultural technologies to the rural populace thru appropriate public and private channels (\$13.355 million).
- Continued support of human resource development and expanded rural health services (\$2.645 million).
- Economic Support Funds to address pressing economic needs while undertaking important agriculture sector policy changes (\$5 million).

a/ Sahel Development Program

Development Overview

Niger is one of the world's least developed countries with a per capita income of \$340. Although several factors hamper development, e.g., vulnerability to droughts and to pest attacks, poor links to the sea, low adult literacy rate and a young population which is generating tremendous pressures upon an inadequate education system, Niger, nevertheless, has the potential for growth. During the late 70's, Niger made exceptional development progress relative to other Sahelian and African countries. This progress resulted from judicious use of both uranium-derived revenues and external donor assistance. The Government of Niger (GON) has accorded priority to economic development, particularly toward achieving food self-sufficiency, and has achieved improved living standards for its people. Niger's uranium resources (in 1979

estimated at \$200 million) are used to fund the development program. These efforts produced a bumper crop for two harvests, a return of herd sizes to pre-drought numbers and a revitalization of livestock marketing, particularly with Nigeria. Niger has been making considerable progress toward the long term development objectives of: (1) food self-sufficiency, i.e., cereals production adequate to meet consumption demands and to build sufficient reserve stocks in years of good harvest to meet deficits in years of poor harvest; (2) establishment of a "Development Society" based on participation and social justice; and (3) economic independence, i.e., lessened economic, financial and technological dependence. For reasons beyond its control, Niger's macro-economic prospects suffered a serious reversal in 1980 when the price of uranium declined substantially. Additionally, following good rains during the period 1975 to 1980, poor rainfall caused reductions in crop yields in 1981 and 1982. Most of Niger's economic growth during the 1975 to 1980 period (GDP growth averaged 7 to 10%) was due to invest-



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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	8,989	22,983	31,110
<b>Total AID.....</b>	<b>8,989</b>	<b>22,983</b>	<b>31,110</b>
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	2,134	744	3,794
<b>Total P.L. 480.....</b>	<b>2,134</b>	<b>744</b>	<b>3,794</b>
<b>Total AID and P.L. 480.....</b>	<b>11,123</b>	<b>23,727</b>	<b>34,904</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	24	28	21
PASA <sup>c</sup> .....	1	2	2
Contract.....	19	25	25
<b>Total.....</b>	<b>44</b>	<b>55</b>	<b>48</b>
<b>Participants<sup>d</sup></b>			
Noncontract.....	163	167	205
Contract.....	45	55	70
<b>Total.....</b>	<b>208</b>	<b>222</b>	<b>275</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	9.1	3,000
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b>						3,000
(of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies.....		-		-		-
World Food Programs.....		67		744		794
Gov't-to-Gov't.....		2,067		-		-
<b>Title II Total.....</b>		<b>2,134</b>		<b>744</b>		<b>3,794</b>
<b>Total P.L. 480.....</b>		<b>2,134</b>		<b>744</b>		<b>3,794</b>

ment revenues from Niger's mining sector. Uranium revenues enabled the GON to expand investments in all sectors of the economy. The period of surge in prices and exploitation of uranium led to development planning based on assumptions of (1) continued stable or rising world prices for uranium, and (2) continued major expansion of its production and export. In 1979, the GON prepared and issued an expansionist five-year National Development Plan based on estimates made during the boom. The Plan underscored the GON's commitment to its people for an ambitious program of development and continued rapid economic growth. Two years into the Plan period, the underlying assumptions proved to be too optimistic. The GON is now looking to the agricultural sector, particularly livestock marketing, to spur their sluggish economy.

Rural sector production also contributed to Niger's economic progress during the period 1975 to 1980, growing at 11% per year. Because of sustained improvement in agricultural and livestock production, Niger seemed by 1980, to be approaching its goal of self-sufficiency in cereals production. A setback occurred in 1981 when poor rains caused the cereals harvest to be less than the preceding

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year. As a result, the GON imported over 100,000 tons of cereals in 1982, including 15,000 tons of U.S. supplied P.L. 480 Title II grain. The 1982 crop also proved disappointing due to low rainfall.

Development of the nation's human resource base is vital to Niger's future. Most Nigeriens do not have access to adequate basic health services. Malnutrition and poor sanitation are widespread. Serious diseases contribute to extremely high infant mortality rates and low life expectancy. Medical and health facilities are very limited as are well-trained medical and para-medical personnel to staff them. Education levels are extremely low and the country's adult literacy rate is approximately 7%. Accordingly, private businesses and the public sector are constrained by the lack of skilled labor, technical specialists, administrators and personnel at all levels.

Although Niger's primary goal is the achievement of self-sufficiency in food production, it is well aware of its interdependence with other Sahelian States. The development of the Sahel region and that of the neighboring West African coastal states has important economic implications for Niger. These include the transit of Niger's imports and exports, regional markets for meat and cash crops, development of neighboring countries' industrial sectors which could provide cheaper sources of manufactured imports and the benefits of joint undertakings to attack common problems such as unforeseen Sahelian climatological events. Northern Nigeria, in particular, looms important as an enormous potential market for Niger's agricultural production. The GON actively cultivates its regional relationships through membership in such organizations as the Permanent Interstate Committee for Drought Control in the Sahel (CILSS), the Club du Sahel, the Council of West African States (CEAO), the Economic Community of West African States (ECOWAS), the Niger Basin Authority (NBA), the Entente Council and bilateral commissions with both Nigeria and Benin.

## Total Resources

Niger's macro-economic situation began to worsen in 1980 when the price of uranium, its principal export good, declined substantially. By 1980, 80% of GON revenues were in the form of tax or non-tax revenues from the uranium sector. The recent decline in the demand for uranium, and its consequent decline in price, is having a serious adverse effect on Niger's economy, and has effectively stalled implementation of its current five-year Development Plan (1979-1983).

In October 1982, the GON announced a severe 13.4% cut in its FY 1983 National Budget and 33% less was budgeted for investment than that which was spent in 1982. Even though the GON has introduced various tax measures to make up for an anticipated budget shortfall, a substantial gap between projected and realized revenue is still likely. The announced FY 1983 general and investment budgets demonstrate the GON's willingness to tighten its belt. Growing unemployment, especially in urban areas, is one immediate unfavorable consequence facing the GON as a result of difficult policy choices that the GON has made.

The GON has recognized the need for economic and policy reform. Notable among the signs of commitment to long-term solutions is a recent Nigerien request for U.S. assistance in reformulating the Nigerian investment code. Over the last year, official farm-gate prices for cereals were increased by over 50%, and government subsidies on agricultural inputs were reduced and, in some cases, eliminated. Official policy was modified after the 1981 harvest to allow for private sector participation in the domestic distribution and marketing of cereals. The GON has recently demonstrated greater willingness to engage in dialogue with donors on economic policy. As a result, some donor-supported policy reforms are being undertaken. In a particularly important instance, the GON has commissioned an IBRD study on the reform and restructuring of Niger's parastatal organizations. Recently the GON has moved toward a policy of reducing subsidies and establishing prices which more

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accurately reflect free market forces.

### U.S. Interests and Objectives

U.S. bilateral assistance to Niger began shortly after independence in 1961 and totals, as of FY 1982, \$129.6 million. A major portion of this assistance was for emergency food aid. Technical assistance has financed infrastructure (Niamey-Zinder telephone line, Niamey-Kolo Road, JFK bridge), and institutional support for the agricultural and health sectors and training programs.

U.S. interests in Niger are both strategic and humanitarian. The country's substantial uranium reserves have given Niger a degree of importance beyond that of most Sahelian countries. Moreover, the country is directly exposed to Libya's expansionary efforts in the area, most recently manifested in neighboring Chad.

The United States and Niger have both expressed their common concern with the threat posed to regional security by Libya. We have demonstrated our commitment to Niger by increasing our economic assistance. The GON is convinced, as we are, that the country's long-term defense against subversion is equitably-shared economic growth.

Because of the wide respect President Kountche enjoys as a strong, effective pragmatic and honest leader, Niger's views are of significance to the non-aligned movement, the Islamic Conference and to its West African neighbors. Niger has consistently taken positions in international fora which are supportive of U.S. concerns.

The decline in the uranium market has made the short-to-medium-term prospects for major U.S. private sector involvement in Niger less promising. However, several U.S. firms retain or are pursuing long-term interests in exploration and eventual development of Niger's mineral resources.

### A.I.D. Development Strategy

The goals of the A.I.D. program in Niger are linked to

the stated priorities of the GON with a focus on helping the GON to achieve food self-sufficiency. The strategy is also consistent with the broader goals of the Sahel Development Program. The continuing decline since 1980 in the uranium market is having a serious adverse effect on Niger's economy and has resulted in a curtailment in the implementation of its development program as outlined in its Five Year Plan. The weakened economy and a corresponding decline in economic growth poses a stronger opportunity for Libyan interference and threatens regional security. Included in A.I.D.'s strategy is a plan to provide short term Economic Support Funds (\$15 million over a three year period) to assist the GON to restructure and diversify its economy. A P.L. 480 Title II Section 206 program is also proposed for FY 1984 and will be designed to provide some of the budgetary and financial assistance required for implementation of the development program.

The bilateral U.S. economic assistance program addresses specific development problems confronting Niger and is complemented by the Sahel Regional Program which addresses problems common to several Sahelian countries and problems which can be more efficiently addressed on a regional basis (e.g., the Sahel Water Data Project and the Niger River Planning Project).

A.I.D.'s strategy in Niger is to assist the GON to ensure food security for its people by focusing A.I.D. assistance on those activities which promote increased productivity and economic viability in the agriculture and livestock sectors. The A.I.D. portfolio is structured to support the development of critical institutions (for example, the National Agronomic Research Institute), to introduce improved technologies and forge efficient delivery systems (including private sector alternatives) for dissemination of these technologies, build Niger's human resource base, and improve Niger's capability to plan and manage its own development programs. Support to improving rural health services is both complementary to achieving agricultural/livestock production goals and important to the improved health and well-being of the vast majority of Niger's people. Increasingly, new initiatives are directed toward enhancing the capability and

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participation of Niger's private sector in development programs.

An important aspect of the A.I.D. strategy in Niger is to address within the context of A.I.D.-assisted projects GON policies which impede national development, especially agricultural development. Within the last year, a major dialogue has been initiated between A.I.D. and the GON with respect to Nigerien policies on agricultural pricing, farm inputs, subsidies and livestock marketing. There has been progress recently as the GON has moved toward a broad policy of reducing subsidies and establishing prices which more accurately reflect free market prices.

A.I.D. has entered into an agreement with the GON to undertake a Joint Program Assessment (JPA) to carry out analyses of policy options and to stimulate a continuous policy dialogue with respect to development strategies for the country. The JPA will provide a basic framework for planning and designing assistance programs which are linked to structural change and policy reform in the agricultural and livestock sectors.

### A.I.D. Program (FYs 1982-1983)

The FY 1982-1983 program continues to focus on institutional development, human resources and delivery systems serving rural Niger. While seeking to build on progress to date, A.I.D. is also helping to focus GON attention on structural and policy issues. A.I.D. is using its assistance to encourage the GON to continue to make changes and to maintain flexibility on essential policy measures, primarily in the agricultural sector, with the goal of increasing the efficiency of public institutions and encouraging a greater role for private enterprise.

In the agriculture sector, U.S. assistance currently emphasizes the development of rainfed agriculture. The Niger Cereals Research Project (683-0225), which involves a long-term collaborative effort between the GON's National Institute of Agronomic Research (INRAN) and Purdue University, is just now getting underway. The pro-

ject increases INRAN's adaptive research capabilities. This project will augment Niger's technological capabilities to develop improved cereal varieties and to define more efficient production practices. Complementing the Niger Cereals Research Project is the Agriculture Production Support Project (683-0234) which will improve the GON's capacity to extend to small farmers adaptable and low cost technologies. Cooperatives managers and extension agents will be trained to improve and increase seed multiplication operations, improve extension practices and strengthen the link between extension coordination and research. Phase II of the Niamey Department Development Project (683-0240), is continuing and expanding the integrated rural development program by strengthening existing village organizations and the government support services to ensure credit availability and the reliable delivery of agricultural inputs. During FY 1982, the project opened seven new farm-couple training centers. The Farm Equipment Enterprise Development project (683-0243), will increase availability of animal traction equipment by developing a network of private metal working enterprises to manufacture, assemble, repair and modify farm equipment and its components. The project will help to alleviate important labor constraints in the agriculture sector while also strengthening the institutional capacity of the Office of Nigerien Enterprise Promotion. A Rural Development Sector Project (683-0246), is planned in FY 1983 and will help to finance and support GON reforms designed to increase small producers productivity and incomes. The project will also generate revenues which the GON will use to continue key on-going agricultural and rural development activities. The Economic Support Fund assistance will be used to support the commodity import component of this project. The Integrated Livestock Production Project (683-0242), will be designed and implemented by a U.S. university and will encourage organization of herder associations which can serve as the institutional structure and delivery system through which herders can receive technical information and inputs necessary to improve animal health, increase animal production, develop improved marketing systems, and increase herders income. Other social services will also be introduced through herder associations, i.e.,

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education and human health. The Niger Forestry and Land-Use Planning Project (683-0230), is helping the GON to assess its principal natural resources and to identify the most practical ways of rehabilitating, protecting and maintaining the country's soils, water and natural vegetation. It will also enable the GON Forestry Service to improve its planning capacity, train personnel and initiate and test pilot activities and alternate approaches to soil conservation and forestry production.

Human Resource Development is perhaps the most essential major effort and basic need in Niger. Investments will be required to overcome the constraints caused by insufficient numbers of adequately trained personnel. As a part of the human resource development effort, A.I.D. practice is to systematically include training components in each A.I.D. project. There are also three training-specific projects in the A.I.D. portfolio which serve A.I.D.'s rural development focus. The Rural Sector Human Resources Project (683-0226), provides technical assistance, training, and financing for construction of the Practical Institute for Rural Development, Niger's principal rural development training institution. Graduates of the school are the major source of GON mid-level agricultural technical and extension personnel. In the literacy area, A.I.D. assists the Maternal Language Textbooks Project (625-0937) and the Literacy Service Training Center Project (683-0237). The first project supports a GON experiment that offers the initial three years of primary education in one of five maternal languages. The project has developed primary school texts based on cultural traditions and written in the five basic national languages. The second project provides technical and material support to the Nigerien institution charged with training of teachers who instruct adults in functional literacy and arithmetic.

The A.I.D. assisted Rural Health Improvement Project (683-0208), supports the GON strategy for providing basic health care. A comprehensive joint evaluation carried out in mid-1981 indicated the need for several changes in project operations while endorsing the direction and progress made to date. During 1982, suggested revisions

were incorporated into a revised implementation plan which will insure more effective institutional direction and control over the execution of the GON's chosen health strategy. Project activities include selecting, training and equipping village health worker teams; delivery of preventive and simple curative medicine, and midwife and sanitation education. Project support also augments the national capability to plan and manage the rural health services system of Niger.

A project for Evaluation Assistance to the Ministry of Plan (683-0229), which began in late 1981, assists the GON effort to improve overall development planning by establishing an Evaluation Office in the Ministry of Plan. The office was established during 1982 and has already designed and begun three major program evaluations which will be carried out in the health and agricultural sectors during FY 1983 and early 1984. The project is also developing essential information flows between the Planning Ministry and the various technical ministries.

P.L. Title II sorghum (15,000 MT) delivered to Niger during mid-1982, helped to close the gap on a cereal deficit caused by a shortfall in the 1981 crop harvest. Late and poorly-timed 1982 crop season rains have resulted in another poor harvest in 1982. This is expected to result in a heavy drawdown upon current GON security stocks and a possible request for emergency food assistance in 1983.

In FY 1983 and FY 1984, Niger will use \$40,000 of bilateral program funds for the new Small Project Assistance Program (SPA) with the Peace Corps. These funds will be used for small "self-help" activities which will have immediate impact at the community level. The activities will be in the areas of food, energy, private enterprise and/or a productive income generating activity. No more than \$10,000 will be obligated per activity.

The SPA Program will utilize Peace Corps Volunteers (PCVs) in the identification and implementation of these activities. This approach will facilitate the local self-help efforts by combining the PCVs knowledge of local

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conditions and established working relationships at the community level. The program will enhance field collaboration between A.I.D. and Peace Corps.

### Requested Year Program (FY 1984)

During FY 1984, A.I.D. will continue to focus its program on strengthening institutions and delivery systems, improving planning and management and human resources development in the agriculture and livestock sectors. Technology development, transfer and dissemination through indigenous institutions in these areas will also form a major part of the FY 1984 assistance package. New or increased emphases will be placed on irrigated agriculture and livestock.

Most of the \$16 million in development assistance funds requested for Niger in FY 1984 will support the core program in the agriculture and livestock sectors. Important complementary initiatives directed outside these sectors are the Rural Health Improvement Project (683-0208), which will receive \$2 million. This project is contributing directly to the ability of the rural population to achieve agriculture and livestock sector goals. Six hundred forty-five thousand dollars of the funds requested will provide support for a new Financial Management Training Project (683-0247), designed to improve the efficiency and effectiveness of public and private sector financial management and accounting systems by strengthening these components within a major Nigerien administrative training institution. Beginning in 1984, greater emphasis will be given to the development of private sector-oriented human resources and institutions.

During FY 1984, two new projects are planned. The first is the training program described in the preceding paragraph. The second will be the Irrigated Agriculture Development Project (683-0248) for which a first increment of \$1 million is proposed in FY 1984. This project seeks to increase agricultural production by bringing the experience and traditions of rural farmers and technical assistance in combination with private capital and labor, to bear on appropriate and affordable systems of irriga-

tion. These systems can provide an added measure of food security during both good and poor rainfall years.

Ongoing projects in support of agriculture and livestock will receive nearly \$14.3 million of the \$16 million requested for Niger in FY 1984. The sum of \$4.5 million is proposed for the long-term Niger Cereals Program through the Niger Cereals Research (683-0225) and Agriculture Production Support (683-0234) Projects. These funds will insure continued attention to the development of appropriate agricultural technical packages and their effective dissemination to and use by Niger's small farmers. Another \$2.5 million will go to the Niamey Department Development Project (683-0240) and \$2.0 million to the Integrated Livestock Production Project (683-0242) to continue the local-level training, adapted institution-building and organizational activities. Both projects are designed to insure that local structural channels exist which allow and encourage farmers and herders to accept new production technologies. The Forestry and Land-Use Planning Project (683-0230) will receive nearly \$1.3 million, its final tranche of funding, during FY 1984. This funding will allow completion of resource inventories and development of proposed models for a long-term land resource plan.

A.I.D. will direct significant attention in FY 1984 to training and development of entrepreneurial talent and the identification of rural sector activities which can be more efficiently managed by the private sector. The approach will include pilot initiatives to test new concepts for subsequent expansion. Rural enterprises, which increase incomes and generate employment opportunities, will receive special attention in the formulation of A.I.D.-financed projects. The Farm Equipment Enterprise Development Project (683-0243), is an example of this focus. This project, which begins in FY 1983, will receive \$1 million in FY 1984 funds and will help to supply a currently unfulfilled demand for animal traction equipment while also providing off-farm employment and increases in rural incomes.

The GON is experiencing an economic and financial pinch

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which has led it to explore and consider new alternatives to its existing economic policies and development strategies. A.I.D.'s FY 1984 program in Niger is designed to provide a basis upon which the GON may confidently approach necessary policy reforms. A.I.D. proposes to direct \$1 million in FY 1984 Sahel Development Program funds (along with \$5 million in ESF) to a Rural Development Sector Project (683-0246) initiated in FY 1983, with a major commodity import component. The development assistance and ESF funds, and a proposed P.L. 480 Title II Section 206 Program, will help Niger confront some of the immediate budgetary and financial problems associated with its long-term development program. In addition \$3 million in P.L. 480 Title I rice (9,100 MT) has been requested.

MISSION DIRECTOR: Irving Rosenthal

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

PROGRAM: NIGER

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PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ACTIONS	FY82- EXPENDITURES	-ESTIMATED FY83- OBLIG ACTIONS	FY83- EXPENDITURES	-PROPOSED FY84- OBLIG ACTIONS	FY84- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION										
NIGER RANGE AND LIVESTOCK MANAGEMENT	G 683-0202	76	77	1,582	1,582	1,582	1,471	---	48	---
TOTAL FOR ACCOUNT GRANTS LOANS				1,582 1,582 ---	1,582 1,582 ---	1,582 1,582 ---	1,471 1,471 ---	---	48 48 ---	---
HEALTH										
RURAL HEALTH IMPROVEMENT	G 683-0208	73	81	2,000	2,000	2,000	1,198	---	802	---
TOTAL FOR ACCOUNT GRANTS LOANS				2,000 2,000 ---	2,000 2,000 ---	2,000 2,000 ---	1,198 1,198 ---	---	802 802 ---	---
SAHEL DEVELOPMENT PROGRAM										
NIGER CEREALS PRODUCTION	G 683-0201	75	81	8,033	8,038	5,038	7,578	---	12	---
NIGER RANGE AND LIVESTOCK MANAGEMENT	G 683-0202	76	80	3,829	3,829	3,829	2,612	---	666	---
RURAL HEALTH IMPROVEMENT	G 683-0208	78	85	12,029	12,029	7,173	3,270	750	3,069	2,000
NIGER SHELTER SECTOR PLANNING	G 683-0224	78	80	571	571	571	322	---	162	---
NIGER CEREALS RESEARCH	G 683-0225	82	85	10,600	10,600	4,885	---	1,050	2,000	2,500
RURAL SECTOR HUMAN RESOURCES DEVELOPMENT	G 683-0226	79	82	5,030	5,030	5,030	1,702	---	1,368	---
EVALUATION ASST TO MINISTRY OF PLANNING	G 683-0229	81	82	2,000	2,000	2,000	91	---	750	---
FORESTRY AND LAND USE PLANNING	G 683-0230	80	84	3,839	3,839	1,684	447	800	1,516	1,315
AGRICULTURAL SECTOR PRODUCTION SUPPORT	G 683-0234	82	86	19,900	19,990	5,845	---	1,600	3,500	2,000
NIGER SOLAR ENERGY	G 683-0235	78	78	500	500	500	240	---	260	---
LITERACY TRAINING	G 683-0237	81	81	1,810	1,810	1,810	84	---	1,000	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



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

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PROGRAM: NIGER

CP 84

PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
NIAMEY DEPARTMENT DEVELOPMENT PHASE II	G 683-0240	81	85	13,582	6,036	2,340	2,500	3,000	2,500	3,000
INTEGRATED LIVESTOCK PRODUCTION	G 683-0242	83	87	---	---	---	3,500	1,000	2,000	3,500
FARM IMPLEMENTS MFG (CDARMA)	G 683-0243	83	85	---	---	---	1,400	450	1,000	1,250
RURAL IRRIGATED AGRI DEV II (PVO)	G 683-0245	83	83	---	---	---	750	350	---	400
RURAL DEVELOPMENT SECTOR GRANT	G 683-0246	83	88	---	---	---	3,610	1,000	1,000	3,000
FINANCIAL MANAGEMENT	• G 683-0247	84	86	---	---	---	---	---	645	500
IRRIGATED AGRICULTURE DEVELOPMENT	• G 683-0248	84	87	---	---	---	---	---	1,000	750
SMALL PROJECT ASSISTANCE-AID/PC	G 683-0249	83	87	200	---	---	40	30	40	50
TOTAL FOR ACCOUNT GRANTS				81,928	47,401	18,686	16,000	20,133	16,000	27,610
LOANS				81,928	47,401	18,686	16,000	20,133	16,000	27,610
ECONOMIC SUPPORT FUND				---	---	---	---	---	---	---
RURAL DEVELOPMENT SECTOR GRANT	G 683-0246	83	89	---	---	---	2,000	2,000	5,000	3,500
TOTAL FOR ACCOUNT GRANTS				---	---	---	2,000	2,000	5,000	3,500
LOANS				---	---	---	2,000	2,000	5,000	3,500
TOTAL FOR COUNTRY GRANTS				85,510	50,983	21,355	18,000	22,983	21,000	31,110
LOANS				85,510	50,983	21,355	18,000	22,983	21,000	31,110

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Irrigated Agriculture Development		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
					FY 84 1,000	LIFE OF PROJECT FUNDING: 10,000	
NUMBER 683-0247 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To increase agricultural production by introducing appropriate and affordable irrigated agriculture systems encouraging private initiative utilizing the experience, traditions and organizations of rural farmers.

Project Description: Recent studies have indicated that many small-scale irrigation systems which can be adapted to special hydro-ecological zones in Niger have potential to produce cash crops which can generate significant revenues for participating farmers. The Irrigated Agriculture Development project will finance five to ten small-scale irrigation sub-projects over the five year life of the project. These irrigation systems may include pumps, wells, canals, small dikes, windmills or solar energy devices and will have as their primary objectives: (1) to demonstrate to the GON that a policy of promoting small-scale irrigation activities can be an appropriate means for developing the irrigated agriculture sector; (2) to include local private enterprise efforts in irrigated agriculture efforts; (3) to generate rural employment and capital; and, (4) to introduce and transfer appropriate technologies to make greater use of Niger's largely untapped water resources.

Three activities, which already have been identified for financing and have the potential to fulfill the objectives stated above are:

- a) improved traditional rice cultivation in the Niger River Valley,
- b) onion cultivation with ox-driven pumps in the Maggia Region; and
- c) dry pepper production in the Komadougou River Valley based on water traps and small pumps.

A.I.D. will finance technical assistance, construction, training and equipment for non-capital intensive irrigation projects, and will initiate long-term training of civil and environmental engineers, hydrologists and other specialists, including managers, to help the GON plan and manage capital-intensive irrigated agriculture projects now planned or underway.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s strategy in Niger is to assist the GON to obtain and sustain its goal of food self-sufficiency by focusing A.I.D. assistance on those activities which promote increased productivity and economic viability in the agriculture and livestock sectors. The GON has

placed high priority on the development of irrigated agriculture to increase food production and to provide a strong hedge against the hazards of unpredictable rainfall. The need for irrigated agriculture is fundamental because the unreliability of rainfall in Niger serves as a major constraint to increased production, even in the one-third of its total land area falling in the "semi-arid crop zone."

Host Country and Other Donors: The IBRD has recently completed a study for the GON which comprehensively defines investment needs and priorities for the agriculture sector. This and other analyses have convinced A.I.D. of the necessity and viability of undertaking low-cost, appropriate technology activities in irrigation. The IBRD, Belgium, IFAD, the Entente Fund and numerous other donors have participated in projects involving capital-intensive irrigated perimeters along the banks of the Niger River. GON contributions include personnel salaries and related recurrent costs.

Beneficiaries: Rural farmers will directly benefit from the activities planned under the project through increased production and incomes as well as from increased value of land holdings. Benefits will also accrue to rural entrepreneurs or artisans who may derive employment and income from supply of equipment used in irrigation systems.

TITLE Financial Management Training		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 683-0248 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 645	LIFE OF PROJECT FUNDING: 2,500	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To improve the skills and comprehension of mid-level GON and private sector personnel in accounting, management and business administration in order to increase the efficiency and effectiveness of public and private organizations in Niger.

Project Description: In January 1982, A.I.D. sponsored a financial management improvement workshop for GON project directors and accountants for projects receiving A.I.D. support. The workshop introduced basic accounting systems to be utilized in the financial management of projects. The GON response to the workshop was a request for A.I.D. assistance in developing a training program in financial management. There is no institution in Niger which provides basic accounting and financial management training to mid-level personnel.

Since the requirements for assistance in this area had been anticipated by a project designed to respond to requirements throughout the Sahel region, A.I.D. initially responded to the GON request with teaching assistance from a regional project to provide modest support to Niger's Ecole National d'Administration (ENA - National School of Administration). Under the Financial Management Training project, A.I.D. will continue its assistance to develop a training capability within that institution, initially for practical accounting, book-keeping and audit. As the project proceeds, a similar capability will be introduced for additional areas of management technique. The training will be available to individuals working within both the public and private sectors. ENA will conduct courses, workshops and seminars for personnel from government organizations and private firms. A.I.D. will provide institutional and curriculum support, construction, technical assistance and training of instructors.

Relationship of Project to A.I.D. Country Strategy: Various organizations, design missions, A.I.D. project evaluations and U.S. Government audits have highlighted the very weak capabilities of Sahelian governments, institutions and individuals in basic management functions. In Niger, the problem is not so much that managerial functions are neglected, but that the concepts of sound management do not extend down beyond the highest level and that personnel below those levels are not well prepared. The problem and its consequences are pervasive in both the public and private sectors.

Most accountants and financial personnel are not trained for their jobs and, consequently, financial management reporting systems are weak and ineffective. Managers are not trained in purchasing, inventory management or basic business practices. Public sector middle managers are likewise not trained in basic management skills necessary to organize their tasks and the tasks of units for which they are responsible. In fact, authority tends to cluster at the top in both the public and private organizations and is rarely delegated or shared with middle level managers. Top managers are probably right not to delegate to unprepared middle managers, but unfortunately, the results are calamitous for the efficiency of organizations. Human resource development activities are currently an integral element of A.I.D.'s country development strategy for Niger, but beginning in 1984, greater emphasis will be given to the development of private sector-oriented human resources and institutions.

Host Country and Other Donors: The GON's contribution to the project is projected at the equivalent of \$375,000 over the three year life of the project. After external financing is terminated, it is expected that the GON will continue and totally finance the costs of the training facility initiated under the project. In developing the project, the concept of user charges for private sector beneficiaries to reduce the cost burden to the public sector will be explored.

Beneficiaries: The primary beneficiaries will be both the GON agencies and private sector firms whose personnel participate in the training. In an overall sense, an improved capability will exist in Niger for the financial and management operations of institutions and businesses. More efficient and effective use of Niger's financial resources and external assistance will generate more rapid economic growth. It is anticipated that 330 persons will receive training under the facility over the three year period of A.I.D. assistance.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: SENEGAL

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	5.991			MAJOR EXPORTS... (1981)	GROUNDNUTS	PHOSPHATES	FISH
PER CAPITA GNP..... (DOLLARS,1981)	500			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	-0.3%			(\$ MILLIONS, US. FOB) (1979)	1	(1980)	1 (1981) 1
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.6%	(1970-80)	7.6%	AS % OF TOTAL EXPORTS	N.A.		
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..			N.A.	MAJOR IMPORTS... (1981)	FOODSTUFFS	MANUFACTURES	MACHINERY
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 43.6 MALE 42.0 FEMALE 45.2				(\$ MILLIONS, US. CIF) (1979)	44	(1980)	45 (1981) 47
(1968) TOTAL 40.0 MALE 39.2 FEMALE 40.7				AS % OF TOTAL IMPORTS	N.A.		
ADULT LITERACY RATE (1977) TOTAL 10% MALE N.A. FEMALE N.A.				TRADE BALANCE(\$ MILLIONS. U.S.)(1976)	-159(77)	-250(78)	-333
(1961) TOTAL 6% MALE 10% FEMALE 1%				MAIN TRADING PARTNERS: FRANCE UNITED KINGDO THAILAND			
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	34.9%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
(1970-1981) -1.5%				(\$ MILLIONS, U.S.)..... (1980)	180		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	29%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979)	13.7%		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	191			*SOCIAL DATA*			
MAJOR CROP(S)		ARABLE LAND	YEAR	POPULATION GROWTH RATE...(1970)	2.8%	(1975)	2.8% (1982) 2.7%
SUBSISTENCE: MILLET RICE		35%	(1981)	POPULATION IN URBAN AREAS..... (1965)	24%	(1971)	32%
CASH: GROUNDNUTS		20%	(1981)	LIVE BIRTHS PER 1,000 POPULATION....(1970)	47	(1982)	48
MAJOR AGRICULTURAL EXPORTS:(1981) GROUNDNUTS				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978)	4%		
MAJOR AGRICULTURAL IMPORTS:(1981) RICE WHEAT SUGAR				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	76%			(0-14YRS) 44.8% (15-64YRS) 52.4% (65+ YRS) 2.8%			
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	153		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1977)	15,749		
(1978) 460 (79) 509 (80) 570				MAJOR CAUSES OF			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DISEASE (1978)MALARIA FLU & PNEUMONIA MEASLES			
(1978) 490 (79) 539 (80) 503				DEATH.. (1971)RESPIRATORY ENTERIC DISEASE			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	95%		
(1978) -30 (79) -30 (80) -13				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)	37%		
DEFENSE EXPENDITURES.				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978) 10.8% (79) 12.3% (80) 11.4%				PRIMARY..... (1978) TOTAL 42.0% MALE 51.0% FEMALE 34.0%			
AS % OF GNP..... (1978) 2.6% (79) 2.4% (80) 2.3%				SECONDARY..... (1975) TOTAL 10.0% MALE 14.0% FEMALE 6.0%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POST SECONDARY.. (1978) TOTAL 2.2% MALE 3.7% FEMALE .9%			
(\$MILLIONS, U.S.) (1979) 20 (80) 9 (81) 10				ENERGY PRODUCTION AS % OF CONSUMPTION.....	N.A.		

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

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1948-81	REPAYMENTS AND INTEREST 1948-81	TOTAL LESS REPAYMENTS AND INTEREST 1948-81
	SENEGAL							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	13.1	21.5	22.7	27.0	35.5	172.9	0.5	172.4
Loans	-	-	-	7.0	7.0	1.0	0.5	1.1
Grants	13.1	21.5	22.7	20.0	28.5	171.9	-	171.3
<b>a. A.I.D. and Predecessor Agencies</b>	8.7	8.7	15.0	10.0	14.6	76.9	-	76.9
Loans	-	-	-	-	-	-	-	-
Grants	8.7	8.7	15.0	10.0	14.6	76.9	-	76.9
(Economic Support Fund)	-	-	-	-	-	0.1	-	-
<b>b. Food for Peace (PL 480)</b>	2.9	11.2	5.9	15.1	18.0	76.1	0.5	75.6
Loans	-	-	-	7.0	7.0	1.0	0.5	1.1
Grants	2.9	11.2	5.9	8.1	11.0	75.1	-	74.5
Title I - Total Sales Agreements	-	-	-	7.0	7.0	1.0	0.5	1.1
Repayable in U.S. Dollars - Loans	-	-	-	7.0	7.0	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	1.0	0.5	1.1
Title II - Total Grants	2.9	11.2	5.9	8.1	11.0	74.1	-	74.5
Emerg. Relief, Econ. Develop. & World Food Program	0.3	7.1	0.5	5.1	4.2	35.3	-	35.3
Voluntary Relief Agencies	2.6	4.1	5.4	3.0	7.4	39.2	-	39.2
<b>c. Other Economic Assistance</b>	1.3	1.6	1.0	1.9	2.1	19.9	-	19.9
Loans	-	-	-	-	-	-	-	-
Grants	1.3	1.6	1.0	1.9	2.1	19.9	-	19.9
Peace Corps	1.3	1.6	1.0	1.9	2.1	19.9	-	19.9
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	0.0	0.1	0.1	0.2	0.2	11.4	3.0	7.9
Credits or Loans	0.0	-	-	-	-	8.0	3.0	4.5
Grants	*	0.1	0.1	0.2	0.2	3.4	-	3.4
<b>a. MAP Grants</b>	-	-	-	-	-	2.0	-	2.0
<b>b. Credit Financing - FMS</b>	0.0	-	-	-	-	6.0	3.0	4.5
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	*	0.1	0.1	0.2	0.2	0.8	-	0.8
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	*	-	*
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	13.1	21.6	22.8	27.2	35.7	184.3	4.0	180.3
Loans	4.0	-	-	7.0	7.0	9.0	4.0	5.6
Grants	9.1	21.6	22.8	20.2	28.7	175.3	-	174.7
<b>Other U.S. Government Loans and Grants</b>	4.4	-	-	-	-	7.7	5.0	2.7
<b>a. Export-Import Bank Loans</b>	4.4	-	-	-	-	7.7	5.0	2.7
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1948-82
	TOTAL	59.5	95.0	12.9
IBRD	10.0	55.8	0.0	155.7
IFC	3.5	25.2	0.0	32.8
IDA	42.3	0.0	0.0	187.5
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	1.2	0.0	2.9	33.7
UNDP	2.5	1.2	0.0	31.7
OTHER-UN	0.0	0.8	0.0	6.2
EEC	0.0	12.0	10.0	201.6
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	36.0	38.0	125.0	
France	111.4	124.6	457.8	
Germany	11.9	12.6	50.6	
Canada	6.8	13.7	46.6	
Belgium	6.4	5.6	28.2	
Other	13.7	25.6	67.9	
Total	186.2	220.1	776.1	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	2.1	-	16.2	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	10	
Eastern Europe	-	-	35	
China	-	-	50	
Total	-	-	95	

SENEGAL

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	16,200	-	-	-	-	-	-	16,200
Total ....	16,200	-	-	-	-	-	-	16,200
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	23,000	-	-	-	-	-	5,000	18,000
Total ....	23,000	-	-	-	-	-	5,000	18,000
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	28,000	-	-	-	-	-	10,000	18,000
Total ....	28,000	-	-	-	-	-	10,000	18,000

FY 84 PROGRAM HIGHLIGHTS
Within overall Sahel Development Program:
- Continuation of project activities focused on technology transfer in agriculture production (\$5.9 million), rural health services (\$4.0 million), and rural enterprises (\$3.1 million).
- Balance of payments support through Economic Support Fund (\$10.0 million), Agriculture Decentralization grant (\$5.0 million) and P.L. 480 Title III (\$8 million) to support important agriculture reforms.

a/ Sahel Development Program

Development Overview

Senegal, at the close of 1982, continued to face serious economic problems despite signs of progress. A good harvest in 1981-1982, together with the first effects of the Government's economic stabilization program, checked the steep decline of 1980-1981. Thus, the doubling of peanut production combined with tighter control of imports cut Senegal's balance of payments deficit in half, to an estimated \$90 million in 1982. Also, debt rescheduling and drastic restrictions on new external borrowings reduced Senegal's debt service ratio from 28.4% of export earnings in 1981 to a forecast of 15% for 1982. While these were improvements, both the deficit and the debt are still high. Senegal's economic problems will not be resolved in one or two years.

The size of Nebraska, Senegal is poor in natural re-

sources, overdependent upon a single crop (peanuts) for revenue, burdened by high population growth (at least 2.8%), and beset by frequent drought. Policies since independence in 1960 have favored the urban consumer and producer at the expense of the rural producer. Central controls have further inhibited rural production. Democratic and western-oriented to a degree unequalled in Africa, Senegal has enjoyed the continued support of the international donor community. The new government of President Abdou Diouf, with guidance from the International Monetary Fund (IMF) and the World Bank, has begun taking steps to balance Senegal's budget and to stimulate production. The United States, in concert with other donors, actively supports Senegal's comprehensive recovery program, with the United States concentrating its help on the agriculture sector.

The Government of Senegal (GOS) introduced an economic reform program in December 1979. The program is conceived in two stages. The stabilization phase

SENEGAL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID*</b>			
Loans .....	-	-	-
Grants .....	11,303	33,260	36,389
<b>Total AID .....</b>	<b>11,303</b>	<b>33,260</b>	<b>36,389</b>
<b>P.L. 480**</b>			
Title I .....	7,000	7,000	8,000
(of which Title III is)	( 7,000 )	( 7,000 )	( 8,000 )
Title II .....	5,773	5,468	4,616
<b>Total P.L. 480 .....</b>	<b>12,773</b>	<b>12,468</b>	<b>12,616</b>
<b>Total AID and P.L. 480 .....</b>	<b>24,076</b>	<b>45,728</b>	<b>49,005</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	29	26	23
PASA <sup>c</sup> .....	3	4	4
Contract .....	42	63	90
<b>Total .....</b>	<b>74</b>	<b>93</b>	<b>117</b>
<b>Participants<sup>d</sup></b>			
Noncontract .....	45	60	61
Contract .....	16	8	0
<b>Total .....</b>	<b>61</b>	<b>68</b>	<b>61</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	5.8	1,000
Rice .....	25.0	7,000	23.0	7,000	21.2	7,000
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>		<b>7,000</b>		<b>7,000</b>		<b>8,000</b>
(of which Title III is)		( 7,000 )		( 7,000 )		( 8,000 )
<b>Title II</b>						
Voluntary Agencies .....		5,144		4,878		3,949
World Food Programs .....		629		590		667
Gov't-to-Gov't .....		-		-		-
<b>Title II Total .....</b>		<b>5,773</b>		<b>5,468</b>		<b>4,616</b>
<b>Total P.L. 480 .....</b>		<b>12,773</b>		<b>12,468</b>		<b>12,616</b>

(1981-1984) concentrates on reducing the trade imbalance, stretching foreign debt repayments, and curbing public expenditures. The growth phase, introduced concurrently, will take longer. Here, the reform aims to stimulate production, particularly in agriculture, in four important ways:

- providing more remunerative prices to the farmer;
- introducing less discriminatory industrial production systems and special export incentives;
- withdrawing state supply and marketing agencies gradually from rural production in favor of the private sector, including the direct participation of farmers' associations; and
- directing a greater percentage of investments to productive activities, at the expense of social services, infrastructure and government administration.

In October 1981, Senegal obtained the consent of most of its principal donors to cover, for a two year period, much of the GOS share of development activity costs. In the same month, the government successfully negotiated a



## SENEGAL

consolidation and rescheduling agreement for its public debt to the members and associates of the "Club of Paris". The GOS followed this by a similar agreement with its principal creditors among the private banks in 1982. Thus granted the means to move ahead, the GOS Reform program and Sixth Development Plan have taken account of those stubborn natural and structural factors which continue to hamper per capita productivity, in decline by 0.2% yearly since the mid-sixties. The four planks of the Reform, outlined above, will work to reverse the GOS practice since independence of using substantial revenues from the export earnings of peanuts and phosphates to build up a largely unproductive state bureaucracy and para-public sector. The Reform measures will also act to transform over time the complex mechanism built up during the past two decades of low farm prices, expensive subsidies to inputs, centrally directed cooperatives, and para-public supply and marketing monopolies, all of which have discouraged farm production and rural enterprise.

Senegal's new four-year development program, released in July 1981, gave further action content to the Reform Plan by prescribing:

- new investments, 60% of them in directly productive sectors and especially agriculture;
- a new incentive pricing structure for agriculture, and investment in local processing facilities that should redirect local consumption to local production and increase and diversify agriculture production.

The budgets begun in July 1981 and July 1982 (Senegal's fiscal year runs from July 1 to June 30) implemented these prescriptions while reducing the government's revenue deficit, freezing the number of government jobs, improving and expanding an export subsidy system, and reducing consumer subsidies on rice, sugar, and gasoline. The actions fulfilled all of the conditions imposed under the IMF stand-by agreement and led to a new stand-by in the fall of 1982.

### Total Resources:

Senegal's agricultural production in 1981-1982 now promises to reach the levels of its twenty-year average for the three principal crops; peanuts, millet, and rice. As production has begun to recover, however, world prices for Senegal's major exports, peanut oil and phosphates, have dropped. Senegal, therefore, will remain heavily dependent upon foreign aid from a wide variety of donors for the investment resources it needs to increase its productivity. Senegal's debt service obligations will remain high and new borrowing capacity will be severely restricted to concessional aid loans and trade financing.

As a consequence both of Senegal's need and of Senegal's extraordinary efforts to set its economic house in order, donor assistance has been forthcoming. The IMF, in order to monitor more closely the critical economic situation in Senegal, replaced its three year Extended Fund Facility with a one-year stand-by beginning in September 1981. The 1981 stand-by provides for \$82 million and has been renewed in 1982 at the same level. In addition, the IMF Compensatory Fund Financing provided another \$55 million in September 1981.

Following announcement of the Reform Plan, the World Bank in 1980 made a \$60 million Structural Adjustment Loan, two-thirds of which was disbursed by the end of 1981. Release of the remaining \$20 million, contingent on further GOS progress in implementing agriculture policy reforms, was expected to be made in the final quarter of 1982.

France, the former colonial power, is Senegal's leading benefactor. French technical assistance personnel number 1,300, including 1,000 teachers. In 1980 and 1981, France also contributed \$150 million each year in exceptional aid, including a \$26 million advance on STABEX, the European Economic Community Fund for stabilizing export revenues among Third World signators

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of the Lome Convention. Senegal has been a leading recipient of STABEX which provided about \$40 million in compensation for a decline in revenue from peanut exports in 1980, and has announced a package totalling \$26.2 million in 1982.

Various OPEC donors assist Senegal. Saudi Arabia extended Senegal a \$50 million low-interest loan in 1981 (4% with 30-year maturity). Kuwait has deposited \$110 million in Senegal's Central Bank at a favorable interest rate, to enable the Bank to pay off some of its high-interest, short-term debts. Canada, West Germany, the European Development Fund (FED) and various U.N. agencies also actively support Senegal's development program.

### U.S. Interests and Objectives

The primary U.S. interest in Senegal is to contribute to the stability of the present government and to the maintenance of Senegal's long-term pro-Western outlook. Senegal's commitment to democracy and human rights is a matter of record, as is its desire for the peaceful resolution of conflicts in Africa and the Middle East. This commitment is influential in shaping African opinion and complements U.S. policy objectives in the region and in international fora. The U.S. assistance program constitutes an important element in promoting Senegalese opposition to Soviet and Libyan expansionism and continued cooperation in granting the United States ready access to Senegalese communications and transportation facilities. Since 1961, A.I.D. has provided Senegal with \$91.4 million primarily in grants, and \$90.2 million in P.L. 480 Title II and III commodities.

A.I.D.'s focus on food production projects began in 1973 as a result of the 1968-1973 drought. Associated with this primary goal are improved rural health and nutrition standards and the regeneration of increasingly desertified areas such as the Peanut Basin upon which the productivity and well-being of Senegalese depend. It is

in the interest of the United States that Senegal, with its strong tradition of democratic institutions and adherence to the rule of law, becomes an economic success.

### A.I.D. Assistance Strategy

A.I.D.'s current development strategy for Senegal is based upon the major evaluation of the bilateral U.S. assistance program in Senegal which was conducted jointly by A.I.D. and the Government of Senegal between February and June 1980.

The major findings of the joint evaluation are:

- A.I.D. should consider Senegal's severe balance-of-payments and liquidity crisis in the formulation of its strategy;
- projects should be structured and reoriented to stimulate local productive forces;
- Senegal's regional development agencies and cooperatives are in serious difficulty. A.I.D. must not only help them to reform and reorganize, but must also find alternative means of reaching the rural population;
- beneficiaries should be more directly involved in A.I.D. project design and implementation.

The A.I.D. strategy for the period FY 1983-1987 is based upon these findings, consistent with the long-term goal of assisting Senegal to achieve by the year 2000 the ability to feed its people by production, storage, and trade, even in drought years. Toward achievement of this goal, the A.I.D. program follows the complementary paths of agriculture and human development.

The first path is directed toward a significant increase and diversification of production and trade, the latter toward assisting the government to develop a system of basic village health, including improved nutrition and access to family planning facilities which must accompany higher per capita food production. A.I.D. will

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concentrate these activities in three geographic zones of relatively high potential over the next five years: the Casamance, the Sine Saloum and the Senegal River Basin. Concentration in these areas is directed by the necessity to ensure that U.S. programs in agriculture and human development are complementary, and to improve program management.

In the agriculture sector, A.I.D. strategy aims at three objectives. The first is the progressive government decontrol and commercialization of the rural production process. To this end, A.I.D. plans to work simultaneously at three levels: (a) activating farmers' groups which are the basic foundation for an energetic cooperatives system, (b) reforming regional development agencies into effective extension programs and (c) encouraging and actively fostering more private involvement in the rural production process. A.I.D.'s second objective in the agriculture sector is to promote greater production through effective agronomic practices. Here, A.I.D. will support efforts to achieve a general price policy framework which offers incentives to farmers, while contributing to the reform of Senegal's system of agricultural research and to the closer linkage of research and extension practices. A.I.D.'s third objective in agriculture is more effective natural resource management.

A.I.D.'s principal aim in the health sector, in order to support greater per capita food production, is the creation of a model self-supporting village health system in the Sine Saloum area which eventually (with initial aid from other donors) may be extended to the country generally. The system is to be at least partially self-financing and capable of providing simple preventive and curative services, including family planning and nutrition surveillance. In this way, family planning and nutrition -- seen as essential components of a food self-sufficiency strategy -- are to be grafted to a grass-roots approach towards improving rural health and increasing farm production.

Following the recommendations of the joint evaluation, the new overall A.I.D. strategy retains some elements of the old, which sought to increase food production solely through selective project assistance. Projects which build Senegalese institutions for agricultural research and extension and which introduce a village health system will continue, but the strategy lays much greater emphasis than before on non-project aid through P.L. 480 Title III, the Economic Support Fund (ESF), and a program grant. Almost one-third of the requested bilateral program for FY 1983 and over half of the FY 1984 program will be non-project aid, to serve a number of purposes: (a) to ease Senegal's balance of payments difficulties; (b) to provide local currencies to compensate for internal budget stringencies and the consequent lack of counterpart funds for productive undertakings; (c) to engage the GOS in policy dialogue, especially in conjunction with the IMF, the World Bank, and France; and (d) to afford greater ease and flexibility in program management.

### A.I.D. Program (FYs 1982-1983)

A.I.D. initiated only one new activity in FY 1982, Rural Management Training (685-0256). This project will enable the National School of Applied Economics (ENEA) to train rural middle level personnel in project design and management skills, and so is a companion project to extensive on-going and planned local currency activities.

Agriculture: The Casamance Regional Development project (685-0205), which seeks to strengthen the extension and research services in a key food producing region of the country, currently has 13 Senegalese personnel in training in the United States. A seed farm of 20 hectares was also established under the project in 1982.

The Bakel Small Irrigated Perimeters project (685-0208) uses local institutions to introduce irrigation technology to 24 villages in the Bakel area of eastern Senegal. During the 1981-1982 growing season, 415

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hectares were developed and planted in the project area. For the current 1982-1983 season, the project aims to cultivate 515 hectares of land. The SODESP Livestock Production project (685-0224) is improving the livestock production and resource management techniques of the population in Senegal's pastoral zone. A project center consisting of buildings, corrals and water pumping units has been completed. In 1982, 300 herder families owning 7,500 cattle were enrolled in the herd management system which includes a yearly marketing program. A Project Research System team was organized and research projects were established under the Agricultural Research and Planning project (685-0223) during 1982. This project's objective is to better define and improve the farming systems in the major agro-ecological zones of Senegal through an analysis of the social, economic and technical factors involved in farm-level decision making. The analysis of such factors will guide policy makers in formulating policies for the sector, a vital element to achieving A.I.D.'s long term goal of assisting Senegal to feed its people by production, storage and trade.

Health: A.I.D. assistance in the health sector is an essential element of the food self-sufficiency strategy because the aid will contribute to increasing productivity. The Rural Health Services Development project (685-0210), which will create an improved rural health care delivery system, to be largely financed by the client population, was evaluated in late 1982. The evaluation revealed that significant improvement in project operations was made since the last major evaluation in 1980. Its findings appear to justify a second phase of the activity which would provide health services to a wider area than covered under the present project.

Human Resources Development: The Youth Job Development project (685-0222) provides support for a vocational training program for Senegalese youth to assist them in acquiring marketable technical skills. The project being implemented by a Private Voluntary Organization (PVO), the YMCA, graduated its first group of students from a

training center in July 1982. Eighty percent of the first graduating class, who are trained in such skills-skills-shortage categories as electricity, metalwork and masonry, are already employed, while the remaining 20%, trained in textile technology, have formed a production cooperative.

Energy: Under the AFRICARE/PC Village Woodlot project (685-0247), which supports community forestry activities in 20 villages, reforestation activities began in 1982. This small project, being implemented by AFRICARE, a PVO, and aided by Peace Corps Volunteers, fenced woodlots and produced seedlings in participating areas during the year.

The A.I.D. program in FY 1983 will directly affect nearly 600,000 Senegalese. The program will continue support of regional development agencies dealing with agriculture in the Peanut Basin (SODEVA, through Cereals II 685-0235, its final year of funding) and the Casamance (SOMIVAC/PIDAC, through Casamance Development, 685-0205). A.I.D. will introduce in FY 1983 the PVO Community and Enterprise Development project (685-0260), which focuses on decontrol and commercialization of rural production by assisting village organizations and small enterprises to increase their production of goods and services. A.I.D. will also begin three non-project, local currency producing activities which have a central place in the development of Senegal: the second phase of the Title III program (\$25 million over three years), which will place emphasis upon land regeneration and reforestation activities in the Peanut Basin; the Economic Support Fund (\$5 million in initial year, a total of \$25 million over three years) will finance fertilizer imports and, with local currencies, the establishment of a national millet reserve program, and the Agriculture Decentralization and Credit project (\$25 million over five years), which will assist the implementation of GOS reform policies affecting rural producers and off-farm entrepreneurs in the Senegal Basin, the Sine Saloum, and the Casamance. All three programs will finance essential imports of rice (Title III); fertilizer components (ESF), and material

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(Agriculture Decentralization) amounting to balance of payments assistance of \$17 million in FY 1983.

As this represents the first year of the new five-year strategy period, A.I.D. will provide final funding for five projects, including Small Irrigated Perimeters (685-0208), which will be carried forward and expanded under A.I.D.'s regional OMVS Integrated Development project (625-0621). Final funding of the YMCA Operational Program Grant in FY 1983 will conclude the Youth Job Development activity (685-0222). P.L. 480 Title II will continue at approximately constant levels, with nutritional diet supplements for over 200,000 mothers and children. A.I.D. will undertake a thorough evaluation in FY 1983 of the nutritional impact of the program.

In FY 1983 and FY 1984, Senegal will use \$40,000 of bilateral program funds for the new Small Project Assistance Program (SPA) with the Peace Corps. These funds will be used for small "self-help" activities which will have immediate impact at the community level. The activities will be in the areas of food, energy, competitive enterprise and/or a productive income generating activity. No more than \$10,000 will be obligated per activity.

The SPA program will utilize Peace Corps Volunteers (PCVs) in the identification and implementation of these activities. This approach will facilitate the local self-help efforts by combining the PCVs' knowledge of local conditions and established working relationships at the community level. The program will enhance field collaboration between A.I.D. and Peace Corps.

### Requested Year Program (FY 1984)

This fiscal year will be the first in which the new approved A.I.D. strategy for Senegal is fully in place and functioning. Primary emphasis will fall upon the intensification and diversification of agriculture in the

Senegal River Basin (under the Senegal River Basin Organization - OMVS program), the Casamance, and Sine Saloum Regions, complemented by land regeneration and village health. If the requested program is approved, over half of the total dollar value will be delivered in non-project form, thus affording Senegal assistance with its balance of payments difficulties while generating local currencies to implement rural policy reforms.

Thus, the second year of the Title III (Phase Two) program will deliver \$8 million for land regeneration activities in the Peanut Basin, for seed storage operations, and for continued policy studies. The Economic Support Fund (\$10 million) will finance fertilizer imports and, with local currencies, the establishment of a national millet reserve program. The Agriculture Decentralization and Credit activity (685-0249), funded at \$5 million each year for five years, will make possible through training the establishment of producer groups in the three geographic zones of A.I.D. emphasis, and will supply them with credit, while linking them to markets with the building and maintenance of key rural roads.

Selected institutional development activities will continue, with final funding requested for the Casamance Regional Development Project (685-0205) and for SODESP, the livestock organization in the northern plains area (685-0224). Assistance will also continue through the PVO Community and Enterprise Development project (685-0260) to enable local organizations and small rural enterprises to carry out their own development.

Village and family health activities will complement the work done to encourage production, since the health of the rural producer and the control of population growth are essential to the achievement of food self-sufficiency over the long term. The second phase of both Rural Health Services (685-0242) and Family Health Services (685-0248) will build upon the achievements of the initial projects.

MISSION DIRECTOR: David Shear

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

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG EXPENDI ATIONS TURES	-ESTIMATED FY83- OBLIG EXPENDI ATIONS TURES	-PROPOSED FY84- OBLIG EXPENDI ATIONS TURES
AGRICULTURE, RURAL DEV. AND NUTRITION							
SMALL IRRIGATED PERIMETERS	G 635-0203	77	81	4,200	4,200	3,394	806
GRAIN STORAGE	G 635-0209	77	77	4,900	4,900	4,292	608
TOTAL FOR ACCOUNT GRANTS				9,100	9,100	7,686	1,414
LOANS				---	---	---	---
HEALTH							
RURAL HEALTH SERVICES DEVELOPMENT	G 635-0210	77	78	1,494	1,494	1,417	77
TOTAL FOR ACCOUNT GRANTS				1,494	1,494	1,417	77
LOANS				---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES							
PATTE D'OIE IMPROVEMENT	G 635-0226	79	79	1,300	1,300	1,183	117
TOTAL FOR ACCOUNT GRANTS				1,300	1,300	1,183	117
LOANS				---	---	---	---
SAHEL DEVELOPMENT PROGRAM							
RANGE AND LIVESTOCK DEVELOPMENT I	G 635-0202	79	82	2,100	2,100	622	1,000
CASAMANCE REGIONAL DEVELOPMENT	G 635-0205	78	84	23,710	23,710	14,816	6,770
SMALL IRRIGATED PERIMETERS	G 635-0208	77	83	2,359	2,759	1,154	400
RURAL HEALTH SERVICES DEVELOPMENT	G 635-0210	79	83	1,825	2,155	1,162	330
FAMILY HEALTH SERVICES	G 635-0217	79	82	1,883	1,883	212	1,171
SAED TRAINING	G 635-0218	78	82	4,530	4,530	1,753	1,400
FUELWOOD PRODUCTION	G 635-0219	79	82	3,434	3,434	2,391	1,043

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: SENEGAL

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES	
YOUTH JOB DEV-YMCA/ORGAN REHAB TRNG(PVO)	G 685-0222	79	83	3,008	3,008	2,508	1,758	500	1,000	---	250
AGRICULTURAL RESEARCH AND PLANNING	G 685-0223	81	82	4,950	4,950	4,950	202	---	1,960	---	2,080
SODESP LIVESTOCK PRODUCTION	G 685-0224	79	84	8,000	8,000	7,030	3,413	---	1,759	970	1,660
NATIONAL PLAN FOR LAND USE - DEVELOPMENT	G 685-0233	81	82	2,000	2,000	2,000	250	---	711	---	1,039
SENEGAL CEREALS PRODUCTION PHASE II	G 685-0235	80	83	7,700	8,470	6,582	2,673	1,888	3,395	---	1,632
RURAL HEALTH SERVICES II	* G 685-0242	84	87	---	8,000	---	---	---	---	2,000	1,000
AFRICARE/PC VILLAGE WOODLOTS (PVO)	G 685-0247	80	80	211	211	211	146	---	65	---	---
FAMILY HEALTH SERVICES II	* G 685-0243	84	88	---	7,000	---	---	---	---	2,000	1,000
AGRICULTURE DECENTRALIZATION AND CREDIT	G 685-0249	83	87	---	25,000	---	---	5,000	3,000	5,000	5,000
MILLET PROCESSING	G 685-0250	81	81	500	500	500	20	---	239	---	241
FISHERIES RESOURCE ASSESSMENT	G 685-0254	81	81	150	150	150	30	---	120	---	---
RURAL MANAGEMENT (ENEA)	G 685-0256	82	83	3,200	3,200	800	19	2,400	1,681	---	1,500
PVO COMMUNITY ENTERPRISE DEVELOPMENT	G 685-0260	83	86	---	12,000	---	---	3,442	1,000	3,096	1,800
SMALL PROJECT ASSISTANCE-AID/PC	G 685-0270	83	87	200	200	---	---	40	40	40	40
TOTAL FOR ACCOUNT GRANTS				69,760	123,260	55,678	22,575	18,000	26,652	18,000	26,389
LOANS				69,760	123,260	55,678	22,575	18,000	26,652	18,000	26,389
				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
COMMODITY IMPORT PROGRAM	G 685-0262	83	85	---	25,000	---	---	5,000	5,000	10,000	10,000

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: SENEGAL

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82-		-ESTIMATED FY83-		-PROPOSED FY84-	
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR ACCOUNT GRANTS				---	---	---	5,000	5,000	10,000	10,000
LOANS				---	---	---	5,000	5,000	10,000	10,000
TOTAL FOR COUNTRY GRANTS			81,654	160,154	67,572	32,861	23,000	33,260	28,000	36,389
LOANS			81,654	160,154	67,572	32,861	23,000	33,260	28,000	36,389

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



TITLE RURAL HEALTH SERVICES - PHASE II		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)			
NUMBER 685-0242 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 2,000	LIFE OF PROJECT FUNDING: 8,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To develop adequately staffed village health facilities responsive to the needs of the population, maintained by local communities and backstopped by government health posts.

Project Description: This project builds on work begun in the Rural Health Services Development Project Phase I in four of six departments in the Sine Saloum Region (Groundnut Basin). Phase I was evaluated in July 1982 and the recommendations for continuation of activities are being incorporated in Phase II. This new phase of the project will provide more financial and human support to the health posts and to more central levels of the health care system in the Region of the Sine Saloum so that they, in turn, can better support health activities at the level of the rural communities and villages. Monitoring nutritional status at the village level, offering nutrition education, and teaching the population how to better utilize available food-stuffs can bring about improvements in the nutritional status of the population. Technical packages intended to reduce mortality and morbidity due to malaria, measles, tetanus, pertussis and childhood diarrhea will be improved upon or added to the ongoing village level activities. A.I.D. is planning to extend rural health services into the Kaffrine and Fatick Departments of the Sine Saloum Region during Phase III.

Relationship of Project to A.I.D. Country Strategy: The goal of A.I.D.'s development strategy in Senegal is food self-sufficiency, through increased production and trade. In pursuit of this objective, A.I.D. will assist the Government of Senegal (GOS) to ensure a healthier and better-nourished agricultural work force and reduce the population growth rate in A.I.D.'s target zone of Sine Saloum.

Phase II of the Rural Health Services Project will help prevent disease, which leads to diminishing labor productivity during the agricultural season, by providing anti-infectious diseases treatment, anti-malaria, and nutrition education at the village level. By providing the village level health infrastructure which will ultimately be necessary to deliver family planning services at the village level, it will also help reduce fertility levels among the 50% of the Senegalese population who live in remote areas away from a dispensary.

Host Country and Other Donors: The GOS will provide personnel to train and supervise the village health care system. Many international donors are sponsoring projects focusing on the health sector. Switzerland is financing the renovation of health posts. The World Bank will retrain personnel and renovate and equip health centers. Brazil and Italy have also pledged to invest in improving the physical infrastructure of the health care system. Belgium is testing different approaches to developing village-level health services. The Ministry of Health is organizing a coordinating committee of donors to ensure that these inputs complement each other.

Beneficiaries: The primary beneficiaries of this project are the people living in the rural areas of the Sine Saloum Region. The agricultural work force, children under age five and nursing mothers will be the target for specific technical interventions. The population of Sine Saloum was approximately 1,600,000 in 1981 at least 85% of which was concentrated in rural areas. Children under five and nursing mothers constitute at least 20% of the population.

TITLE Family Health Care Phase II		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)			
NUMBER 685-0248 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 2,000	LIFE OF PROJECT FUNDING: 7,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To provide medically sound and culturally acceptable child spacing services; to offer low cost contraceptive technology outside the normal health services; to provide widespread education about reproduction and family health; and to sensitize Senegalese decision makers regarding the demographic situation in Senegal.

Project Description: This project is an extension of the Family Health Phase I project. The implementation of Phase I encountered serious delays due to the lack of clear implementation responsibilities between the Ministry of Health (MOH) and the Secretariat of State for Promotion Humaine (SEPH). This situation now has been resolved and the implementation of Phase I will be completed during FY 1984. The Secretariat of State for Promotion Humaine and the Ministry of Health will continue to be the principal implementing agencies under this Phase II project.

During this second phase of the program, USAID will continue to support family health/family planning activities initiated under Phase I and will extend their application more widely in Senegal to take in the River Basin Region. These activities include family planning counseling information, education and communication services. At the same time that the MOH and the SEPH are expanding services through the official government structures, Phase II will continue to ensure that the Senegalese Association for Family Health (ASBEF) will play an important role in promoting family planning through the private sector. USAID support to ASBEF will average \$300,000 per year throughout the life of the project. Other donors are expected to provide ASBEF with additional resources. Also during this second phase, USAID will fund research by national, parastatal, private and/or regional organizations based in Senegal. This research and studies program will lead to a clearer understanding by private citizens and government policy makers alike of Senegal's demographic problems.

An important illustration of the Government's growing concern was the repeal in November, 1980 of the long-standing French law prohibiting the sale and use of contraceptive devices.

Relationship of the Project to A.I.D. Country Strategy: The goal of the A.I.D. program is food self-sufficiency for Senegal by year 2000 -- through increased agricultural production, storage and trade. Senegal cannot attain a reliable food surplus, however, at the present rate of demographic expansion. The health of the population, therefore, associated with a declining population growth rate, is essential to the attainment of the A.I.D. program goal. The family planning strategy will be developed through the Family Health project, in close relation to A.I.D.'s Rural Health Services II project and the health components of other A.I.D. activities in the Casamance and Senegal River Basin.

Host Country and Other Donors: The United Nations Fund for Population Activities (UNFPA) will continue to be an important donor in this sector. UNFPA's and USAID's assistance will not be limited to specific regions during this planning period. UNFPA is already funding a number of research projects in the field of demography and family planning. USAID will be careful to assure that its funded research activities will be complementary to those of UNFPA. USAID will stress research which may lead to a better definition of the relationship between family planning and maternal and child health, an area of research not currently supported by the UNFPA.

Beneficiaries: The primary beneficiaries of this program will be Senegalese women of reproductive age, particularly those living in the regions of Cap-Vert, Casamance, Sine Saloum, Thies and the River Basin. In 1982 these five regions contained more than eighty percent of Senegal's 5.8 million population.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: UPPER VOLTA

*BASIC DATA*					*FOREIGN TRADE*									
TOTAL POPULATION.. (THOUSANDS, MID 1982)	6.208				MAJOR EXPORTS... (1980)	COTTON LIVESTOCK OILSEEDS								
PER CAPITA GNP..... (DOLLARS, 1981)	240				EXPORTS TO U.S.									
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	0.1%				(\$ MILLIONS, US. FOB)	N.A.								
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.3% (1970-80)				AS % OF TOTAL EXPORTS	N.A.								
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.3% (1970-80)				10.1%	MAJOR IMPORTS... (1980)	PETROLEUM FOODSTUFFS TRANSPORT EQ							
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.				IMPORTS FROM U.S.									
LIFE EXPECTANCY AT BIRTH, IN YEARS					(\$ MILLIONS, US. CIF) (1979)	24	(1980)	32	(1981)	24				
(1981) TOTAL	39.2	MALE	37.7	FEMALE	40.8	AS % OF TOTAL IMPORTS (1979)	8%	(1980)	12%	(1981)	N.A.			
(1968) TOTAL	35.5	MALE	34.9	FEMALE	36.1	TRADE BALANCE(\$ MILLIONS, U.S.) (1977)	-154(78)	-184(79)	-259					
ADULT LITERACY RATE (1975)	TOTAL	9%	MALE	15%	FEMALE	3%	MAIN TRADING PARTNERS: FRANCE IVORY COAST UNITED STATES							
(1962)	TOTAL	2%	MALE	2%	FEMALE	1%								
*AGRICULTURE*					EXTERNAL PUBLIC DEBT AS % OF GNP (1980)					24.4%				
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981)					SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... (1980)					16				
-0.5%					AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979)					3.8%				
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)					*SOCIAL DATA*									
40%					POPULATION GROWTH RATE... (1970)					2.2%	(1975)	2.2%	(1982)	2.4%
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)					POPULATION IN URBAN AREAS..... (1960)					5%	(1976)	8%		
MAJOR CROP(S)					LIVE BIRTHS PER 1,000 POPULATION..... (1970)					48	(1982)	48		
ARABLE LAND YEAR					MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)					1%				
SUBSISTENCE: SORGHUM MILLET CORN					POPULATION (1981) IN AGE GROUP:									
CASH: COTTON GROUNDNUTS					(0-14YRS) 44.8% (15-64YRS) 52.4% (65+ YRS) 2.8%									
MAJOR AGRICULTURAL EXPORTS:(1981) COTTON LIVESTOCK					INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)					219				
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT RICE DAIRY PRODUCTS					PEOPLE PER PHYSICIAN..... (1977)					64,796				
PROPORTION OF LAEOR FORCE IN AGRICULTURE..... (1980)					MAJOR CAUSES OF DISEASE (1979) MALARIA ENTERIC DISEASE MEASLES DEATH.. N.A.									
82%					PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)					93%				
*CENTRAL GOVERNMENT FINANCES*					POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975)					25%				
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)					TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:									
(1978) 140 (79) 148 (80) 165					PRIMARY..... (1979) TOTAL 18.0% MALE 22.0% FEMALE 13.0%									
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)					SECONDARY..... (1979) TOTAL 3.0% MALE 3.0% FEMALE 2.0%									
(1978) 144 (79) 194 (80) 195					POST SECONDARY.. (1978) TOTAL .2% MALE .4% FEMALE .1%									
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)					ENERGY PRODUCTION AS % OF CONSUMPTION.....					N.A.				
(1978) -4 (79) -46 (80) -30														
DEFENSE EXPENDITURES.														
AS % OF TOTAL EXPENDITURES.. (1978) 24.0% (79) 17.8% (80) 18.2%														
AS % OF GNP..... (1978) 3.5% (79) 2.9% (80) 2.6%														
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$MILLIONS, U.S.) (1979) 62 (80) 69 (81) 71														
EQUIVALENT TO 3.0 MONTHS OF IMPORTS (1980)														

**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	UPPER VOLTA					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81	
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD							
		1977	1978	1979	1980				1981
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	12.5	20.7	27.0	22.7	30.7	169.4	-	169.4	
Loans	-	-	-	-	-	-	-	-	
Grants	12.5	20.7	27.0	22.7	30.7	169.4	-	169.4	
<b>a. A.I.D. and Predecessor Agencies</b>	3.4	11.4	15.9	9.2	14.1	72.7	-	72.7	
Loans	-	-	-	-	-	-	-	-	
Grants	3.4	11.4	15.9	9.2	14.1	72.7	-	72.7	
(Economic Support Fund)	-	-	-	-	-	-	-	-	
<b>b. Food for Peace (PL 480)</b>	8.1	8.3	9.6	12.2	15.2	85.5	-	85.5	
Loans	-	-	-	-	-	-	-	-	
Grants	8.1	8.3	9.6	12.2	15.2	85.5	-	85.5	
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-	
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	
Title II - Total Grants	8.1	8.3	9.6	12.2	15.2	85.5	-	85.5	
Emerg. Relief, Econ. Develop. & World Food Program	2.5	0.9	3.0	3.7	3.0	34.5	-	34.5	
Voluntary Relief Agencies	5.6	7.4	6.6	8.5	12.2	51.0	-	51.0	
<b>c. Other Economic Assistance</b>	1.0	1.0	1.5	1.3	1.4	11.2	-	11.2	
Loans	-	-	-	-	-	-	-	-	
Grants	1.0	1.0	1.5	1.3	1.4	11.2	-	11.2	
Peace Corps	1.0	1.0	1.5	1.3	1.4	11.2	-	11.2	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	0.1	0.1	0.1	0.4	-	0.4	
Credits or Loans	-	-	-	-	-	-	-	-	
Grants	-	-	0.1	0.1	0.1	0.4	-	0.4	
<b>a. MAP Grants</b>	-	-	-	-	-	0.1	-	0.1	
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-	
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	0.1	0.1	0.1	0.3	-	0.3	
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-	
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-	
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	12.5	20.7	27.1	22.8	30.8	169.8	-	169.8	
Loans	-	-	-	-	-	-	-	-	
Grants	12.5	20.7	27.1	22.8	30.8	169.8	-	169.8	
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	1.0	0.4	0.6	
a. Export-Import Bank Loans	-	-	-	-	-	1.0	0.4	0.6	
b. All Other Loans	-	-	-	-	-	-	-	-	

\* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	43.9	10.3	10.2
ISRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.5
IDA	35.0	0.0	0.0	129.1
IDR	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.8	0.0	10.2	52.4
UNDP	3.7	1.4	0.0	32.9
OTHER-UN	4.4	0.9	0.0	12.1
EEC	0.0	8.0	0.0	111.4
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
1. D.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	28.0	39.0	124.0	
France	58.5	71.7	232.5	
Germany	32.1	32.8	156.5	
Netherlands	19.5	19.7	96.1	
Canada	8.2	7.3	34.5	
Other	9.8	6.5	39.8	
Total	156.1	177.0	683.4	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	-	-	-	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	5	
Eastern Europe	-	-	-	
China	-	-	50	
Total	-	-	55	

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PROGRAM SUMMARY (In thousands of dollars)									CP 84-13 (8-82)
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs		a/
							ESF	Other	
1982									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	11,202	-	-	-	-	-	-	11,202	
Total ....	11,202	-	-	-	-	-	-	11,202	
1983									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	8,635	-	-	-	-	-	-	8,635	
Total ....	8,635	-	-	-	-	-	-	8,635	
1984									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	9,800	-	-	-	-	-	-	9,800	
Total ....	9,800	-	-	-	-	-	-	9,800	

## FY 84 PROGRAM HIGHLIGHTS

Within overall Sahel Development Program:

- Launch the Forestry Resources Management Project to expand management practices to all national forests and develop and disseminate energy conservation technologies through the private sector (\$4.0 million).
- Continued emphasis on increased agricultural productivity and improved policy making capabilities (\$5.5 million).
- Continued provision of P.L. 480 food commodities to reduce malnutrition of 375,000 CRS recipients (\$5.9 million).

a/ Sahel Development Program

#### Development Overview

The heart of Upper Volta's economy is agriculture, from which 40% of the GDP (1980) and 87% of all export earnings are derived. The economy's dependence on dryland agriculture within a highly variable climatic zone and the small percentage of output passing through markets in a subsistence-oriented agricultural system, lead to wide fluctuations in agricultural output and uncertain prospects for economic growth. In addition, agriculture is characterized by low yields per acre and per unit of labor input in comparison to other parts of West Africa.

The light industry, commerce and services which account for the bulk of non-agricultural economic activity, are characterized by large parastatal companies for some goods and services and many small producers and vendors for others. Development in these sectors has tended to

focus upon substitution for costly imports rather than export promotion.

Development is hampered by the low levels of literacy and the lack of an educated labor force. The country's infrastructure is limited and generally in poor condition. Mediocre soils and deforestation in relatively densely populated areas limit the potential for agricultural growth in the center and northern regions of the country. Only in the southwest is there good potential for increasing both yields and area under cultivation. However, rapid population growth is slowing the development process by increasing the investment needed simply to maintain current standards of education, health care, and food availability per capita.

#### Total Resources

The gross national product in 1980 equalled \$1.3 billion. Of that amount, the central government claimed

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	6,252	7,462	8,917
<b>Total AID.....</b>	<b>6,252</b>	<b>7,462</b>	<b>8,917</b>
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	6,845	6,970	7,070
<b>Total P.L. 480.....</b>	<b>6,845</b>	<b>6,970</b>	<b>7,070</b>
<b>Total AID and P.L. 480.....</b>	<b>13,097</b>	<b>14,432</b>	<b>15,987</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	19	21	19
PASAC <sup>c</sup> .....	7	7	7
Contract.....	10	16	16
<b>Total.....</b>	<b>36</b>	<b>44</b>	<b>42</b>
<b>Participants <sup>d</sup></b>			
Noncontract.....	5	11	34
Contract.....	7	33	50
<b>Total.....</b>	<b>12</b>	<b>44</b>	<b>84</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b>						
(of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies.....		5,499		4,745		4,767
World Food Programs.....		1,346		1,450		1,402
Gov't-to-Gov't.....		-		775		901
<b>Title II Total.....</b>		<b>6,845</b>		<b>6,970</b>		<b>7,070</b>
<b>Total P.L. 480.....</b>		<b>6,845</b>		<b>6,970</b>		<b>7,070</b>

\$190 million for the provision of public services, including public education, health care, and agricultural extension services as well as general administration and national defense. Public education and health care systems are supplemented by a small, but growing private sector in primary and secondary education and part time private health practice by government doctors and nurses. Nevertheless, the scarcity of public and private resources results in a primary school enrollment rate of only 18% of the primary school age population. Inadequate standards of health care and only marginally effective agricultural extension exists in most of the country.

To help meet the needs in rural development, natural resources infrastructure, human resources and industry, the donor community contributed \$165 million for a wide range of development projects in 1980, and \$85 million in non-project aid: food aid, technical assistance, budget support and balance of payments support. France, the Federal Republic of Germany, the Netherlands, and the United States have the largest bilateral aid programs; the European Development Fund and the World Bank are the largest multilateral donors. France provides more than

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one-fifth of all development assistance, while each of the donors listed above provides about one-tenth. Upper Volta's investment budget is heavily dependent upon donor contributions because internal resources are devoted almost exclusively to recurrent operating and maintenance costs of public services and infrastructure.

### U.S. Interests and Objectives

United States interests in Upper Volta are fundamentally humanitarian but we are deeply interested in maintaining good relations with this nation which has a history of moderation in international affairs. Consequently, U.S. development objectives are the promotion of social and economic growth through some of the key priority areas defined by the member countries of the Permanent Interstate Committee for Drought Control in the Sahel (CILSS). In Upper Volta, these priority areas of U.S. assistance are agriculture/rural development, natural resource development and environmental protection, and rural health care delivery. The program goals are to obtain food self-sufficiency and security, and a higher quality of rural life in a context of self-sustaining economic growth.

### A.I.D. Assistance Strategy

Over the past four years, A.I.D. has sharpened the focus of its assistance in order to improve the impact of the program through concentration on agriculture and protection of the natural resource base and concomitantly in order to improve the management of the A.I.D. project portfolio. As a result of A.I.D.'s experience in numerous small projects and several large projects in diverse regions of the country, the value of an appropriate policy framework and improved coordination and planning of regional activities and service delivery by the central ministries has become abundantly clear. Thus, the A.I.D. assistance strategy is primarily aimed at improving the capacity of Upper Volta's private and public sectors to develop truly effective plans and projects, to manage its limited resources much more efficiently, and to carry out analyses of policy constraints which have severely limit-

ed the potential for growth over the past two decades.

A concentration of bilateral assistance activities in the agricultural sector will build upon the success of projects in seed multiplication, varietal development and on-farm research and will provide mechanisms for increasing the transfer of the considerable U.S. technological know-how in agriculture. A.I.D. will also engage the government in a dialogue on policies affecting agricultural production, such as the pricing and marketing of certain inputs. The second priority area, natural resource management, will build on training efforts now underway in several projects, including the West Africa Remote Sensing Project (698-0420). This assistance will finance activities to protect the natural resources that agriculture depends upon to renew its production base. In the process of designing the FY 1984 Forest Resource Management Project (686-0256), A.I.D. will raise policy issues regarding the management of natural resources. The concentration of assistance in these first two priority areas will increase the likelihood of achieving and maintaining food self-sufficiency within this century and increased protection against the effects of drought.

Less emphasis will be placed on the third and fourth priority areas of health care and human resource development. A.I.D. activities will complement other donor plans such as the World Bank's projected loan to the health sector, or they will be part of a national plan such as the Rural Water Supply Project (686-0228). The Strengthening Health Planning Capacity Project (686-0251) will improve the Ministry's delivery of rural health care by making better use of available personnel and resources. The other major mechanism for addressing the problem of poor rural health will continue to be a preventive approach combining nutrition education and supplemental feeding for infants, children, and pregnant or lactating women. Catholic Relief Services (CRS) implements this P.L. 480 Title II Program, which will remain at roughly constant levels over the foreseeable future. CRS will sharpen the focus of the program by phasing out centers where nutritional levels have improved and increasing coverage in areas where nutritional



well-being is most deficient.

A.I.D. continues its effort to sensitize the GOUV about the importance of slowing down population growth, and these efforts have met with some success. We will pursue our sensitization program and our training of medical personnel in family planning while we continue to present our case for urban pilot projects and eventual expansion of coverage around the country.

In the critical area of human resource development, A.I.D. will make use of the Regional Sahel Manpower Development Project (625-0960), the Sahel Regional Financial Management Project (625-0950), and training components of our bilateral projects to meet the requirements for technical and managerial personnel. At a lower level, A.I.D. will lend support to young farmer training centers through the Agricultural Development Support Project (686-0255). In addition, A.I.D. may assist national primary education through the CRS Title II School Lunch Program. The World Bank is planning a major education sector loan to help increase the rate of primary school attendance. As this rate increases, CRS will develop a more selective approach to assist the growth of the primary school system.

A.I.D. will call on private voluntary organizations to implement a few carefully selected small activities in line with our top priorities and continue and expand the promotion of private enterprise. In collaboration with the Voltaic Chamber of Commerce and the Ministry of Commerce, A.I.D. will conduct a private sector assessment to determine the potential for expansion of private enterprise and for resolution of the problems which A.I.D. can assist in overcoming. Furthermore, we will continue to apply economic tests of project benefits and costs and reject projects when the rate of return is too low.

A.I.D. Program (FY 1982 and FY 1983)

The current A.I.D. program is laying the foundation for the concentration of assistance described above. In

agriculture, current projects are links in the chain from the regionally financed agricultural research in farming systems and varietal development to multiplication and distribution of seed, to production on the farm and finally to marketing and storage for present and future consumption. The Foundation Seed Project (686-0245) continues the strengthening of the national seed service to select promising varieties and to distribute them to regional development organizations for multiplication. At the other end of the chain, the Grain Marketing Development Project (686-0243) is reinforcing the capacity of the National Cereals Office to purchase and store locally grown grain for resale when market conditions warrant. The project combines program funds for technical assistance and studies with P.L. 480 Title II section 206 counterpart funds which were used to constitute a stock of over 4,000 tons of locally grown grain in 1982 and are being used to build eight rural grain storage facilities in 1983. The Agriculture Human Resources Development Project (686-0221) is training agricultural specialists to reinforce the services offered to farmers with 19 graduates entering the Ministries of Rural Development and Environment and Tourism in 1982 and 21 more expected to graduate in 1983.

As these projects terminate or move into their final stages, the Agricultural Development Support Project will start at the end of FY 1983. This project will, among other things, alleviate bottlenecks at the central level which prevent effective service delivery to the regional organizations and it will improve the capacity of the Ministry of Rural Development to identify and propose remedies for policy constraints to agricultural development. It will strengthen the Ministry in several key areas: resource planning management, human resource development, technology and research, and infrastructure and inputs. An A.I.D.-financed agricultural sector assessment completed in 1982 pointed out the severity of three basic constraints to increasing agricultural output: the lack of improved production technologies for the northern two-thirds of the country, the shortage of trained manpower, and the lack of funds for operating

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costs. The Agricultural Development Support Grant will strengthen the capacity of the Ministry to monitor the crop and livestock situation, undertake policy-relevant studies, manage projects and personnel, coordinate and carry out agricultural research, train young farmers and mid-level personnel, and carry out pilot activities in animal health and small perimeter and garden irrigation.

In natural resource management, the Forestry Education and Development Project (686-0235) completed its first full academic year of assistance in July 1982 with 20 graduates joining the forest service as forestry agents, and 40 more expected to graduate in July 1983. The project is also helping to develop a forest management plan as a teaching model for the forestry students for the Ministry of Environment and Tourism. This work will provide useful experience before moving to national-level management planning in the new Forest Resource Management Project requested for FY 1984.

Several other projects are improving the health of rural people. The Rural Water Supply Project drilled over 200 wells equipped with pumps in 1982 and will put in another 200 in 1983. At the same time, Ministry of Health personnel conduct village-level training in the sanitary use of this additional supply of potable water. The Rural Health Planning Capacity Project (686-0251) began at the end of FY 1982. During FY 1983, the project will address important deficiencies in the organization of health care delivery and reinforce the capacity of the Ministry to manage public health interventions which are critical to the well-being of rural populations. Catholic Relief Services (CRS), the largest A.I.D.-supported PVO active in Upper Volta, has an important effect on rural health in its on-going program to remedy the high endemic levels of malnutrition among infants and young children. An evaluation of this large P.L. 480 Title II Program in 1981 called for, among other things, improved nutrition education and substitution of local foods where feasible. CRS is pursuing these recommendations actively with the help of a local extension training center in Bobo-Dioulasso and through experimentation with oil-seed presses which are more efficient at extracting oil than

traditional methods. CRS reached 378,000 infants, children and other recipients in 1982 and plans to distribute 19,388 tons of food to 375,000 recipients in 1983. The evaluation of 1981 concluded there were no demonstrable disincentive effects on agricultural production. The CRS program is part of A.I.D.'s strategy to improve the health status of infants, children, and the Agency's primary target for beneficiaries of health programs - women of child-bearing age.

In carrying out its program of sensitization to the effect of population growth, A.I.D. has presented "RAPID" (Resources for Awareness of Population Impact in Development) analyses to several ministers, demonstrating to them the value of reducing family sizes from the present average of six or seven children per woman. A.I.D. has also drawn on centrally-funded projects to train doctors, nurses and midwives in family planning practices. These efforts are building toward much larger projects in this domain, but the GOUV must first be persuaded of the desirability of requesting assistance in this area.

A.I.D. is promoting small-scale private enterprise through several other projects. In the Training of Women in the Sahel (686-0226) and the Oncho-Freed Area Village Development (686-0212) Projects, women's groups and village groups took out over 100 small loans on behalf of individuals in 1982. In the eastern region, the PVO Partnership for Productivity's (PFP) Small Economic Activities Rural Development Project (686-0231) placed 262 loans with small businesses and provided management consulting services over a nine-month period. PFP is attempting to institutionalize its lending and consulting operation, but the larger policy question of permissible charges and interest rates within the West African Monetary Union may hamper this attempt. A.I.D. also proposes \$40,000 for the new Small Project Assistance Program (SPA) with the Peace Corps. These funds will be used for small "self-help" activities which will have immediate impact at the community level. The activities will be in the areas of food, energy, competitive enterprise and/or a productive income generating activity. No more than \$10,000 will be obligated per activity.

## UPPER VOLTA

The SPA Program will utilize Peace Corps Volunteers (PCVs) in the identification and implementation of these activities. This approach will facilitate the local self-help efforts by combining the PCVs knowledge of local conditions and established working relationships at the community level. The program will enhance field collaboration between A.I.D. and Peace Corps.

### Requested Year Program (FY 1984)

During FY 1984, additional resources will be committed to the Agricultural Development Support Project and the Forest Resource Management Project will begin. The total project portfolio will have been slightly reduced in terms of the number of bilateral and regional projects managed by the USAID Mission while maintaining a constant level of funding and staff size. The purpose of this consolidation is to improve the monitoring of activities for which documentation must be prepared, vouchers examined, and actions taken.

The Agricultural Development Support Project described above will continue activities initiated in the final quarter of FY 1983. A P.L. 480 Title II, Section 206 Program will provide counterpart funds to finance activities complementary to the Agricultural Development Support Project.

In natural resource management, the Forest Resource Management Project will attack the increasingly severe problem of deforestation by expanding field management practices to all national forests, continuing assistance for the training of foresters and field agents, and encouraging the private sector to develop technologies for alternative energy sources and energy conservation. The project will build on the USAID experience in forestry education, forest management, village woodlot development and experimentation with wood stoves to conserve fuel. The Ministry of Rural Development is primarily concerned with the related problems of deterioration of the rangeland and declining soil fertility. USAID will use the Forest Resource Management Project to raise the important organizational issue of the lack of an interministerial

coordinating body to promote activities to protect the environment which are complementary and mutually reinforcing.

In the area of private enterprise promotion, an OPG to Partnership for Productivity will be considered for expansion of their activities from the Eastern Region into the Center-East Region. Their lending and management consulting activities have demonstrated the dynamic potential of small rural enterprise, thus providing a sound base for the expansion of this project.

A.I.D.'s use of the Peace Corps as an implementing agent will also continue under the Small Project Assistance Program. The SPA Program will enable Peace Corps Volunteers to meet local development needs by funding small project activities in areas consonant with A.I.D.'s priorities.

P.L. 480 Title II resources will continue to support the CRS program described above at constant levels. The program will be critically reviewed with an eye toward seeking opportunities for direct support of overall A.I.D. country strategy objectives.

The program for FY 1984 is predicated on a basic A.I.D. strategy to assist Upper Volta in formulating more effective development plans and projects through building the country's capacity to plan in several key sectors, to manage its extremely limited resources as efficiently as possible in these sectors, and to carry out analyses which point to growth-enhancing policy reforms. This basic approach underlies A.I.D.'s proposals to assist the GOUV in agriculture and natural resource management and health planning.

MISSION DIRECTOR: Emerson Melaven

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

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PROGRAM: UPPER VOLTA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION										
EASTERN ORI RURAL ROADS	G 686-0215	77	80	2,323	2,323	2,323	---	80	---	---
TOTAL FOR ACCOUNT				2,323	2,323	2,323	---	80	---	---
GRANTS				2,323	2,323	2,323	---	80	---	---
LOANS				---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES										
STRENGTHENING WOMENS ROLES IN DEV	G 686-0211	77	79	620	620	620	---	126	---	---
NON-FORMAL EDUCATION/WOMEN IN SAHEL	G 686-0226	78	76	1,700	1,700	1,700	---	420	---	696
TOTAL FOR ACCOUNT				2,320	2,320	2,320	---	546	---	696
GRANTS				2,320	2,320	2,320	---	546	---	696
LOANS				---	---	---	---	---	---	---
SAHEL DEVELOPMENT PROGRAM										
STRENGTHENING WOMENS ROLES IN DEV	G 686-0211	77	79	389	82	82	---	66	---	---
ONCHO FREED AREA VILLAGE DEVELOPMENT	G 686-0212	78	81	1,673	712	712	---	300	---	366
AGRICULTURE HUMAN RESOURCES DEVELOPMENT	G 686-0221	78	81	6,000	6,000	6,000	---	875	---	190
RURAL WATER SUPPLY	G 686-0228	79	82	12,280	12,280	12,260	---	2,000	---	2,974
SEGUENAGA IRD AFRICARE (PVO)	G 686-0231	78	82	4,956	4,956	4,955	---	800	---	700
FORESTRY EDUCATION AND DEVELOPMENT	G 686-0235	79	81	5,958	5,958	5,958	---	---	---	---
GRAIN MARKETING DEVELOPMENT	G 686-0243	80	84	2,381	2,611	2,381	---	1,080	230	689
EASTERN REGION FOOD PRODUCTION	G 686-0244	81	83	3,000	3,000	2,950	---	30	50	250
FOUNDATION SEED PRODUCTION	G 686-0245	81	81	1,600	1,600	1,600	---	500	---	400

\* Refers to the planned project summary sheet

C Level of effort activity

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FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: UPPER VOLTA

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
SMALL ECONOMIC ACTIVITY DEV II (PVO)	G 686-0249	81	82	2,300	2,300	350	---	500	---	500
RURAL HEALTH PLANNING AND MANAGEMENT	G 686-0251	82	82	4,000	4,000	---	---	300	---	712
AGRICULTURAL DEVELOPMENT SUPPORT	G 686-0255	83	87	---	30,000	---	8,295	25	5,530	900
FOREST RESOURCE MANAGEMENT	* G 686-0256	84	87	---	10,000	---	---	---	4,000	---
DEVELOPMENT AND TESTING OF FENCING	G 686-0258	83	83	---	250	---	250	100	---	50
SMALL PROJECT ASSISTANCE-AID/PC	G 686-0259	83	87	200	200	---	---	40	40	40
TOTAL FOR ACCOUNT GRANTS				44,737	83,949	43,218	8,635	6,836	9,800	8,221
LOANS				44,737	83,949	43,218	8,635	6,836	9,800	8,221
TOTAL FOR COUNTRY GRANTS				49,380	88,592	47,861	8,635	7,462	9,800	8,917
LOANS				49,380	88,592	47,861	8,635	7,462	9,800	8,917

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Forestry Resource Management		FUNDING SOURCE: SDP	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 686-0256 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 4,000	LIFE OF PROJECT FUNDING: 10,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To increase Upper Volta's capacity to utilize more effectively its substantial forest resources. The principal objectives are: (1) to expand field management of the country's national forests; (2) to train the forestry management personnel; (3) to strengthen the capacity for planning and management of the Ministry of Environment and Tourism (MET); and (4) to conserve forest resources through encouragement of private sector initiatives in alternative energy technologies and energy conservation.

Project Description: The proposed project has grown out of considerable A.I.D. experience in forestry education and management, village woodlot development and experimentation with woodstoves. The scale of assistance proposed is based on experience gained in the Forestry Education and Development project, the Agricultural Human Resources Development project, the Village Forestry Extension project and the Yatenga Agro-Forestry project, as well as on a recognition of the present limited institutional capacity of the MET.

The project will draw on the substantial U.S. expertise in natural forest management. Activities will include surveying, identifying boundaries, laying out firebreaks, mapping, improving access roads, controlled thinnings, enrichment plantings, and the harvesting and marketing of wood products. Complementary activities will include controlled grazing on the forest reserves and wildlife inventory and protection measures. Given current manpower constraints of the MET, a request will be made for 10 PCV foresters over the life of the project. Harvesting and marketing will be undertaken by the private sector. Improved management of 20,000 hectares will yield approximately 80,000 cubic meters of wood products per year.

Strengthened capacity for planning and management by the MET is necessary for the systematic analysis of the natural resources sector. This will enable the MET to recommend policy options attuned to the realities of Upper Volta, will permit a better allocation of human and financial resources, and will provide for a more effective MET contribution to national planning efforts.

Institution-building will be addressed through human resources development. Principal activities will be continued technical and operational assistance to the Dinderesso Training Center for lower and mid-level forestry personnel and continued technical assistance to the National Polytechnic Institute.

The private sector will be assisted in developing and disseminating alternative energy and energy-conserving technologies. Among the most promising technologies are fuel-conserving woodstoves and solar water heaters. Principal activities will include: an assessment of existing technology; technical assistance and training to transfer knowledge of successful technologies and seed money to establish or expand enterprises trying to develop, produce and market energy production and conservation systems.

Relationship of Project to A.I.D. Country Strategy: Natural resource management remains a priority in terms of overall strategy (after increasing food production and rural incomes). Preservation of the resource base will be treated to the extent possible under the Agricultural Development Support project. All feasible attention will be given to reinforcing the relationship between food production and the environment. A second element of the A.I.D. strategy is to address the energy issue, which this project will do directly.

Host Country and Other Donors: The project will build upon the CILSS and Cooperative Development for Africa (CDA) initiatives in the forestry sector, drawing upon CILSS's assessment of ecology and forestry activities in the Sahel and their evaluations of the impact of projects on the environment. West Germany and Canada share the responsibility as primary contact points for the CDA forestry initiative and are charged with coordinating donor assistance in the sector.

Beneficiaries: Principal beneficiaries will be residents of rural and urban areas near the national forests to be brought under improved management who will have access to fuelwood at lower prices. Farmers in the vicinity of the forest reserves will benefit from the maintenance of an adequate watershed. Direct beneficiaries will include employees of the MET who will receive training in planning and management. Other immediate beneficiaries will be the forestry students at Dinderesso and the National Polytechnic Institute, as well as private groups and individuals who develop, disseminate and utilize improved energy technologies.



## SAHEL REGIONAL

PROGRAM SUMMARY (In thousands of dollars)									CP 84-13 (8-82)
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs		a/
							ESF	Other	
1982									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	33,184	-	-	-	-	-	-	33,184	b/
Total ....	33,184	-	-	-	-	-	-	33,184	b/
1983									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	32,801	-	-	-	-	-	-	32,801	c/
Total ....	32,801	-	-	-	-	-	-	32,801	c/
1984									
Loans ....	-	-	-	-	-	-	-	-	
Grants ....	30,000	-	-	-	-	-	-	30,000	
Total ....	30,000	-	-	-	-	-	-	30,000	

a/ Sahel Development Program

b/ Includes \$331,000 from Foreign Disaster Assistance Act of 1974 (FDAA).

c/ Includes \$1,015 million from Foreign Disaster Assistance Act of 1974 (FDAA).

#### Development Overview

A.I.D.'s regional program performs two essential functions: 1) it addresses development constraints common to more than a single Sahelian country, e.g. data collection, food crop protection, river basin development; and 2) it encourages and provides resources to support Sahelian efforts to promote regional economic cooperation such as coordination of food aid and production policies and strengthening Sahel regional institutions. The Sahel regional activities are an integral part of the overall Sahel Development Program, sharing the goals and priorities of the Permanent Interstate Committee for Drought

#### FY 84 PROGRAM HIGHLIGHTS

- River Basin Development: To lessen the vulnerability of the Sahel to droughts and promote economic development (\$12.0 million).
- Agriculture: To increase dryland and irrigated agriculture production and food crop protection (\$6.2 million).
- Institution Building: To increase and improve the capacity to find solutions to Sahelian problems (\$7.6 million).
- Human Resources: To strengthen the technical and financial management capabilities (\$3.2 million).

Control in the Sahel (CILSS) and the Club du Sahel (Club).

#### A.I.D. Program (FYs 1982-1983)

An amount of \$32.9 million was obligated in FY 1982 for regional activities. New projects launched in FY 1982 included the second phase of the Sahel Water Data Project to improve agricultural production in the Sahel through collection, analysis and dissemination of rainfall data (\$3.5 million), the second phase of the Niger River Development Project to assist the Niger Basin Authority to prepare a development plan for the basin by 1985 (\$6.7 million), and the Sahel Regional Financial Management Project to improve financial and program management in Sahelian institutions by enhancing their ability to attract and utilize financial resources effectively (\$3.8 million).

For FY 1983, \$31.8 million is proposed to fund regional projects. New projects include the OMVS Integrated



## SAHEL REGIONAL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans .....	1,592	644	-
Grants .....	18,576	34,360	38,473
Total AID .....	20,168	35,004	38,473
P.L. 480**			
Title I .....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II .....	-	-	-
Total P.L. 480 .....	-	-	-
Total AID and P.L. 480 .....	20,168	35,004	38,473

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel <sup>a</sup>			
Direct Hire <sup>b</sup> .....	-	-	-
PASA <sup>c</sup> .....	-	-	-
Contract .....	-	-	-
Total .....	-	-	-
Participants <sup>d</sup>			
Noncontract .....	-	-	-
Contract .....	-	-	-
Total .....	-	-	-

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY IN (000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat .....	-	-	-	-	-	-
Rice .....	-	-	-	-	-	-
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
Title I Total .....						
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<i>Title II</i>						
Voluntary Agencies .....		-		-		-
World Food Programs .....		-		-		-
Gov't-to-Gov't .....		-		-		-
Title II Total .....		-		-		-
Total P.L. 480 .....		-		-		-

Development Project to enhance agricultural production and address institutional and policy constraints (\$7.5 million), the OMVS Manantali Resettlement Project to finance the resettlement of 12,000 people displaced by the construction of the Manantali Dam (\$2.5 million) the OMVS Agricultural Research Project which seeks to strengthen the capabilities of the existing research stations (\$2.7 million), and the OMVS Groundwater Monitoring Project to measure the effort of the two dams and irrigation projects on the Senegal River on the water table levels and groundwater quality (\$1.0 million).

Agriculture and river basin development activities have the highest priority and comprise 67% of the FY 1983 regional budget, while approximately 13% is for human resources and health and population programs. The remaining 20% will fund institution building, project design, program assessment, and studies in special areas such as recurrent costs, cereals price policy, and ecology, etc. (The \$4.5 million African Development Foundation Program is not covered in this statement.)

## SAHEL REGIONAL PROGRAM

### Agriculture:

A.I.D.'s regional agricultural development strategy is to support the CILSS food self-sufficiency and food security goals for the Sahel. The food production sector engages the largest proportion of the population and holds the potential for making a significant impact on rural incomes and living standards. Current average rainfed crop yields are only about half of what they could be with the use of improved cultural practices by farmers. The implementation of appropriate cereals policies will be required to stimulate the adoption of improved practices and is an important objective of several agriculture and food aid projects.

Increasing agricultural productivity is the highest regional priority. Two complementary regional activities, Regional Food Crop Protection and Integrated Pest Management (625-0928), are currently underway. They are directed at improving crop protection practices of Sahel farmers.

The crop protection portion provides technical guidance through a USDA PASA for establishing and strengthening national plant protection services. This part of the project is in its second phase and a third phase requiring \$1.5 million is proposed to begin in FY 1983. Six national plant protection services have been created or upgraded through training of personnel, infrastructure, and equipment. Two regional training centers have been constructed and staffed and are receiving technical assistance. In the third phase, emphasis will be on developing extension cadre and channels to disseminate economical and environmentally sound pest control methods to Sahelian small farmers.

The Integrated Pest Management (IPM) activity is an adaptive research activity which strengthens pest management research programs of national agricultural research agencies. The \$25.3 million total A.I.D. contribution is part of a larger multi-donor effort developed by the Club and CILSS. Technical assistance is being provided by the

Food and Agricultural Organization (FAO). Other inputs include training, operating expenses, laboratory construction, laboratory equipment and vehicles. Well-equipped and staffed research laboratories in the Sahel, field testing of research findings, pest surveillance techniques and dissemination of information to national plant protection agencies will be established by the project. Twenty-two experts are planned for seven CILSS countries, most of the equipment has been procured and laboratory construction began in 1980. The CILSS member states are making an in-kind contribution of \$3 million to the program.

Both project components were evaluated in March 1981. In the Food Crop Protection project, significant progress had been made in developing and training the staffs of the national plant protection service. However, it was determined that the project needed a stronger orientation to integrated pest management, and emphasis on extension under Phase III. Implementation of the IPM project is several years behind schedule. The evaluation team recommended revised administrative structures and procedures to facilitate coordination among AID, CILSS and the implementing agency, FAO, in carrying out the common program. The recommendations made by the evaluation team were discussed in Washington in September 1982 by a tripartite AID-CILSS-FAO committee. A team of experts presently is redesigning the project for a revised authorization expected in FY 1983.

The Sahel Water Data Project AGRHYMET (625-0940) is a continuing effort to improve agricultural production and planning in the Sahel through collection, analysis and dissemination of rainfall data. The project will reduce some of the risks to farmers of unfavorable weather. A.I.D. began participating in Phase I of the project in 1976. The regional headquarters and training center in Niamey and four of the eight national centers have been completed, while the remaining centers and the basic telecommunications network between the member states and the data processing system are nearing completion. Sixty students from the eight Sahelian countries will receive

## SAHEL REGIONAL PROGRAM

U.S. training and participate in the research and operations of the regional and national centers. The project operates under the auspices of CILSS and the World Meteorological Organization. Major donors include the UNDP, the Netherlands, France and Switzerland. The second evaluation of this project was completed in April 1980. While the evaluation highlighted substantial achievements as well as some delays and problems in implementing the program, the overall conclusion was that A.I.D., the other donors and the Sahelian governments should continue their support to the project.

### River Basin Development

Multi-purpose river basin development is an essential component of the regional program. The Club/CILSS has recently estimated that an additional 15,000 hectares per year must be made available for irrigation in the Sahel beginning in 1985 to achieve regional food self-sufficiency by the year 2000. River basin development is a necessary path toward insuring future regional food self-reliance. The U.S. technology available for transfer is highly respected by Sahelians.

A.I.D. river basin strategy will support the establishment of effective basin coordination organizations and building on this firm institutional base, will support downstream irrigated agriculture development. A.I.D. planning assistance is directed toward the systematic development of the management and analytical capabilities of the river basin organizations. As these organizations increase their planning capacities, A.I.D. will provide funding for irrigated agriculture production projects identified by them.

The target beneficiaries of river basin development planning activities over the long-term are the populations of the basins -- rural farmers capable of developing irrigated agriculture; herders whose grazing needs will be accommodated, populations with electric power,

agriculture and industrial producers utilizing improved river transportation, and consumers who profit from a more secure food supply at reasonable prices. The more immediate beneficiaries, those benefitting directly from the planning efforts, will be the government services and the regional organizations which received training and experience in managing water use activities. A.I.D. is interested particularly in the extension services, the private agribusiness sector, the national government policy-makers, and the regional river basin planning offices. A.I.D. is funding river basin projects in three of the four Sahel river basins; Senegal, Gambia and Niger. The Gambia and Niger river basins are still in the early stages.

### Senegal River Basin:

The Senegal River Basin Development Organization (OMVS) has started large infrastructure construction. OMVS secured approximately \$800 million from more than ten donors for the downstream anti-salinity Diama dam and the upstream water storage Manantali dam. These two dams are expected to provide the water resources for the eventual irrigation of 375,000 hectares which will assist the OMVS member countries (Senegal, Mauritania and Mali) achieve food self-sufficiency. The OMVS has a critical need to develop detailed plans for downstream irrigated agriculture which will be made possible by the controlled water flows from the upstream dam.

While A.I.D. is not contributing to the actual construction of the dams, it is making a contribution to downstream planning through the proposed OMVS Integrated Development Project (IDP) (625-0621), a seven-year, \$62 million effort. This project is designed to enhance production and address institutional and policy constraints. The project's focus will be on the farmer, and increased productivity will be the criterion for success. It will promote farmer organization and training, multiple cropping patterns and reduction of costs by strengthening cooperatives, maximizing local decision-

## SAHEL REGIONAL PROGRAM

making authority, providing credit to farmers and local entrepreneurs and encouraging self-help actions. On the institutional side, the project will support concerted donor efforts to reduce the role and liberalize the approach of Regional Development Agencies in production management. The project will also strengthen OMVS and national capacities to produce feasibility level project studies and engage donors in their financing. To this end, this project will finance feasibility studies for up to 15,000 hectares of irrigated perimeters with the objective of obtaining by 1987, commitments from donors for execution of these projects. In terms of policy constraints IDP will assist OMVS initiate policy studies at the regional level where structures are already in place. Incentives to carry out reform will be discussed during negotiations of the national components of the project. The IDP proposes to pursue agricultural policy analysis and debate in the forum of the OMVS Interstate Committee for Agricultural Research and Development and to seek a consensus for action in the OMVS Consultative Committee.

The OMVS Agricultural Research Project (625-0957) for which \$2.7 million is programmed in FY 1983, seeks to strengthen the capacities of three existing research stations. Extensive field trials programs will be carried out by the stations with the help of extension agents and farmers. This, and access to worldwide applied research results, will provide the farmers of the basin with the technological package needed to improve their production performance.

The OMVS Groundwater Monitoring Project (625-0958) for which \$1.0 million is requested in FY 1983, is an essential element in safeguarding the considerable investment planned for the Senegal River Basin. It will establish within OMVS and its member states a system to define, analyze and monitor the regime of the Senegal River and the Basin's subterranean water resources. In addition, the project will address problems of water-logging and

soil salinity in existing and proposed irrigated farms, deterioration of water-quality in domestic and livestock wells etc.

The OMVS Manantali Resettlement Project (625-0955) for which \$2.5 million is requested in FY 1983, will finance the resettlement of 12,000 people displaced by construction of the Manantali Dam. Villagers inhabiting areas upstream will be relocated to new agriculturally productive areas that will permit resumption of the level of self-sufficient economic activity which they previously enjoyed.

The Gambia River Basin: The basic constraint to development of agriculture in the Gambia River basin is the dependence on erratic precipitation. Increased agricultural productivity is closely related to control and effective utilization of the Gambia River and its tributaries. The governments of The Gambia and Senegal have completed a major study which includes a strategy for the integrated development of the land, water and human resources of the Gambia River basin. The High Commission of the Organization for the Development of the Gambia River Basin (OMVG) is the coordinating body for the basin's development. Under the Gambia River Basin Project (625-0012), A.I.D. is financing a five-year, \$13.4 million effort to strengthen the High Commission's institutional capabilities; providing aerial photography and mapping of the entire basin; conducting a series of environmental impact studies centering on river control proposals, covering aquatic life, livestock, public health, wildlife and vegetation; conducting a socio-economic study, and providing technical assistance, training and logistical support. About 85% of the population of the Gambia River basin earns its livelihood directly from crop farming and animal husbandry.

Niger River Basin: Integrated development of the Niger River basin is the concern of nine West African states. The member states revitalized the Niger River Basin organization in 1980, and renamed it the Niger Basin

## SAHEL REGIONAL PROGRAM

Authority (NBA), to symbolize their current strong support. New basin development plans have been drafted and donor financing of over \$25 million has been pledged to implement these plans.

A.I.D. programmed in FY 1981 \$1 million for a one-year preliminary data collection effort by the Corps of Engineers for a river system analysis program under the Niger River Planning Project (625-0915). This led to a more comprehensive project in FY 1982, Niger River Planning, Phase II (625-0944) for a total cost of \$10.0 million to assist the Niger Basin Authority to develop a Niger Basin Development Plan by FY 1985. The end result will be the identification of production opportunities in the basin.

### Health and Population

Health is an A.I.D. concern in the Sahel not only because it is a fundamental measure of development (by which the Sahel ranks markedly low), but also because good health increases productivity.

Within the framework of the CILSS health strategy, the Regional Demographic Data Collection and Analysis Project (625-0927) programmed \$6.9 million over the period of FY 1980-1984, to assist the CILSS/Sahel Institute in Bamako develop methodology for collecting and analyzing data on infant and child mortality, compile health statistics and determine the population implications of development projects. Up to 20 sub-projects are being implemented in the eight Sahelian countries by the demographic and planning units of national institutions. A Socio-Economic Demographic Unit (SEDU) within the Sahel Institute was set up in 1977 to carry out this program. With the help of Family Health Care, Inc., and the Population Council, SEDU has conducted an assessment of existing demographic capabilities in the Sahel and has developed an operational strategy for promoting and implementing a Sahel-wide demographic program. The Sahel countries are funding personnel to implement the national

sub-projects. The United Nations Fund for Population Assistance (UNFPA) is contributing \$1.3 million for SEDU staff and demographic consultants. An evaluation completed in early 1983 determined that the objectives of the project are largely being accomplished on schedule. Further, the Sahel Institute has gained wide respect among the Sahelian countries as an effective coordinator of region-wide demographic activities and as a supplier of technical services to national statistics offices.

### Institutional Support

A.I.D. is supporting several regional institutions with overall coordination and planning responsibilities to formulate sector strategies and assist in the design of projects for the Sahel Development Program. The vehicle for this support is the Sahel Regional Aid Coordination and Planning Project (625-0911). Under this project, A.I.D. and other donors, are providing support to the Club du Sahel Secretariat in Paris which coordinates donor participation in the Sahel, to the CILSS in Ouagadougou which is the planning organization for the Sahelian states, to FAO Rome which provides technicians for project design and implementation, and to the Sahel Institute in Bamako, which is the research and documentation center.

### Human Resources

U.S. assistance in human resources is aimed at: (1) increasing the skills and management capabilities of rural producers in order to increase food production; and (2) encouraging higher level managerial and technical training directed at breaking bottlenecks to greater agricultural production. Appropriately trained manpower plays a fundamental role in the overall development of the economy of the Sahel. The goals of food self-sufficiency and sustained economic growth are dependent on the ability of Sahelians to furnish managers and planners to administer their economic activities as well as on their ability to absorb external assistance.

## SAHEL REGIONAL PROGRAM

The Sahel Manpower Development Project II (SMDP) (625-0960) for which \$10.0 million is programmed for 4 years is a necessary supplement to the discrete training provided under bilateral projects. The purpose of this regional training activity is to build the capacity of the Sahelians to effectively utilize innovative technical inputs and to reduce critical manpower constraints in key development sectors. Phase II will emphasize increased in-country and third country training instead of U.S. training.

The Sahel Regional Financial and Program Management Project (625-0950) authorized in FY 1982 as a 3 year \$5 million effort will continue to build upon A.I.D.'s FY 1982 pre-project efforts which brought host country systems of accounting for A.I.D. financed local cost up to acceptable levels of accountability. The project finances advisory/training teams which will be located in five Sahelian countries. These teams, working with host country institutions implementing A.I.D. financed projects will design appropriate accounting and financial management systems, develop and disseminate suitable training materials and methodologies, train cooperating country personnel in accounting and financial management practices, assist in installation and upgrading of accounting and financial management systems; and facilitate the utilization of accounting data for improved financial and program decision-making. This field-based financial management support effort is the focal point of A.I.D.'s larger efforts to improve both the accountability and the management of the Sahel Development Program.

The Planning, Management and Research Project (625-0929) provides funds needed by A.I.D. Missions and A.I.D. Washington to conduct preliminary studies and undertake the design of specific projects which make up country programs. While some of the design work is undertaken by the A.I.D. field staffs, specialists in the areas of forestry, river basin development, livestock, health, etc., are often hired for A.I.D. design activities. The FY 1983 request for this project is \$3.2 million.

The remaining projects in the regional category are: (1) the Special Self-Help Fund of \$600,000 which addresses small scale development projects at the community level identified by U.S. Ambassadors in the Sahel, and (2) the Human Rights Fund for Africa for which \$50,000 has been budgeted to promote seminars, training and local organizations which encourage better observance of civil and political rights. An amount of \$4.5 million has been programmed to establish the African Development Fund.

### Requested Year Program (FY 1984)

The \$30.0 million proposed for FY 1984 will provide incremental funding for continuing regional projects described above. No new activities are planned for FY 1984.

#### Agriculture

- \$6.2 million will be applied to food production and protection projects, including the Integrated Pest Management (\$2.5 million), Agricultural Research (\$2.0 million), Regional Food Crop Protection II (\$1.0 million) and Sahel Water Data Network (\$0.7 million).
- \$12.0 million will finance river basin development through the following projects: OMVS - Integrated Development (\$8.0 million), Niger River Basin II (\$1.0 million), Manantali Resettlement (\$2.0 million), and Groundwater Monitoring (\$1.0 million).
- To finance the continuation of the Demographic Data Project managed by the Sahel Institute (\$1.7 million).

#### Human Resources:

- \$3.2 million will provide for: the continuation of Sahel Manpower Development Project II (\$2.0 million), and fully fund the Regional Financial Management Project (\$1.2 million).

SAHEL REGIONAL PROGRAM

Institution Building/Research:

- \$6.9 million is proposed to continue institutional support, including the Regional Aid Coordination project (\$1.5 million), to conduct research and management studies through the Program Management and Research project (\$3.8 million), for support of Special Self-Help Projects (\$0.6 million), for Human Rights projects (\$50,000), and to provide first year funding for new Private Voluntary Organization Development projects (\$1.0 million).

AFRICA BUREAU OFFICE DIRECTOR  
SAHEL PROGRAM: Frederick E. Gilbert

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

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PROGRAM: SAHEL REG PROGRAM

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG ACTIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ACTIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ACTIONS	FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
CA LIVESTOCK AND MEAT MARKETING	G 625-0803	71	75	1,463	1,463	1,463	1,386	---	77	---	---
SAHEL WATER DATA NETWORK AND DEV	G 625-0917	76	80	2,290	2,290	2,290	1,732	---	558	---	---
TOTAL FOR ACCOUNT GRANTS				3,753	3,753	3,753	3,118	---	635	---	---
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
INVESTMENT AND CREDIT FACILITY	L 625-0715	73	73	15,495	15,495	15,495	14,851	---	644	---	---
NIGER RIVER BASIN DEV AND PLANNING	G 625-0915	76	80	1,411	1,411	1,411	242	---	600	---	569
TOTAL FOR ACCOUNT GRANTS				16,906	16,906	16,906	15,093	---	1,244	---	569
LOANS				1,411	1,411	1,411	242	---	600	---	569
				15,495	15,495	15,495	14,851	---	644	---	---
SAHEL DEVELOPMENT PROGRAM											
LCBC LIVESTOCK AND MIXED AGRICULTURE	G 625-0010	80	80	500	500	500	233	---	99	---	168
GAMBIA RIVER BASIN DEVELOPMENT	G 625-0012	81	85	13,400	13,400	9,512	1,311	---	4,000	---	3,000
OMVS DATA AND INSTITUTIONAL DEVELOPMENT	G 625-0620	76	81	4,432	4,432	4,432	3,905	---	527	---	---
OMVS INTEGRATED DEVELOPMENT	G 625-0621	83	89	---	62,000	---	---	7,500	2,000	8,000	5,000
SAHEL REG AID COORDINATION AND PLANNING	G 625-0911	78	C	---	---	8,386	5,207	1,800	1,500	1,500	1,400
NIGER RIVER BASIN DEV AND PLANNING	G 625-0915	77	81	1,900	1,900	500	---	---	500	---	---
SAHEL WATER DATA NETWORK AND DEV	G 625-0917	76	80	3,978	3,978	3,978	3,886	---	92	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



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

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PROGRAM: SAHEL REG PROGRAM

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
DEMOGRAPHIC DATA COLLECTION AND ANALYSIS	G 625-0927	80	85	6,932	6,932	2,625	954	1,400	2,000	1,691	1,500
REGIONAL FOOD CROP-IPM	G 625-0928	78	85	25,300	25,300	18,368	8,795	2,550	5,000	2,500	3,000
PLANNING, MANAGEMENT AND RESEARCH	G 625-0929	78	C	---	---	21,315	18,034	3,186	3,000	3,800	3,000
PRIVATE VOLUNTARY ORGANIZATION (SAHEL) (	G 625-0934	83	C	---	---	---	---	500	500	1,000	1,000
SAHEL MANPOWER DEVELOPMENT	G 625-0936	79	82	9,728	9,728	9,728	5,103	---	2,975	---	1,650
ACCELERATED IMPACT PROGRAMS (SAHEL)	G 625-0937	79	82	5,000	5,000	3,577	1,269	---	1,272	---	1,036
SAHEL WATER DATA NETWORK AND MANGT II	G 625-0940	82	86	7,000	7,000	3,529	6	---	1,500	675	1,500
ENVIRONMENTAL TRAINING AND MANAGEMENT	G 625-0942	80	C	---	---	310	200	---	110	---	---
NIGER RIVER BASIN DEVELOPMENT II	G 625-0944	82	86	10,000	10,000	6,714	---	---	2,500	1,000	3,000
REGIONAL FINANCIAL MANAGEMENT	G 625-0950	82	84	5,000	5,000	3,816	---	---	1,000	1,184	2,000
MANANTALI RESETTLEMENT	G 625-0955	83	87	---	10,000	---	---	2,500	500	2,000	2,500
OMVS AGRIC RESEARCH	G 625-0957	83	87	---	13,500	---	---	2,700	1,000	2,000	2,500
OMVS GROUNDWATER MONITORING	G 625-0958	83	86	---	4,000	---	---	1,000	500	1,000	1,000
AFRICAN DEVELOPMENT FOUNDATION	G 625-0959	83	83	---	4,500	---	---	4,500	500	---	1,000
SAHEL MANPOWER DEVELOPMENT II	G 625-0960	83	87	---	10,000	---	---	2,000	1,000	2,000	1,500
REGIONAL FOOD CROP PROTECTION II	G 625-0961	83	88	---	10,000	---	---	1,500	500	1,000	1,500
HUMAN RIGHTS FUND FOR AFRICA	G 625-9801	80	C	---	---	104	39	50	50	50	50
SPECIAL SELF-HELP DEV-SAHEL	G 625-9901	80	C	---	---	1,744	1,269	600	500	600	600

\* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: SAHEL REG PROGRAM

CP 84

PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82-		-ESTIMATED FY83-		-PROPOSED FY84-	
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR ACCOUNT			93,170	207,170	99,138	51,211	31,786	33,125	30,000	37,904
GRANTS			93,170	207,170	99,138	51,211	31,786	33,125	30,000	37,904
LOANS			---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY			113,829	227,829	119,797	69,422	31,786	35,004	30,000	38,473
GRANTS			98,334	212,334	104,302	54,571	31,786	34,360	30,000	38,473
LOANS			15,495	15,495	15,495	14,851	---	644	---	---

\* Refers to the planned project summary sheet

<sup>c</sup> Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

AFRICA

EAST AFRICA PROGRAM

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Djibouti

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: DJIBOUTI, DEMOCRATIC REPUBLIC OF

*BASIC DATA*				*FOREIGN TRADE*				
TOTAL POPULATION.. (THOUSANDS,MID 1982)	306			MAJOR EXPORTS... (1981)	HIDFS & SKIN	COFFEE		
PER CAPITA GNP..... (DOLLARS,1981)	480			EXPORTS TO U.S.				
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-76)	9.4%			(\$ MILLIONS, US. FOB)	N.A.			
AVERAGE ANNUAL RATE OF INFLATION	N.A.			AS % OF TOTAL EXPORTS	N.A.			
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	FOODSTUFFS	MACHINERY	TRANSPORT EQ	
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.				
(1973) TOTAL 50.0	MALE N.A.	FEMALE N.A.		(\$ MILLIONS, US. CIF)	N.A.			
				AS % OF TOTAL IMPORTS	N.A.			
ADULT LITERACY RATE (1978) TOTAL 14%	MALE N.A.	FEMALE N.A.		TRADE BALANCE(\$ MILLIONS. U.S.)(1973)	-48(74)	-99(75)	-130	
				MAIN TRADING PARTNERS:	N.A.			
				EXTERNAL PUBLIC DEBT AS % OF GNP	N.A.			
				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,				
				(\$ MILLIONS, U.S.).....			N.A.	
				AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO)....			N.A.	
				*SOCIAL DATA*				
				POPULATION GROWTH RATE...(1970)	7.8% (1975)	8.3% (1982)	4.0%	
				POPULATION IN URBAN AREAS.....		(1978)	71%	
				LIVE BIRTHS PER 1,000 POPULATION....(1970)	42	(1982)	49	
				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.			N.A.	
				POPULATION	IN AGE GROUP:			
					(0-14YRS) N.A.	(15-64YRS) N.A.	(65+ YRS) N.A.	
				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS			N.A.	
				PEOPLE PER PHYSICIAN..... (1977)	4,688			
				MAJOR CAUSES OF				
				DISEASE (1977)FLU & PNEUMONIA	ENTERIC DISEASE	PARASITIC DISEAS		
				DEATH..	N.A.			
				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS			N.A.	
				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY			N.A.	
				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGF GROUP:				
				PRIMARY.....	TOTAL	N.A.	MALE N.A.	FFEMALE N.A.
				SECONDARY.....	TOTAL	N.A.	MALE N.A.	FFEMALE N.A.
				POST SECONDARY..	TOTAL	N.A.	MALE N.A.	FFEMALE N.A.
				ENERGY PRODUCTION AS % OF CONSUMPTION.....			N.A.	

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

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	DJIBOUTI							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	-	1.1	1.7	1.9	5.3	10.0	-	10.0
Loans	-	-	-	-	-	-	-	-
Grants	-	1.1	1.7	1.9	5.3	10.0	-	10.0
<b>i. A.I.D. and Predecessor Agencies</b>	-	0.1	1.2	1.1	4.2	6.6	-	6.6
Loans	-	-	-	-	-	-	-	-
Grants	-	0.1	1.2	1.1	4.2	6.6	-	6.6
(Economic Support Fund)	-	-	-	-	2.0	2.0	-	-
<b>b. Food for Peace (PL 480)</b>	-	1.0	0.5	0.8	1.1	3.4	-	3.4
Loans	-	-	-	-	-	-	-	-
Grants	-	1.0	0.5	0.8	1.1	3.4	-	3.4
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	1.0	0.5	0.8	1.1	3.4	-	3.4
Emerg. Relief, Econ. Develop. & World Food Program	-	1.0	0.5	*	-	1.5	-	1.5
Voluntary Relief Agencies	-	-	-	0.8	1.1	1.9	-	1.9
<b>c. Other Economic Assistance</b>	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	-	1.1	1.7	1.9	5.3	10.0	-	10.0
Loans	-	-	-	-	-	-	-	-
Grants	-	1.1	1.7	1.9	5.3	10.0	-	10.0
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL .....	0.2	1.6	0.0	2.9
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	0.0	1.6	0.0	2.5
OTHER-UN	0.2	0.0	0.0	0.4
EEC	0.0	0.0	0.0	0.0

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

**1. D.A.C. COUNTRIES (Gross Disbursements<sup>(\*)</sup>)**

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	3.0	3.0	6.0
France	27.0	31.3	58.3
Germany	3.5	2.7	6.2
Other	0.6	1.2	1.8
<b>Total</b>	<b>34.1</b>	<b>38.2</b>	<b>72.3</b>

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

	CY 1980	CY 1981	CY 1976-81
	-	-	-

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	-
Eastern Europe	-	-	-
China	30	-	30
<b>Total</b>	<b>30</b>	<b>-</b>	<b>30</b>

DJIBOUTI

CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	2.0	2.0	3.0

CP 82-21(8-82)

**FY 84 PROGRAM HIGHLIGHTS**

- Assisting the GROD Fisheries Division and Fishing Cooperative to expand on successful artisanal fishing activities and to develop a commercial fishing activity (\$1 million).
- Commodity assistance complementing a multi-donor effort to upgrade the Port Authority at Djibouti (\$2 million).

Development Overview

The Republic of Djibouti attained its independence in 1977 after over a century of French colonial rule. The country comprises only 23,000 square kilometers (about the size of Massachusetts), with a total population estimated at 306,000. Two-thirds of this population lives in the city of Djibouti; the balance, primarily nomads, live in the countryside and in a few scattered towns and villages. In addition to the indigenous population, 25,000 - 30,000 foreigners live in Djibouti, including large French and Yemeni communities. Djibouti also has, by official count, over 30,000 refugees from neighboring countries.

The population is growing rapidly at a rate of 3.5-4.0% per annum. Life expectancy is 50, higher than in neighboring Ethiopia and Somalia but slightly below the average for middle-income African countries. Malnutrition is severe and the incidence of tuberculosis high. Per capita income levels are difficult to determine, but a 1980 economic study estimated that 8% of the population earns an average of \$4,000 annually; 45% average \$450; and the balance less than \$100. One-half

of the population is unemployed or underemployed.

The country's limited natural resources have prevented the development of any sizeable primary economic activity. It is estimated that no more than 50 hectares of the total land area of Djibouti are cultivated, these being irrigated plots near towns on which fruits and vegetables are grown. The country is dependent on somewhat saline subterranean aquifers for irrigation and consumption; there is no permanent surface water flow. Practically all food is imported. There is some artisanal fishing, but there is no local tradition of commercial fishing or seafaring. Nomadic herders raise cattle, sheep, and camels in the hinterlands. Manufacturing is limited to small-scale bottling, though there are plans to establish milk reconstitution and cement plants.

The country's money economy is service oriented and consists of three economic sub-units: the city of

DJIBOUTI

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans .....	--	--	--
Grants .....	940	2,417	3,120
Total AID .....	940	2,417	3,120
P.L. 480**			
Title I .....	--	--	--
(of which Title III is)	( -- )	( -- )	( -- )
Title II .....	1,722	1,473	1,138
Total P.L. 480 .....	1,722	1,473	1,138
Total AID and P.L. 480 .....	2,662	3,890	4,258

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel <sup>a</sup>			
Direct Hire <sup>b</sup> .....	2	2	2
PASA <sup>c</sup> .....	--	--	--
Contract .....	2	4	4
Total .....	4	6	6
Participants <sup>d</sup>			
Noncontract .....	2	5	5
Contract .....	--	--	2
Total .....	2	5	7

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (In 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat .....	--	--	--	--	--	--
Rice .....	--	--	--	--	--	--
Feedgrains .....	--	--	--	--	--	--
Vegoil .....	--	--	--	--	--	--
Non-food .....	--	--	--	--	--	--
Title I Total .....		--		--		--
(of which Title III is)		( -- )		( -- )		( -- )
Title II						
Voluntary Agencies .....		1,722		1,473		1,138
World Food Programs .....		--		--		--
Gov't-to-Gov't .....		--		--		--
Title II Total .....		1,722		1,473		1,138
Total P.L. 480 .....		1,722		1,473		1,138

Djibouti with its port, airport, railway terminal and government services; a French military base, the country's largest single source of economic and commercial activity; and the sparsely populated hinterland where access is difficult and which has little contact with the first two sub-units.

In 1979 the rural sector dominated the economy, providing 69% of the Gross Domestic Product (GDP). This included 23% from commerce, hotels, etc.; 7% from transport and communications; and 23% from public administration. In contrast, agriculture, livestock, fisheries and industry together accounted for only 17% of GDP. Goods and services provided directly or indirectly to the French military base accounted for almost a quarter of GDP.

Prior to independence, from 1970 to 1976, real GDP increased at an annual average rate of 6%, half the growth coming from the construction of roads, schools and other public buildings. The economy has fluctuated since 1976 for the following main reasons: (a) closing of the



## DJIBOUTI

railway (March 1977 to June 1978), which began a reduction in service activities that has persisted; (b) reduction in the number of French military personnel and recent effective reductions in their pay because of devaluation of the French franc; (c) lack of private investment, in part because of instability in the Horn of Africa; (d) the burden of refugees who represent 10% of the total population; (e) a two-year drought (1980-81) which set back the meagre agricultural activities that exist; and (f) uncertainties associated with the prospects for continued independence. Since 1976 capital formation has remained fairly low, 8% of GDP, while in the first half of the Seventies it accounted for over 20%.

In recent years there has been a moderate recovery in economic activity. The abatement of hostilities in the Ogaden since 1979 has permitted partial resumption of transit trade with Ethiopia. Growing private sector confidence appears to have provided the impetus for investment and growth, especially in the construction and commercial sectors. These developments, coupled with improved weather in 1981 and increased public-sector spending, have contributed toward an estimated average real GDP growth of about 3% per annum during 1980-81, compared to an average annual decline of -2.7% during 1978-79. However, population has increased at an even higher rate; as a result, real per capital GDP has declined since independence.

### Total Resources

The GROD projects a balanced budget for 1982 estimated at \$105 million, a 23% increase over 1981. Revenue is principally derived from direct and indirect taxes, amounting to 85% of the total budget. Major Government expenditures will be in the Ministries of Agriculture and Rural Development, Health, and Education.

Since independence, France has been the major source of assistance, providing grants and budgetary aid which

amount to \$200 million annually. The French economic aid program (\$18 million per annum) furnishes technical assistance geared toward curative health, formal education, telecommunications, and pilot irrigation schemes. Presently, budgetary aid takes the form of income taxes paid by French military and technical assistance personnel, consumption taxes on imports purchased by French expatriates, and French financing of Djibouti's armed forces.

From 1979 to 1983, ongoing and planned direct economic assistance is being or was provided by Saudi Arabia (\$130 million), the French Assistance Corporation (FAC) (\$84 million), Kuwait (\$60 million), the Arab Fund (\$40 million), EEC (\$18 million), Libya (\$12 million), and West Germany (\$10 million), with several other bilateral and multilateral donors providing lesser amounts. US assistance, including a large amount for support of refugees, was \$25 million for this period.

For the period 1978-80, the balance of payments was characterized by large trade deficits that were substantially offset by surpluses on services and transfers. The substantial imports and virtual nonexistence of domestic exports cause large trade deficits. Surpluses on services are attributable to the French military base and to receipts of the port, airport, and airline; and grants from donors, mainly France and Saudi Arabia, created the positive balance on transfers. Repeated net surpluses in the GROD budget have enabled the country to build up a foreign-exchange balance which, by the end of 1981, was equivalent to 5 months' worth of imports. Few foreign loans are outstanding; amortization payments are less than 1% of budgetary revenue. In 1981 there was a budget surplus of \$1 million (3% of the GDP). The 1982 budget provides for a substantial increase over 1981. Additional investment is provided for construction and city planning, but total capital expenditures are expected to be lower than in 1981.

Trained personnel needed to improve the administration of Djibouti are lacking at all levels. The weak public

## DJIBOUTI

administration hinders government decision-making; this results in difficulties in defining an appropriate economic development strategy and developing projects for outside financing. At the end of the 1980-81 school year, only 84 Djiboutians were enrolled in the highest grade of secondary education, and only 38 passed the graduate examination. At that time, 150 Djiboutians were enrolled in foreign universities.

### US Interests and Objectives

The Republic of Djibouti is faced with an array of social and economic problems, both external and internal. It is a small arid country, with few natural resources, bordered by two warring neighbors. Water is scarce and of poor quality. Weather is harsh. The small number of educated citizens and lack of institutions hinder efforts to develop the resources that do exist. The continued presence of some 30,000 registered refugees further strains the nation's limited capabilities.

United States interests in Djibouti are twofold and interrelated: (a) promoting economic and social development to enhance the wellbeing of its citizens, thereby (b) contributing to the stability of a nation in a strategic part of the world which is important to long-term US interests. The US seeks to encourage the Djiboutian government to maintain a non-aligned policy. Djibouti is a small outpost of relative stability in this turbulent region and is expected to continue its policy of allowing access to US Navy ships and aircraft deployed in the Indian Ocean.

### A.I.D. Assistance Strategy

The strategy of the US Mission is to provide economic and social assistance which is consistent with Djibouti's perceived needs and feasible for A.I.D. This has not been an easy task; the GROD lacks a rational development plan, qualified Djiboutian counterparts are few, the GROD is reluctant to contribute funding support to donor projects, baseline data is largely absent, donor coordination is weak, and colonial-era attitudes on the

appropriate form and substance of donor assistance sometimes differ from A.I.D. criteria.

Our assistance strategy in the short run will continue support of ongoing activities which show or promise progress, namely: (a) expansion of the artisanal fishing industry into commercial areas to capitalize on this, almost the only natural resource in Djibouti; (b) an adult education program in office skills as a means to meet Djibouti's need for qualified manpower in the service sector; (c) development of alternative energy technology to lessen Djibouti's dependence on fossil fuels; (d) participation, with other donors, in a master plan for upgrading the port's infrastructure so that it can more effectively compete for international transit trade and thus gain foreign exchange; and (e) addressing nutritional needs of refugees (until their repatriation) and poor nationals.

A.I.D. has not provided any funding under the Development Assistance account since 1981. The existing DA program consists of pipeline activities which will be phased out or changed to Economic Support Funding in future years.

### A.I.D. Program

#### Current Program (FYs 1982-83)

Agriculture, Rural Development and Nutrition: On the basis of an FAO assessment of Djibouti's productive sector, USAID initiated two projects in 1979: Water and Soil Analysis and Fisheries Development.

The Water Resources and Soils Analysis project (603-0001) will have achieved its objectives with submission of the contractor's final report in January 1983, though USDA's Soil Conservation Service will provide periodic consultancies under central funding through FY 1984. Under this project A.I.D. has fully equipped a laboratory which has the potential to serve regional needs. Evaluation by USDA found that the project has successfully developed within the Ministry of Agriculture institutional capability to collect, analyze and classify

## DJIBOUTI

ground and surface water and soils, develop recommendations on their use, and prepare soil and watershed maps in 1:25,000 and 1:100,000 scale. An A.I.D. trained Djiboutian soil scientist and a lab technician now have the capability to expand on the work already accomplished, and the GROD has officially recognized the laboratory and allocated a budget. This marks the first time that a donor-initiated activity has been effectively institutionalized in Djibouti.

The Fisheries Development project (603-0003) was designed to increase employment of fishermen and the production and marketing of fish, and thus to improve the diet of the population while reducing food imports. The project has moved ahead successfully, with formation of a cooperative; the number of participating fishermen is twice as great as originally anticipated. In FY 1981 the scope and budget of the project were expanded to include sub-activities in repair and construction of boats, oyster culturing, fish drying, and study of the feasibility of commercial fishing. In this project A.I.D. is cooperating with the International Fund for Agricultural Development, which is supplying technical and material assistance in developing retail fish outlets.

Education and Human Resources: The International Human Assistance Program (IHAP), a private voluntary organization (PVO), is implementing the Human Resources Development project (603-0006), which addresses the lack of skilled manpower. IHAP has constructed 600 square meters of classrooms at the Adult Vocational Education Facility, developed a two-year commercial skills training program for upwards of 200 students in typing, accounting, French and English, and general clerical and administrative skills. Two Djiboutians who received training in Tunisia have returned to assume their posts as instructors with the IHAP staff in this program; in 1983 two additional Djiboutians will return to fill teaching positions. A.I.D. will conduct an evaluation in 1984 to determine whether the program should be expanded to accommodate more students and/or other disciplines.

Economic Support Fund: To date, A.I.D. has provided \$4

million in ESF, all in support of the Energy Initiatives project (603-0013). A PVO, Volunteers in Technical Assistance (VITA), is implementing this five year project, which will assess the potential for development of solar and windpower units in Djibouti. The contractor is on site, making determinations of location and type of interventions required; on the basis of these determinations prototype installation and testing will follow. Concurrently, VITA will erect an energy development laboratory and office (incorporating energy-conserving architectural features) contiguous to the GROD's National Institute for Scientific Research. In the final year results will be assessed, feasibility of the tested prototypes recommended, and evaluation made as to what energy-conserving practices would have greatest effect in lessening dependence on fossil fuel imports.

In FY 1983 A.I.D. will provide an additional \$2 million in ESF. This will fund extension and provision of technical services under the existing Fisheries Development project and support Catholic Relief Services' (CRS) attempts to institutionalize Maternal-Child Health (MCH) centers within the Ministry of Health.

P.L. 480 Title II: To date A.I.D. has provided a total of \$6.3 million worth of PL 480 foods. Initially under a government to government program, responsibility was assumed by CRS in 1980. The feeding program now encompasses not only refugees (25,000) but also MCH, primary school, and Food-for-Work beneficiaries (23,000). Outreach funds, totalling \$1.6 million to date, have enabled CRS to meet logistical requirements in support of these programs.

Section 495(f) of the Foreign Assistance Act (Assistance to African Refugees): Over a three year period A.I.D. has provided a grant of \$1,390,000 to finance CRS efforts in Djibouti. In addition to PL 480 Title II sponsorship, the grant calls for CRS to (1) upgrade the GROD relief organization's capability to manage and execute food relief programs and (2) establish MCH nutrition feeding programs based upon growth-surveillance and intensive

DJIBOUTI

counselling methods. This program will terminate in 1983.

In Summary: A.I.D.'s FY 1982-83 program in Djibouti reflects our continuing strategy of:

- providing food relief to the refugees, and nutritional support to other vulnerable groups;
- assisting Djibouti to assess its productive resource potential (e.g., water, soil, sea and air);
- undertaking expanded activities, based upon assessments, that will enhance Djibouti's productive sector;
- providing assistance in the critical area of manpower development.

Requested Year Program (FY 1984):

Economic Support Fund: A.I.D. requests \$3 million. Of this, \$1 million will be devoted to a second phase Fisheries Development project, continuing the already successful intervention and pursuing new initiatives brought to light during the first phase. In another project, \$2 million will be used to provide material assistance at the Port of Djibouti, thus improving its capacity to compete for international transit trade.

A.I.D. AFFAIRS OFFICER: ELLSWORTH AMUNDSON

PROGRAM: DJIBOUTI

## PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Port Infrastructure Development		FUNDING SOURCE: ESF	AG. RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 603-0016		POPULATION:	ED. & HR:	SEL. ACT.:	FY 84	LIFE OF PROJECT FUNDING: 2,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To upgrade the Djibouti Port Authority's infrastructure as a means to attract increased transit trade and thereby enhance the country's foreign exchange earnings.

Project Description: A.I.D. proposes to cooperate in a multi-donor effort to address a Government master development plan for improvement of port infrastructure. A.I.D. will provide, on a grant basis, vessels (tugboat and pilot boat) which are critically needed to insure that ocean-going tankers and container vessels can safely navigate and berth at the port. The Port Authority will finance recruitment and training of the vessels' crews.

Relationship of Project to A.I.D. Country Strategy: Possessing one of the best natural deep-water ports in the region, Djibouti has for over a century been one of the major refuelling and transshipment points for vessels and cargo from Europe and South Asia. Before the Suez Canal was closed in 1967, the port serviced nearly 3,000 ships per year, primarily with fuel. This total declined rapidly thereafter. In the mid-70's traffic rose again in response to increasing Ethiopian transshipment traffic and concurrent congestion in other Red Sea/Persian Gulf ports. However, disruption of the railroad to Ethiopia, construction of new ports in the Red Sea region, and Djibouti's inability to finance modifications to allow the port to handle containerized cargo all adversely affected international traffic through the port. With the completion of extensive engineering and economic feasibility studies of Djibouti's prospective trade, the Government and other donors are proposing a comprehensive development effort that will address port, rail, and airport needs. USAID believes that upgrading the port to attract sea traffic is one of the key elements in insuring Djibouti's economic and national integrity. In addition, an improved port will enhance Free World access to and control of critical oil supply routes.

Host Country and Other Donors: West Germany, Kuwait, Saudi Arabia and France will provide assistance totalling \$21 million for the port over the next five years. This effort will fund pier extension, storage expansion and installation of container discharging facilities. At the same time the EEC will finance improvements to the Djibouti-Ethiopia railway, while the United Arab Emirates and the Arab Fund finance expansion of the airport terminal and arterial road network. These areas, as already noted, must be concurrently addressed in order to ensure the long-term success of port modernization.

Beneficiaries: Upgrading the port is the most crucial action in the effort to create economic and socio-political viability in Djibouti. While the entire population will benefit from U.S. investment in this sector, the most direct beneficiaries will be the private sector enterprises. These will have the opportunity to profit from increasing trade, with attendant positive implications for increased private undertakings and for employment within the economy.

TITLE Fisheries Development (Phase II)		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)			
NUMBER 603-0015 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 1,000	LIFE OF PROJECT FUNDING: 3,059	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To assist the Djiboutian Maritime Cooperative in the expansion of proven fish harvesting, handling/storing, and marketing activities as well as to upgrade institutional research capacity of the Fisheries Division of the Ministry of Agriculture.

Project Description: This project entails a continuation and expansion of technical and material assistance previously provided under project 603-0003. Under the previous project USAID will have attained its initial objectives, namely, increasing the harvesting capability of the fishermen of Djibouti through the provision of improved equipment (nets, lines, outboard motors); establishing a cooperative and a credit fund, and providing practical training in their use; creating adequate handling and storage facilities by the provision of ice machines, insulation boxes, and insulated trucks to distribute catches to the markets within the city and interior; increasing fish consumption by successful promotion efforts; and developing a local capacity to build and repair traditional fishing boats.

In the face of a demand which is expected to increase four-fold, Phase II will foster small-scale commercial fishing activities, namely, increased production using small trawlers and improved processing (drying, packaging) to support an international marketing program. Specific emphasis will be given to catching and processing shark for export.

Relationship of Project to A.I.D. Country Strategy: The Fisheries subsector has the greatest potential of all Djibouti's productive sector. Phase II is intended to provide assistance for institution building and to increase the availability of fish as a supplementary food source, improving the Djiboutians' protein-deficient diet. Thus this project will meet the basic needs of the people and economy through

improved diet, increased employment, and import substitution, thereby contributing to the development of the country and to its continued stability.

Host Country and Other Donors: The GROD will budget and staff for adequate personnel, especially in the area of equipment maintenance and fish promotion. The French Assistance Corporation (FAC) will provide a technical advisor and IFAD will provide costs for a modern vessel to be used in exploration and transport of fish, funds for expansion of retail outlets, and training of fishermen in repair and maintenance of equipment.

Beneficiaries: This project's primary goal is to provide additional protein for a population that experiences widespread malnutrition. Additional employment will be provided for approximately 100-200 families who will gain the opportunity to enter the field of fishery. The major impact, however, will be the increased availability of fish, offering an estimated 20,000 more families access to a low-cost, nutritious food source. The LOP cost to A.I.D. per person benefitted is approximately \$30.

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

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02/10/83

PROGRAM: DJIBOUTI

CP 84

PROJECT TITLE	L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY32- OBLIG ATIONS	FY32- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
FISHERIES DEVELOPMENT I	G 603-0003	79	81	978	978	978	761	---	217	---	---
TOTAL FOR ACCOUNT				978	978	978	761	---	217	---	---
GRANTS				978	978	978	761	---	217	---	---
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
HUMAN RESOURCES DEVELOPMENT-PHASE I (PVO)	G 603-0006	80	81	2,800	2,800	2,800	601	---	350	---	350
TOTAL FOR ACCOUNT				2,800	2,800	2,800	601	---	350	---	350
GRANTS				2,800	2,800	2,800	601	---	350	---	350
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
FISHERIES DEVELOPMENT I	G 603-0003	83	83	---	1,000	---	---	1,000	600	---	400
ENERGY INITIATIVES	G 603-0013	81	82	4,000	4,000	4,000	36	---	900	---	1,500
NUTRITION OUTREACH (PVO)	G 603-0014	83	83	---	1,000	---	---	1,000	350	---	350
FISHERIES DEVELOPMENT PHASE II	G 603-0015	84	85	---	3,059	---	---	---	---	1,000	320
PORT INFRASTRUCTURE DEVELOPMENT	* G 603-0016	84	84	---	2,000	---	---	---	---	2,000	200
TOTAL FOR ACCOUNT				4,000	11,059	4,000	36	2,000	1,850	3,000	2,770
GRANTS				4,000	11,059	4,000	36	2,000	1,850	3,000	2,770
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				7,778	14,837	7,778	1,398	2,000	2,417	3,000	3,120
GRANTS				7,778	14,837	7,778	1,398	2,000	2,417	3,000	3,120
LOANS				---	---	---	---	---	---	---	---

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\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Fisheries Development (Phase II)		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 1,000	LIFE OF PROJECT FUNDING: 3,059	
NUMBER 603-0015 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 85	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To assist the Djiboutian Maritime Cooperative in the expansion of proven fish harvesting, handling/storing, and marketing activities as well as to upgrade institutional research capacity of the Fisheries Division of the Ministry of Agriculture.

Project Description: This project entails a continuation and expansion of technical and material assistance previously provided under project 603-0003. Under the previous project USAID will have attained its initial objectives, namely, increasing the harvesting capability of the fishermen of Djibouti through the provision of improved equipment (nets, lines, outboard motors); establishing a cooperative and a credit fund, and providing practical training in their use; creating adequate handling and storage facilities by the provision of ice machines, insulation boxes, and insulated trucks to distribute catches to the markets within the city and interior; increasing fish consumption by successful promotion efforts; and developing a local capacity to build and repair traditional fishing boats.

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Relationship of Project to A.I.D. Country Strategy: The Fisheries subsector has the greatest potential of all Djibouti's productive sector. Phase II is intended to provide assistance for institution building and to increase the availability of fish as a supplementary food source, improving the Djiboutians' protein-deficient diet. Thus this project will meet the basic needs of the people and economy through

improved diet, increased employment, and import substitution, thereby contributing to the development of the country and to its continued stability.

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Beneficiaries: This project's primary goal is to provide additional protein for a population that experiences widespread malnutrition. Additional employment will be provided for approximately 100-200 families who will gain the opportunity to enter the field of fishery. The major impact, however, will be the increased availability of fish, offering an estimated 20,000 more families access to a low-cost, nutritious food source. The LOP cost to A.I.D. per person benefitted is approximately \$30.



## PLANNED PROGRAM SUMMARY SHEET

TITLE Port Infrastructure Development		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 603-0016		POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 2,000	LIFE OF PROJECT FUNDING: 2,000	ESTIMATED COMPLETION DATE OF PROJECT FY 87
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	

Purpose: To upgrade the Djibouti Port Authority's infrastructure as a means to attract increased transit trade and thereby enhance the country's foreign exchange earnings.

Project Description: A.I.D. proposes to cooperate in a multi-donor effort to address a Government master development plan for improvement of port infrastructure. A.I.D. will provide, on a grant basis, vessels (tugboat and pilot boat) which are critically needed to insure that ocean-going tankers and container vessels can safely navigate and berth at the port. The Port Authority will finance recruitment and training of the vessels' crews.

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Host Country and Other Donors: West Germany, Kuwait, Saudi Arabia and France will provide assistance totalling \$21 million for the port over the next five years. This effort will fund pier extension, storage expansion and installation of container discharging facilities. At the same time the EEC will finance improvements to the Djibouti-Ethiopia railway, while the United Arab Emirates and the Arab Fund finance expansion of the airport terminal and arterial road network. These areas, as already noted, must be concurrently addressed in order to ensure the long-term success of port modernization.

Beneficiaries: Upgrading the port is the most crucial action in the effort to create economic and socio-political viability in Djibouti. While the entire population will benefit from U.S. investment in this sector, the most direct beneficiaries will be the private sector enterprises. These will have the opportunity to profit from increasing trade, with attendant positive implications for increased private undertakings and for employment within the economy.

Kenya

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: KENYA

*BASIC DATA*					*FOREIGN TRADE*				
TOTAL POPULATION.. (THOUSANDS, MID 1982) 17.832					MAJOR EXPORTS... (1981) COFFEE TEA LIVESTOCK				
PER CAPITA GNP..... (DOLLARS, 1981) 430					EXPORTS TO U.S.				
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 2.7%					(\$ MILLIONS, US. FOB) (1979) 45 (1980) 46 (1981) 20				
AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.5% (1970-80) 11.0%					AS % OF TOTAL EXPORTS (1979) 4% (1980) 3% (1981) 2%				
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1974) 2.6%					MAJOR IMPORTS... (1981) MACHINERY TRANSPORT FQ PETROLEUM				
LIFE EXPECTANCY AT BIRTH, IN YEARS					IMPORTS FROM U.S.				
(1981) TOTAL 55.5 MALE 53.6 FEMALE 57.5					(\$ MILLIONS, US. CIF) (1979) 93 (1980) 153 (1981) 99				
(1968) TOTAL 47.5 MALE 45.9 FEMALE 49.1					AS % OF TOTAL IMPORTS (1979) 6% (1980) 7% (1981) 5%				
ADULT LITERACY RATE (1980) TOTAL 50% MALE 64% FEMALE 35%					TRADE BALANCE(\$ MILLIONS, U.S.) (1979) -555(80) -943(81) -877				
(1962) TOTAL 20% MALE 30% FEMALE 10%					MAIN TRADING PARTNERS: UNITED KINGDOM GERMANY, FRD SAUDI ARABIA				
*AGRICULTURE*					EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 25.5%				
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE					SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.				
(1970-1981) 0.9%					(\$ MILLIONS, U.S.)..... (1980) 179				
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 34%					AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO).... (1980) 8.8%				
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 769					*SOCIAL DATA*				
MAJOR CROP(S) ARABLE LAND YEAR					POPULATION GROWTH RATE... (1970) 3.3% (1975) 3.7% (1982) 4.1%				
SUBSISTENCE: CORN CATTLE PULSES 77% (1981)					POPULATION IN URBAN AREAS..... (1969) 8% (1979) 12%				
CASH: COFFEE TEA BEEF & VEAL 9% (1981)					LIVE BIRTHS PER 1,000 POPULATION.... (1970) 50 (1982) 54				
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE TEA FRUIT					MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1978) 7%				
MAJOR AGRICULTURAL IMPORTS:(1981) CORN PALM OIL WHEAT					POPULATION (1981) IN AGE GROUP:				
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 78%					(0-14YRS) 50.2% (15-64YRS) 47.4% (65+ YRS) 2.4%				
*CENTRAL GOVERNMENT FINANCES*					INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 92				
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)					PEOPLE PER PHYSICIAN..... (1978) 11,690				
(1978) 1,272 (79) 1,344 (80) 1,602					MAJOR CAUSES OF				
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)					DISEASE (1978) DYSENTERY SCHISTOSOMIASIS MENINGITIS				
(1978) 1,559 (79) 1,823 (80) 2,033					DEATH.. (1978) TETANUS DYSENTERY MENINGITIS				
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)					PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 96%				
(1978) -287 (79) -479 (80) -431					POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 17%				
DEFENSE EXPENDITURES,					TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:				
AS % OF TOTAL EXPENDITURES.. (1978) 13.7% (79) 15.6% (80) 12.9%					PRIMARY..... (1977) TOTAL 95.0% MALE 101.0% FEMALE 89.0%				
AS % OF GNP..... (1978) 4.0% (79) 4.8% (80) 3.8%					SECONDARY..... (1978) TOTAL 18.0% MALE 22.0% FEMALE 14.0%				
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,					POST SECONDARY.. (1976) TOTAL .8% MALE 1.9% FEMALE .3%				
(\$ MILLIONS, U.S.) (1979) 637 (80) 501 (81) 250					ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 7%				
EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1981)									

**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 KENYA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
	1977	1978	1979	1980	1981			
<b>I. ECONOMIC ASSISTANCE — TOTAL</b>	34.1	33.7	41.7	34.5	48.8	333.8	18.7	315.1
Loans	24.0	20.2	3.4	18.1	22.8	139.2	18.7	120.5
Grants	10.1	13.5	18.3	16.4	26.0	194.6	-	194.6
<b>a. A.I.D. and Predecessor Agencies</b>	24.9	30.2	18.9	31.8	20.3	213.2	5.6	207.6
Loans	24.0	20.2	3.4	-	7.8	95.2	5.6	89.6
Grants	0.9	10.0	15.5	31.8	12.5	118.0	-	118.0
(Economic Support Fund)	-	-	-	14.5	5.5	20.0	-	-
<b>b. Food for Peace (PL 480)</b>	1.2	0.8	1.2	19.3	25.4	85.0	13.1	71.9
Loans	-	-	-	16.1	15.0	44.0	13.1	30.9
Grants	1.2	0.8	1.2	3.2	10.4	41.0	-	41.0
Title I - Total Sales Agreements	-	-	-	16.1	15.0	44.0	13.1	30.9
Repayable in U.S. Dollars - Loans	-	-	-	16.1	15.0	44.0	13.1	30.9
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	1.2	0.8	1.2	3.2	10.4	41.0	-	41.0
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	2.9	15.9	-	15.9
Voluntary Relief Agencies	1.2	0.8	1.2	3.2	7.5	25.1	-	25.1
<b>c. Other Economic Assistance</b>	2.7	2.7	3.0	3.4	3.1	35.6	-	35.6
Loans	-	-	-	-	-	-	-	-
Grants	2.7	2.7	3.0	3.4	3.1	35.6	-	35.6
Peace Corps	2.7	2.7	3.0	3.4	3.1	35.6	-	35.6
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE — TOTAL</b>	15.2	27.4	10.4	20.5	8.5	116.3	40.5	75.8
Credits or Loans	15.0	27.0	10.0	20.0	8.0	113.0	40.5	72.5
Grants	0.2	0.4	0.4	0.5	0.5	3.3	-	3.3
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	15.0	27.0	10.0	20.0	8.0	113.0	40.5	72.5
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	0.2	0.4	0.4	0.5	0.5	3.3	-	3.3
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	49.3	61.1	52.1	75.0	57.3	450.1	59.2	390.9
Loans	39.0	47.2	13.4	38.1	28.8	252.2	59.2	193.0
Grants	10.3	13.9	18.7	36.9	28.5	197.9	-	197.9
<b>Other U.S. Government Loans and Grants</b>	1.0	0.1	-	-	0.3	19.2	16.7	2.2
<b>e. Export-Import Bank Loans</b>	1.0	0.1	-	-	-	18.9	16.7	2.2
<b>b. All Other Loans</b>	-	-	-	-	0.3	0.3	*	*

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	200.6	121.3	160.9	1627.6
IBRD	70.0	83.0	131.1	970.8
IFC	1.4	10.0	9.5	61.0
IDA	122.0	0.0	0.0	408.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AIDB	0.0	9.0	13.8	57.1
UNDP	2.2	4.8	0.0	54.2
OTHER-UN	0.0	7.0	0.0	17.2
EEC	5.0	7.5	6.5	58.9

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

1. D.A.C. COUNTRIES (Gross Disbursements)			
Donor	CY 1980	CY 1981	CY 1977-81
U.S.	40.0	78.0	160.0
U.K.	49.3	74.6	251.3
Germany	35.7	42.2	207.7
Sweden	28.4	14.5	129.0
Netherlands	47.9	38.2	152.2
Total			

2. O.P.E.C. COUNTRIES (Gross Disbursements)			
	CY 1980	CY 1981	CY 1976-81
	1.3	-	1.3

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	50
Eastern Europe	-	-	-
China	45	-	65
Total	45	-	115

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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	4,630	-	-	4,630	-	-	-	-
Grants ....	34,282	13,000	4,000	4,893	-	1,675	10,714	-
Total ....	38,912	13,000	4,000	9,523	-	1,675	10,714	-
1983								
Loans ....	9,600	9,600	-	-	-	-	-	-
Grants ....	50,674	15,674	4,500	500	-	-	30,000	-
Total ....	60,274	25,274	4,500	500	-	-	30,000	-
1984								
Loans ....	6,200	6,200	-	-	-	-	-	-
Grants ....	73,800	29,800	2,000	-	-	-	42,000	-
Total ....	80,000	36,000	2,000	-	-	-	42,000	-

Development Overview

Kenya has achieved substantial progress in its nineteen years of independence by generally pursuing pragmatic development policies and maintaining a comparatively open, stable political system. Now economic growth has slowed and political instability has appeared. In many ways, the development problems Kenya faces today stem from its previous successes. Kenya's high population growth rate reflects dramatic decreases in adult and infant mortality resulting from investment in health, education, and other social services. Kenya's policy of providing such services using high cost conventional methods, however, has resulted in uneven coverage and has put severe strain on the Government's ability to fund recurrent costs. Kenya's successful policy of redistributing land after independence led to large initial increases in output and productivity. Population growth and the breakup of large landholdings, however, have combined to increase the number of small farms and to challenge the ability of ag-

**FY 84 PROGRAM HIGHLIGHTS**

One major new project is planned:

- to improve managerial and technical competence within the Kenyan public and private agricultural sector--\$18 million. Support will continue for Kenya's efforts to restructure its economy and provide inducements to the private sector to improve agricultural productivity.
  - Balance of payments support--\$42 million.
  - Financing for agricultural enterprises--\$18 million.
- \$2 million will also be provided to support continuation of ongoing family planning activities.

ricultural support systems to supply the appropriate technologies and inputs required to increase farm productivity. Kenya faces development problems of increasing difficulty which will require difficult policy decisions and continued external assistance if past stability and progress are to be sustained.

Factors which have limited Kenya's development include a relatively recent independence, poor natural resource endowment, instability in external markets, and uneconomic use of resources due to problems of public policy. Only 18% of Kenya's land has high or medium agricultural potential, and its exploitation for commercial farming began only in the twentieth century after opening of the country's interior to rail traffic. More than 77% of Kenya's land is arid, and another 9% semi-arid. Kenya is also poorly endowed with other natural resources. Mining and quarrying in 1981 accounted for less than 0.2% of GDP.

Of Kenya's available resources, labor is the most abun-

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RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-08 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	8,557	12,133	22,043
Grants .....	18,876	65,651	73,360
<b>Total AID .....</b>	<b>27,433</b>	<b>77,784</b>	<b>95,403</b>
<b>P.L. 480**</b>			
Title I .....	15,000	15,000	5,000
(of which Title III is)	( - )	( - )	( - )
Title II .....	3,100	3,507	4,032
<b>Total P.L. 480 .....</b>	<b>18,100</b>	<b>18,507</b>	<b>9,032</b>
<b>Total AID and P.L. 480 .....</b>	<b>45,766</b>	<b>96,291</b>	<b>104,435</b>

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

P.L. 480 Program Summary (in MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	70,000	10,600	71,000	10,900	5,800	1,000
Rice .....	15,000	4,400	15,000	4,100	12,100	4,000
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>	<b>70,000</b>	<b>15,000</b>	<b>71,000</b>	<b>15,000</b>	<b>5,800</b>	<b>5,000</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies .....	-	3,100	-	2,866	-	3,055
World Food Programs .....	-	-	-	641	-	977
Gov't-to-Gov't .....	-	-	-	-	-	-
<b>Title II Total .....</b>	<b>-</b>	<b>3,100</b>	<b>-</b>	<b>3,507</b>	<b>-</b>	<b>4,032</b>
<b>Total P.L. 480 .....</b>	<b>70,000</b>	<b>18,100</b>	<b>71,000</b>	<b>18,507</b>	<b>5,800</b>	<b>9,032</b>

PERSONNEL/PARTICIPANTS DATA			
Category	CP 84-17 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	23	26	25
PASA <sup>c</sup> .....	7	7	-
Contract .....	9	6	3
<b>Total .....</b>	<b>39</b>	<b>39</b>	<b>28</b>
<b>Participants<sup>d</sup></b>			
Noncontract .....	127	21	22
Contract .....	20	96	190
<b>Total .....</b>	<b>147</b>	<b>117</b>	<b>212</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

dant and its efficient utilization the most problematical. Kenya's population is growing at a rate of approximately 4.1% per year. Between 1983 and 2000, the labor force will more than double to a total of 15.7 million. If the growth rate of modern sector employment rises above its recent trend of 4.7% to as much as 6%, modern sector employment will only rise from 1.4 million in 1983 to 3.9 million by 2000. Some 11.8 million persons will still be left to find employment elsewhere, primarily in rural areas.

Capital formation, which accounted for one-quarter of total GDP during the last decade, was two-thirds financed from domestic savings. Controlled interest rates and weak financial legislation, however, have inhibited higher rates of capital formation. Moreover, investment required per job has been far too high to guarantee full employment. Since independence, Kenya has fostered the growth of manufacturing primarily by means of a policy of import substitution based on quantitative trade and foreign exchange restrictions. Relatively capital-intensive manufacturing was encouraged and protected, and the industrial sector has come to depend heavily on imported

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inputs. Manufactured exports have fallen by a third over the last decade due in part to high costs. The 1977 closing of the Tanzanian border as a consequence of the collapse of the East Africa Community resulted in a major market loss for Kenya. Exports to Tanzania fell from 10% of total exports to 1% in 1980. The Ugandan market similarly dropped from 10% of total exports in 1976 to 1% in 1979, though it has increased at least temporarily to 13% in 1980 due to improved relations as a result of the departure of former President Amin.

Kenya is faced with a serious medium-term balance of payments problem. External factors contributing to the problem include a decline by one-third in external terms of trade over the last decade and a decrease in the purchasing power of exports by one-quarter. Periodic restrictions applied since 1979 to control balance of payment deficits have resulted in reduced utilization of industrial capacity, slower growth, and shortfalls in government revenues.

Faced with such difficulties, Kenya has undertaken a series of policy changes which will increase the country's ability to earn foreign exchange while improving the prospects for long-term growth. In keeping with IMF recommendations, the currency was devalued against the Special Drawing Rights SDR in February and September, 1981, for a cumulative adjustment of 23.7%. Since 1980 various import bans have been replaced by a more liberal and uniform tariff system. In November 1981 the system of foreign exchange licenses was simplified; 80% of imports are now free of item-specific quotas. Structural adjustment has been slower than some have expected, however, and implementation of trade liberalization has been hampered by lack of required foreign exchange as serious balance of payments deficits continue.

Recent policy reforms extend beyond the external sector. The Government is making more active use of interest rates to encourage domestic savings and capital formation and to allocate credit more efficiently. Major deposit rates were increased from 5-10% between June 1980 and September 1981, and lending rates from 10-14%. Unless

inflation subsides, additional increases will be required. With regard to the budget, forward planning is being improved and project evaluation and implementation are gradually being strengthened with help from the IMF and the World Bank. Political pressures to expand services, and technical and managerial problems, have made progress difficult in this key area, however. In 1982, Kenya was unable to fulfill its intention to limit domestic borrowing to cover Government deficits. Continued strictures on expenditures and limitations of Government participation in industrial enterprises will be required in 1983.

Problems in the key agricultural sector were addressed in the National Food Policy paper published by the GOK in early 1981. Since then the Government of Kenya has introduced large increases in producer prices and in conjunction with favorable weather the food situation has turned from deficit to surplus. The World Bank, USAID, and other donors are currently providing foreign exchange and supporting necessary policy studies and actions relating to agricultural pricing, marketing, storage, land use, credit, and financial planning and management.

In the medium term, Kenya's most promising avenues for development lie in the expansion of agricultural production and exports, and in the processing of agricultural output. The promotion of labor intensive manufacturing, especially in agribusiness, will be particularly important to Kenya's development. Furthermore, investment in human resources (e.g., nutrition, education, housing, health) are needed to improve the quality of the labor force and increase Kenya's competitiveness in international markets and its ability to modernize the agricultural sector.

### Total Resources

Under the 1979-83 Development Plan, Kenya's Gross Domestic Product was to have grown at an annual rate of 6.3%. In light of current economic realities, current growth estimates have been revised downward to 4.3% per year. Moreover, given the decline in the terms of trade, the

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growth rate of total resources over the period will average only 2.2% in real terms, well below the 4.1% rate of population increase. On the average, people will be less well off in Kenya in 1983 than in 1978.

The Government intends to hold its share of GDP below the 1981/82 level of 33%, and to reduce its deficit from 11% of total revenue in 1981/82 to 4% in FY 1982/83. Both efforts will be difficult. The budget for 1982/83 calls for development outlays totaling some \$673 million, equivalent to 27% of total expenditures. Estimated external aid levels of \$341 million in concessionary loans and \$117 million in grant assistance will together finance approximately two-thirds of development costs. Major donors include the World Bank, the United States, Great Britain, Germany, Japan, the Netherlands, Sweden, Denmark, and a number of other primarily European donors. External assistance in the past has been concentrated in agriculture, transport, communications, water, energy, and education. Kenya's structural adjustment program has received substantial support through balance of payments assistance provided by the International Monetary Fund, the World Bank, A.I.D. and other donors.

### U.S. Interests and Objectives

U.S. interests in Kenya's stable, Western-oriented economy and government are economic, political, strategic and humanitarian. An overall per capita GDP of \$393 in 1981 masks an even lower standard of living in rural areas where over four-fifths of the population lives. Kenya's relatively democratic system is important to the United States as a development model within an open economic and social system. Kenya's comparatively free market economy and liberal attitude toward foreign investment have made it an attractive location for U.S. businesses. More than 200 U.S. firms have offices in Kenya, and U.S. private investment exceeds \$315 million.

U.S. strategic interests in Kenya are related to the support Kenya provides for U.S. international positions and policies, reflected in part by Kenyan willingness to provide access to U.S. military ships and aircraft operating

in the Indian Ocean. Kenyan ports are the best now available to the United States along the Indian Ocean coast line. U.S. objectives are to support economic development in Kenya as the basis for continued progress in political, social and related areas of national life.

### A.I.D. Assistance Strategy

A.I.D. strategy is conditioned by Kenya's current severe balance of payments difficulties and by serious limitations on the Government's ability to finance recurrent costs and to implement development projects fully. The United States therefore emphasizes new approaches involving program assistance and policy dialogue with Government and increased reliance on the private sector, non-government organizations, and local community self-help efforts.

Program assistance has channeled short-term budget support to Government in a way designed to permit fuller funding of selected high priority development activities and to avoid the recurrent cost burden of new project starts. The use of program assistance has increased the opportunity for policy dialogue, or supported policy implementation, particularly with regard to those changes required to increase incentives for investment and production: increased interest rates, export incentives, currency devaluation, freer grain marketing, increased producer prices, and improved pricing and marketing of fertilizer supplies.

The United States has been one of the major bilateral donors supporting the development and implementation of the Kenyan Government's family planning policy. The United States is similarly supporting policy analysis, and discrete projects, to demonstrate low-cost techniques and the feasibility of cost-sharing by beneficiaries in a number of important areas including rural roads, renewable energy, on-farm grain storage, housing, and community health.

U.S. policy dialogue, program assistance and projects are directed ultimately to three objectives: (a) increased



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rural production, employment and income; (b) reduced population growth; and (c) efficient delivery of basic social services. A.I.D.'s emphasis on increased rural production is designed to improve the balance of payments deficit by reducing food imports and increasing exports, and to directly expand the private sector tax base and reduce the Government deficit. The program concentrates on expanding small farmer production in two geographic areas: the high and medium potential lands of western Kenya, and the important but ecologically fragile semi-arid lands as exemplified by Kitui District. The objective of reducing population growth will ultimately reduce the pressure on recurrent cost expenditures, but more efficient methods of delivering basic services particularly through the private sector must also be demonstrated now.

### A.I.D. Program (FYs 1982-1983)

#### Current Status:

To help Kenya increase small farmer productivity, A.I.D. supports policy changes required to provide access to agricultural inputs and markets. Many of Kenya's agricultural marketing and pricing policies, and the country's policy of industrial protection, have discriminated against the rural sector. Kenya's new program of structural adjustment and trade liberalization, which addresses this imbalance, will be difficult to implement because of foreign exchange shortages. The United States has responded to Kenya's balance of payments problems by supporting structural adjustment measures with Economic Support Funds and Development Assistance totaling \$35.1 million during Fiscal Years 1980-82. The ESF program reversed the Kenya Government's de facto policy of limiting fertilizer imports for balance of payments reasons, substantially increased maize output, and reduced food imports. The program is now expanding the role of commercial banks and the private sector in determining fertilizer requirements, and in financing and distributing fertilizer supplies. The P.L. 480 program provides added balance of payments support by helping to finance wheat and rice imports and provides some additional leverage for self-help policy measures including recent agricul-

tural price reforms.

The Agricultural Systems Support Project (615-0169) provides technical assistance to major implementing institutions supporting agricultural production such as the Ministries of Agriculture, Livestock Development, and Cooperative Development, as well as the Agricultural Finance Corporation. The project helps develop agricultural training and research institutions and finances general and specialized agricultural training in the United States. It is also helping to expand the enrollment capacity of Egerton Agricultural College from 690 to 1,630. A mid-term evaluation has supported the underlying rationale for this project which is to strengthen institutions that assist small landholders and pastoralists.

Market outlets and the delivery of extension services and farm inputs are greatly improved through rural access roads. A.I.D. was the first donor in Kenya to demonstrate the viability of low-cost labor intensive construction techniques under Rural Roads Systems (615-0168). A recent evaluation of this project found participatory selection and labor-intensive construction and maintenance to be "encouragingly successful." More than 550 Kilometers of such low-cost roads have been constructed in Western Kenya, and an additional 500 kilometers of roads have been upgraded under A.I.D.'s rural roads program. Other major donors in the transportation sector have now adopted the labor-intensive methods first demonstrated by A.I.D.

On-Farm Grain Storage (615-0190) is designed to help smallholders in western Kenya reduce post-harvest losses, currently as high as 30% of production, by expanding private sector storage and demonstrating low-cost grain drying and pest control techniques. Renewable Energy (615-0205) is assisting Kenya to establish national energy policies and develop renewable energy resources, especially fuelwood, which will provide smallholders with fuel while preserving the productive capacity of their land. Rural Planning II (615-0189) is helping to implement the Kenya Government's policy decision to decentralize and to involve citizens at the District level in the

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project planning and implementation process.

The arid and semi-arid lands (ASALs) pose unique policy questions that call for special solutions. A.I.D. is addressing the problems of the ASALs through research in suitable crops and farm technologies, trials, and demonstrations. Egerton College facilities expansion and staff upgrading are well underway. The potential carrying capacity of the land needs to be determined as well as optimum appropriate-technology packages if production in these areas is to be maximized. The Arid and Semi-Arid Lands (615-0172) and the Drylands Cropping (615-0180) projects address these problems.

The Population Studies and Research Institute, founded with A.I.D. support, has supplied analysis required to properly formulate population policy and supports GOK efforts to inform public and private sector opinion on the population issue. In 1982 the GOK initiated a major Integrated Rural Health and Family Planning Project principally funded by the World Bank. A.I.D.'s Family Planning II Project (615-0193) will stimulate family planning demand and train paramedicals in delivery of family planning services as part of this multi-donor undertaking to implement the government's family planning policy. In addition, A.I.D. provides small grants to private organizations to fund a wide range of family planning projects designed to demonstrate to policy makers that non-government intermediaries can provide needed services in both rural and urban areas.

A.I.D. projects for more efficient delivery of social services aim to reduce the burden on the Central Government and its recurrent budget. They promote lower cost delivery systems and greater involvement of the private sector and local communities.

Kenya's 9% urban growth rate has resulted in an acute shortage of low-cost shelter and community facilities. The main objective of A.I.D.'s housing program is to strengthen the capacity of Kenya's housing agencies, private sector and local authorities to plan, finance, implement and manage integrated programs which provide

shelter, community facilities, and employment for low-income households in Nairobi and eleven small towns while minimizing the recurrent cost burden on the government.

Many of Kenya's existing health programs are expensive, curative in orientation and highly centralized; moreover they reach only a limited population. A.I.D. projects support a policy drive to develop a low-cost, prevention oriented, decentralized health system with extensive coverage. The process will be difficult, requiring both close coordination with other donors and significant changes of attitude among Kenyan health officials. The United States is currently funding a Health Planning and Information Project (615-0187) which is designed to improve both health policy formulation and implementation. The Kitui Rural Health Project (615-0206) initiated in 1982 emphasizes the training and support of community-based health workers to provide greater coverage and better local service than conventional government programs. The United States also supports several private voluntary organizations which are demonstrating low-cost community based health care programs.

The FY 1983 program will feature five new bilateral projects. Two projects will contribute to the A.I.D. strategy objective of increased rural production, employment and income. Agribusiness Development (615-0213) is a major program to provide balance of payments support from the Economic Support Fund. The project will supply agricultural inputs, finance policy analysis, provide credit from local currency generations to rural private enterprise and support GOK development budget priorities including certain costs of policy reforms. Rural Private Enterprises (615-0220) will channel resources through financial intermediaries to expand production and employment in Kenyan rural private enterprises.

The third new bilateral project, Private Sector Family Planning (615-0223) will help the private sector develop and implement innovative approaches for delivering family planning services. This new project contributes directly to the A.I.D. objective of promoting efficient delivery of basic services and makes greater use of private sector

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organizations to reduce the recurrent cost burden on the government.

The fourth project is an OPG to the African Medical Research Foundation (AMREF) to establish a maternal/child health, family planning, and nutrition unit at AMREF.

The fifth project is also an OPG to Coordination in Development (CODEL) to provide primary health care services to remote areas of Kitui District.

In FY 1983, \$15 million of P.L. 480 Title I funds will provide up to 85,000 tons of food grains. Local currency generated by the sale of this food will supply budget support to fund more fully ongoing programs designed to increase agricultural production. P.L. 480 Title II will support maternal/child health, school feeding, and food for work programs implemented by the Catholic Relief Services.

A \$10 million Housing Guaranty will be authorized for low-cost housing. It will stress the use of the private sector to mobilize the savings of low income wage earners, to originate and service mortgage and building loans, and to develop lower-cost housing.

### Requested Year Program (FY 1984)

For FY 1984, \$38 million in Development Assistance funds is proposed to finance new and continuing projects in the field of agriculture. Of this, \$18 million in ARDN funds will be provided to continue channeling credit through financial intermediaries to expand production and employment in Kenyan rural enterprises. Another \$18 million will fund a new development assistance project which will be part of a major program to develop managerial and technical competence in Kenya's public and private institutions in the agricultural sector. Training will be carried out in both U.S. and Kenyan institutions. The project's ultimate goal is to improve the development and transfer of appropriate technology to the small farmer to increase rural production. Two million dollars will also finance continuing family planning activities.

Also, \$42 million from the Economic Support Fund will continue balance of payments support begun in FY 1983 in furtherance of Kenya's structural adjustment program and activities in the agricultural sector to increase productivity, reduce food imports, and expand exports. The ESF funds will form a key factor in enabling the Kenyan Government to carry out the structural adjustment program and at the same time to maintain a level of imports necessary to continue development.

Moreover, \$5 million in P.L. 480 Title I food grains totaling 22,000 metric tons will be required to supplement Kenya's food production and to provide additional balance of payments assistance and budget support. Local currency generated from P.L. 480 Title I sales will be used for activities that directly impact upon agricultural production.

Finally, \$4.0 million of P.L. 480 Title II foodstuffs will be required to continue maternal/child health, pre-school, and institutional feeding programs and Food For Work activities. A total of 170,000 individuals will benefit from improved nutrition through this program.

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

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PROGRAM: KENYA

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG EXPENDI TURES	-ESTIMATED FY83- OBLIG EXPENDI TURES	-PROPOSED FY84- OBLIG EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION							
RURAL ROADS SYSTEMS	G 615-0168	77	80	1,748	1,748	1,113	35
RURAL ROADS SYSTEMS	L 615-0168	77	77	13,000	13,000	5,075	4,000
AGRICULTURAL SYSTEM SUPPORT PROJECT	G 615-0169	78	83	26,200	26,200	21,123	13,023
AGRICULTURAL SYSTEM SUPPORT PROJECT	L 615-0169	78	79	23,600	23,600	23,600	15,482
ROADS GRAVELLING	G 615-0170	77	77	1,400	1,400	1,291	109
ROADS GRAVELLING	L 615-0170	77	77	7,700	7,700	7,700	6,467
ARID AND SEMI-ARID LAND DEV (KITUI)	G 615-0172	79	83	13,000	13,000	6,178	1,856
DRYLANDS CROPPING SYSTEMS RESEARCH	G 615-0180	79	82	6,000	4,000	4,000	1,457
RURAL PLANNING II	G 615-0189	80	83	3,575	3,575	2,800	919
ON-FARM GRAIN STORAGE	L 615-0190	81	81	7,800	7,800	7,800	422
RURAL PRIVATE ENTERPRISE	G 615-0220	83	84	---	14,800	---	---
RURAL PRIVATE ENTERPRISE	L 615-0220	83	84	---	15,800	---	---
AGRICULTURAL MANAGEMENT	* G 615-0221	84	84	---	18,000	---	---
AGRICULTURAL SECTOR GRANT (CIP)	G 615-0228	82	82	4,400	4,400	4,400	---
TOTAL FOR ACCOUNT				108,423	155,023	93,749	47,105
GRANTS				56,323	87,123	41,649	19,659
LOANS				52,100	67,900	52,100	27,446
POPULATION PLANNING							
POPULATION STUDIES AND RESEARCH CENTER	G 615-0165	76	80	2,692	2,692	2,692	2,224
FAMILY PLANNING II	G 615-0193	82	82	4,000	4,000	4,000	---
FAMILY PLANNING MANAGEMENT PRG/OPG	G 615-0216	83	83	---	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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: KENYA

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PROJECT TITLE	L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHD	PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
PRIVATE SECTOR FAMILY PLANNING	G 615-0223	83	84	---	6,000	---	---	4,000	---	2,000	1,500
TOTAL FOR ACCOUNT GRANTS				6,692	13,192	6,692	2,224	4,500	1,400	2,000	3,168
LOANS				6,692	13,192	6,692	2,224	4,500	1,400	2,000	3,168
				---	---	---	---	---	---	---	---
HEALTH											
HEALTH PLANNING AND INFORMATION	G 615-0187	79	81	2,450	2,450	2,450	356	---	900	---	694
RURAL BLINDNESS PREVENTION II	G 615-0203	80	81	1,870	1,870	1,370	1,471	---	399	---	---
KITUI RURAL HEALTH	G 615-0206	82	82	4,893	4,893	4,893	---	---	500	---	1,000
KITUI RURAL HEALTH	L 615-0206	82	82	4,630	4,630	4,630	---	---	400	---	2,500
KITUI PRIMARY HEALTH CARE II (PVO)	G 615-0219	83	83	---	500	---	---	500	150	---	200
TOTAL FOR ACCOUNT GRANTS				13,843	14,343	13,843	2,327	500	2,349	---	4,394
LOANS				9,213	9,713	9,213	2,327	500	1,949	---	1,894
				4,630	4,630	4,630	---	---	400	---	2,500
EDUCATION AND HUMAN RESOURCES											
TECHNOLOGICAL TRAINING	G 615-0214	81	81	500	500	500	---	---	500	---	---
TOTAL FOR ACCOUNT GRANTS				500	500	500	---	---	500	---	---
LOANS				500	500	500	---	---	500	---	---
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
RENEWABLE ENERGY DEVELOPMENT	G 615-0205	80	81	4,800	4,800	4,800	641	---	2,100	---	2,059
SMALL BUSINESS DEVELOPMENT (OPG)	G 615-0208	82	82	500	500	500	---	---	275	---	225
SMALL TOWNS HG - DA	G 615-0212	81	82	665	665	665	71	---	280	---	314
MASENO SOUTH ENTERPRISE DEV - OPG	G 615-0226	82	82	500	500	500	---	---	300	---	200

<sup>a</sup> Refers to the planned project summary sheet

<sup>c</sup> Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: KENYA

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ACTIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ACTIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ACTIONS	FY84- EXPENDI TURES
TOTAL FOR ACCOUNT GRANTS LOANS				6,465 6,465 ---	6,465 6,465 ---	712 712 ---	---	2,955 2,955 ---	---	2,798 2,798 ---
ECONOMIC SUPPORT FUND										
COMMODITY IMPORT PROGRAM	G 615-0200	30	80	20,000	20,000	20,000	19,811	---	189	---
AGRIBUSINESS DEVELOPMENT	G 615-0213	83	85	---	100,000	---	---	30,000	30,000	42,000
KENYA PROGRAM GRANT	G 615-0227	82	82	10,714	10,714	10,714	---	---	10,714	---
TOTAL FOR ACCOUNT GRANTS LOANS				30,714 30,714 ---	130,714 130,714 ---	30,714 30,714 ---	19,811 19,811 ---	30,000 30,000 ---	40,903 40,903 ---	42,000 42,000 ---
TOTAL FOR COUNTRY GRANTS LOANS				166,637 109,907 56,730	320,237 247,707 72,530	151,963 95,233 56,730	72,179 44,733 27,446	60,274 50,674 9,600	77,784 65,651 12,133	80,000 73,800 6,200
										95,403 73,360 22,043

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Agricultural Management		FUNDING SOURCE:	AG, RD & N: 18,000	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 615-0221 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 18,000	LIFE OF PROJECT FUNDING: 18,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 90

**Purpose:** To improve managerial and technical competence within the Kenyan public and private agricultural sector to better deliver production-increasing technology to small farmers.

**Project Description:** If Kenya is to meet the challenge of feeding her rapidly growing population, she must substantially improve the delivery of appropriate, production-increasing technology to the farming sector, especially to small farmers. Kenya's current inability to improve the level of technology used on small farms is due to a large extent to a shortage of well-trained agriculturalists, poorly trained managers of agricultural service research and marketing, and an absence of meaningful in-service training. Managers of research programs, for example, may have technical training but little knowledge of how to organize and manage a research program, district agricultural officers may be charged with managing a program involving 150 extension agents without knowledge of the most basic management concepts; and agricultural input supply firms may be operated by persons with little if any managerial expertise. The technical competence of personnel in these organizations is equally important. Without technically trained Kenyan agriculturalists dedicated to increasing the productivity of farmers and the production of crops and livestock for consumption and export, population increases will continue to outstrip available food supplies and export earnings will stagnate or decline.

The project will address managerial and technical constraints through (1) a management training program in both the private and public agricultural sector consisting of workshops, seminars, in-country management courses, off-shore training, etc.; (2) assistance to the Government of Kenya to address their now inadequate organization, coordination, and management of agricultural research; (3) assistance to agricultural education institutions to better prepare their graduates to serve smallholders with production inputs and new technology, and (4) upgrading of agricultural knowledge in critical areas by training Kenyans in crop production, animal production, production economics, and marketing.

Specific outputs are expected to be a) a cadre of 1500 to 2000 trained managers of agricultural programs; b) new curricula in selected agricultural institutions reflecting the integration

of technical and managerial training; c) development of a continuing education facility at Egerton College; d) establishment of a unified agricultural research system emphasizing problems facing small farmers; e) a cadre of outstanding agricultural scientists working on critical development areas, e.g., crop and animal production, production economics, and marketing; f) establishment of a career service in agricultural research.

The project will be implemented by a contractor, likely a joint venture between an American private sector firm and a U.S. university or consortium of universities.

**Relationship of Project to A.I.D. Strategy:** This project will bring about the more efficient use of Kenya's human resources and the Government's financial resources toward the ultimate objective of increasing rural production, employment and income. The project is also intended to lay the groundwork for sufficient reform in the organization and use of research capacity to provide the policy basis for future A.I.D. assistance to tie research and extension efforts.

**Host Country and Other Donors:** The project will be implemented through the private sector as well as the Ministries of Agriculture, Livestock Development, and Education. Other donors are not involved and the U.S. has unique qualifications in this area. The program will be designed to avoid increasing the recurrent cost burden on the GOK while greatly enhancing the effectiveness of agricultural businesses and the research and extension systems serving the farmer.

**Beneficiaries:** The immediate beneficiaries will be the 1500 to 2000 private sector and GOK personnel that will receive managerial and technical training, allowing them to more efficiently utilize limited financial and human resources. Secondary beneficiaries will be Kenya's 1.5 million smallholder families and employees on farms and in agricultural enterprises. In addition, the Kenyan taxpayer will see more efficient use of public and private funds.





FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: MAURITIUS

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	990			MAJOR EXPORTS... (1981)	SUGAR	TEA	MOLASSES
PER CAPITA GNP..... (DOLLARS, 1981)	1,340			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-76)	1.3%			(\$ MILLIONS, US. FOB) (1979)	47	(1980) 22	(1981) 17
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	2.2%	(1970-77)	17.9%	AS % OF TOTAL EXPORTS (1979)	13%	(1980) 5%	(1981) 5%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1975)	4.5%			MAJOR IMPORTS... (1981)	FOODSTUFFS	MANUFACTURES	
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 65.8 MALE 63.8 FEMALE 67.9				(\$ MILLIONS, US. CIF) (1979)	23	(1980) 28	(1981) 30
(1968) TOTAL 63.2 MALE 61.5 FEMALE 64.9				AS % OF TOTAL IMPORTS (1979)	4%	(1980) 5%	(1981) 5%
ADULT LITERACY RATE (1980) TOTAL 85% MALE 91% FEMALE 79%				TRADE BALANCE(\$ MILLIONS, U.S.) (1979)	-189(80)	-141(81)	-230
(1962) TOTAL 61% MALE 72% FEMALE 50%				MAIN TRADING PARTNERS: UNITED KINGDOM	FRANCE	SOUTH AFRICA,	
				EXTERNAL PUBLIC DEBT AS % OF GNP	N.A.		
				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
				(\$ MILLIONS, U.S.)..... (1977)	6		
				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1978)	2.4%		
*AGRICULTURE*				*SOCIAL DATA*			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE	N.A.			POPULATION GROWTH RATE... (1970)	1.7%	(1975) 1.3%	(1982) 1.6%
AGRICULTURAL PRODUCTION AS % OF GDP..... (1977)	24%			POPULATION IN URBAN AREAS..... (1969)	45%	(1978)	43%
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	2,564			LIVE BIRTHS PER 1,000 POPULATION.... (1970)	26	(1982)	26
MAJOR CROP(S)	ARABLE LAND	YEAR		MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981)	51%		
SUBSISTENCE: POTATOES BANANAS	1%	(1981)		POPULATION (1981) IN AGE GROUP:			
CASH: SUGARCANE TEA	93%	(1981)		(0-14YRS) 34.3%	(15-64YRS) 61.8%	(65+ YRS) 3.8%	
MAJOR AGRICULTURAL EXPORTS:(1981) SUGAR MOLASSES TEA				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	35		
MAJOR AGRICULTURAL IMPORTS:(1981) RICE WHEAT VEG. OIL				PEOPLE PER PHYSICIAN..... (1977)	2,418		
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977)	30%			MAJOR CAUSES OF			
				DISEASE (1979) TUBERCULOSIS MALARIA GONORRHEA			
				DEATH.. (1979) CEREBROVASCULAR HEART DISEASE			
				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1973)	105%		
				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975)	60%		
				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
				PRIMARY..... (1979) TOTAL 99.0% MALE 99.0% FEMALE 99.0%			
				SECONDARY..... (1978) TOTAL 51.0% MALE 53.0% FEMALE 49.0%			
				POST SECONDARY.. (1978) TOTAL 1.4% MALE 2.0% FEMALE .7%			
				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	4%		
*CENTRAL GOVERNMENT FINANCES*							
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)							
(1978) 166 (79) 191 (80)	244						
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)							
(1978) 261 (79) 314 (80)	401						
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)							
(1978) -95 (79) -123 (80)	-157						
DEFENSE EXPENDITURES,							
AS % OF TOTAL EXPENDITURES.. (1978) 0.4% (79) 0.5% (80) 0.6%							
AS % OF GNP..... (1978) 0.1% (79) 0.2% (80) 0.2%							
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,							
(\$ MILLIONS, U.S.) (1979) 34 (80) 92 (81) 39							
EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1981)							

**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	MAURITIUS								
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
		1977	1978	1979	1980	1981			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>									
	Loans	0.2	0.5	3.5	3.5	4.1	27.7	0.2	27.5
	Grants	-	-	2.7	2.7	3.3	8.0	0.2	8.4
	<b>Grants</b>	<b>0.2</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>19.1</b>	<b>-</b>	<b>19.1</b>
<b>a. A.I.D. and Predecessor Agencies</b>									
	Loans	*	0.1	0.3	0.3	-	1.1	-	1.1
	Grants	-	-	-	-	-	-	-	-
	<i>(Economic Support Fund)</i>	*	0.1	0.3	0.3	-	1.1	-	1.1
	<b>Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>b. Food for Peace (PL 480)</b>									
	Loans	0.2	0.4	3.0	3.2	4.1	25.7	0.2	25.5
	Grants	-	-	2.7	2.7	3.3	8.6	0.2	8.4
	<b>Grants</b>	<b>0.2</b>	<b>0.4</b>	<b>0.3</b>	<b>0.5</b>	<b>0.8</b>	<b>17.1</b>	<b>-</b>	<b>17.1</b>
	Title I - Total Sales Agreements	-	-	2.7	2.7	3.3	8.0	0.2	8.4
	Repayable in U.S. Dollars - Loans	-	-	2.7	2.7	3.3	8.0	0.2	8.4
	Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
	Title II - Total Grants	0.2	0.4	0.3	0.5	0.8	17.1	-	17.1
	Emerg. Relief, Econ. Develop. & World Food Program	0.2	0.4	0.3	0.5	0.8	16.5	-	16.5
	Voluntary Relief Agencies	-	-	-	-	-	0.6	-	0.6
	<b>Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>0.9</b>
<b>c. Other Economic Assistance</b>									
	Loans	-	-	-	-	-	-	-	-
	Grants	-	-	-	-	-	-	-	-
	Peace Corps	-	-	-	-	-	-	-	-
	Narcotics	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE - TOTAL</b>									
	Credits or Loans	-	-	-	-	-	-	-	-
	Grants	-	-	-	-	-	-	-	-
	<b>Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	a. MAP Grants	-	-	-	-	-	-	-	-
	b. Credit Financing - FMS	-	-	-	-	-	-	-	-
	c. Military Assistance Service-Funded (MASF) Grants	-	-	-	-	-	-	-	-
	d. Transfers from Excess Stocks	-	-	-	-	-	-	-	-
	e. Other Grants	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>									
	Loans	0.2	0.5	3.5	3.5	4.1	27.7	0.2	27.5
	Grants	-	-	2.7	2.7	3.3	8.6	0.2	8.4
	<b>Grants</b>	<b>0.2</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>19.1</b>	<b>-</b>	<b>19.1</b>
<b>Other U.S. Government Loans and Grants</b>									
	a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
	b. All Other Loans	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

<b>A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS</b>				
	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL.....	12.0	40.0	6.0	188.1
IBRD	6.0	30.0	6.0	116.3
IFC	0.0	1.8	0.0	0.5
IDA	0.0	0.0	0.0	20.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDR	4.5	0.0	0.0	19.8
UNDP	1.5	0.7	0.0	11.9
OTHER-UN	0.0	0.0	0.0	1.9
EEC	0.0	7.5	0.0	17.3
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	3.0	3.0	6.0	
France	13.1	38.7	51.8	
U.K.	5.6	5.7	11.3	
Australia	3.9	1.1	5.0	
Other	1.5	1.3	2.8	
Total	27.1	49.8	76.9	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	-	-	-	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	5	
Eastern Europe	-	-	-	
China	-	-	35	
Total	-	-	40	

MAURITIUS

CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	2.0	2.0	2.0

FY 84 PROGRAM HIGHLIGHTS
\$2.0 million E.S.F. grant to finance import of essential commodities.
\$0.5 million for PL 480 Title II.

Development Overview

Mauritius is a small, very densely populated country of nearly one million people. Its primary economic resources are agricultural. Almost any crop can be grown in Mauritius because of its fertile soil and abundant rainfall, but the relatively favorable climate is marred by occasional severe cyclones. Tree or bush crops protect the soils and are more apt to survive the weather than cereals. Mauritius' economy is dominated by sugar, which accounts for about 90% of the area under cultivation. However, the fluctuating world sugar prices have led the Government to attempt to diversify its agriculture. The United States is, after the EEC, the second most important sugar market for Mauritius and our trade policies regarding sugar are highly beneficial for the Mauritian economy.

The Government has realized the need for more research and extension activities in non-sugar agriculture, and is anxious to improve the livestock sector and to expand long-range fishing. Cooperative marketing arrangements

have also been set up recently for artisan fishermen. Another high priority is housing since a large and growing shortage exists for approximately 20% of the lower-income population. Although petroleum and petroleum products account for only 10% of total imports, their costs are an increasing burden on an already strained economy. Two-thirds of electricity is generated from imported diesel fuel. The only indigenous fuel sources are firewood, very limited hydroelectric potential, and bagasse, the sugar cane by-product which fuels the sugar industry. Bagasse may offer a partial answer to the Mauritian energy crisis.

TOTAL RESOURCES

The balance of both trade and services was largely favorable through 1975. This trend was rapidly reversed with increased demand generated through government budgetary deficits, high private investment and wage increases continuing after the sugar boom.

MAURITIUS

RESOURCE FLOWS (in thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	1,887	2,118	2,000
<b>Total AID.....</b>	<b>1,887</b>	<b>2,118</b>	<b>2,000</b>
<b>P.L. 480**</b>			
Title I.....	3,500	3,500	3,500
(of which Title III is)	( - )	( - )	( - )
Title II.....	1,698	773	484
<b>Total P.L. 480.....</b>	<b>5,198</b>	<b>4,273</b>	<b>3,984</b>
<b>Total AID and P.L. 480.....</b>	<b>7,085</b>	<b>6,391</b>	<b>5,984</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	-	-	-
PASA <sup>c</sup> .....	-	-	-
Contract.....	-	-	-
<b>Total.....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Participants<sup>d</sup></b>			
Noncontract.....	3	5	8
Contract.....	-	3	3
<b>Total.....</b>	<b>3</b>	<b>8</b>	<b>11</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	7,000	1,300	5,000	1,000	5,300	1,000
Rice.....	7,000	2,200	9,000	2,500	7,000	2,500
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b>	<b>14,000</b>	<b>3,500</b>	<b>14,000</b>	<b>3,500</b>	<b>12,300</b>	<b>3,500</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies.....	-	-	-	-	-	-
World Food Programs	-	204	-	773	-	484
Gov't-to-Gov't.....	-	1,494	-	-	-	-
<b>Title II Total.....</b>	<b>-</b>	<b>1,698</b>	<b>-</b>	<b>773</b>	<b>-</b>	<b>484</b>
<b>Total P.L. 480.....</b>	<b>14,000</b>	<b>5,198</b>	<b>14,000</b>	<b>4,273</b>	<b>12,300</b>	<b>3,984</b>

Between 1976 and 1982, balance of payments deficits have increased and remained at high levels.

Development prospects will be improved if the price of sugar increases, if Mauritius maintains its preferential position in the E.E.C., and if labor relations and income redistribution efforts improve. Mauritius' strained financial circumstances make it dependent on foreign capital inflow to maintain current development programs. While much of this inflow is either private or commercial borrowing, an important segment is loan or grant development assistance. From 1979 through mid-1982 the former government of Mauritius mounted an economic stabilization program supported by a series of I.M.F. agreements. World Bank and I.M.F. teams arrived soon after the June 1982 elections to discuss a structural adjustment program with the new Mauritian government. The severe deterioration of the economy in 1981, (the trade gap increased by 50%) was analyzed in a World Bank Report (June 1982) which concluded that most of the deterioration was due to external factors outside the control of the Government. This report called for

## MAURITIUS

austerity budgets for the next three years.

The economic outlook for 1983, although improved, is not sufficiently good to make up for five years of deficit financing and poor weather conditions, especially since the economy is suffering from worldwide recessionary conditions.

Although the new Government is determined to improve the performance of both the public sector and the economy, progress is expected to take time. The new Government is relying primarily on the private sector to generate employment, and is taking positive measures to improve the performance of the sugar industry and promote both domestic and foreign private sector investments. Both the I.M.F. and the World Bank are supporting government initiatives in these sectors, and are working closely with the Government to improve numerous aspects of economic performance. Major donors--World Bank group, the African Development Bank, the UN agencies, England and France--have focused primarily on infrastructure, education, agricultural development (especially tea), and industrial projects. The United States, which began an assistance program for Mauritius in 1978, has contributed \$12.6 million in P.L. 480 Title I and \$13.1 million in Title II through 1982. The Government of Mauritius has expressed specific interest in U.S.A.I.D. assistance in food production (research and extension training), livestock production (feeding research), consumer and producer cooperatives, housing, and agricultural program assistance to the poverty-stricken island of Rodrigues.

### U.S. INTERESTS AND OBJECTIVES

The parliamentary election in June 1982 brought to power in Mauritius a new government headed by the former leading opposition party, the Mauritian Militant Movement. The new administration, has committed itself to "genuine non-alignment," and has adopted an austerity budget and begun to implement a program of fiscal and financial responsibility. Mauritius can boast a flourishing democratic political system, and it is therefore all the more important that it succeed in its

program of economic reforms. Mauritius' strategic location in the Indian Ocean also makes it important that Mauritius abide by its pledge to give even-handed treatment to all non-Indian Ocean states regarding naval and air access to Mauritian facilities.

### A.I.D. ASSISTANCE STRATEGY

A.I.D. has not undertaken direct project assistance in Mauritius. Our assistance program has been limited to support of IMF/IBRD stabilization efforts through the provision of alternative forms of balance of payments support.

### A.I.D. PROGRAM (FYs 1982-1983)

Current Status: A.I.D. support of the IMF/IBRD stabilization efforts is through provision of a balance of payments support of \$3.5 million in FY 1982 under P.L. 480 Title I. A unique Food for Work program was funded under a \$1.5 million P.L.- 480 Title II program in FY 1982. Mauritius also received \$200,000 worth of P.L. 480 Title II commodities which were channeled through World Food Program operations in FY 1982. A Housing Investment Guaranty of \$6.0 million has been approved but has not yet been used by the Government of Mauritius. However, some movement is expected during 1983.

A P.L. 480 Title I program of \$3.5 million is planned for FY 1983. Through the Economic Support Fund, \$2 million will be provided to finance essential imports, primarily for the agricultural sector.

### REQUESTED YEAR PROGRAM (FY 1984)

Balance of payments support will continue in FY 1984. A.I.D. is requesting \$2 million in Economic Support Funds to finance imports of essential commodities. Also requested is P.L. 480 Title I valued at \$3.5 million.

DIRECTOR, REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE,  
EAST AFRICA (REDSO/EA): JOHN W. KOEHRING

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

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PROGRAM: MAURITIUS

CP 84

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTH'D	PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
SELECTED DEVELOPMENT ACTIVITIES											
HOUSING TA GRANT	G 642-0002	79	80	480	480	250	19	---	231	---	---
TOTAL FOR ACCOUNT GRANTS				480	480	250	19	---	231	---	---
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
COMMODITY IMPORT PROGRAM	G 642-0003	82	82	2,000	2,000	2,000	1,882	---	118	---	---
COMMODITY INPUT PROGRAM II	G 642-0004	83	83	---	2,000	---	---	2,000	2,000	---	---
COMMODITY INPUT PROGRAM III	• G 642-0005	84	84	---	2,000	---	---	---	---	2,000	2,000
TOTAL FOR ACCOUNT GRANTS				2,000	6,000	2,000	1,882	2,000	2,118	2,000	2,000
LOANS				2,000	6,000	2,000	1,882	2,000	2,118	2,000	2,000
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				2,480	6,480	2,250	1,901	2,000	2,349	2,000	2,000
LOANS				2,480	6,480	2,250	1,901	2,000	2,349	2,000	2,000
				---	---	---	---	---	---	---	---

<sup>a</sup> Refers to the planned project summary sheet

<sup>c</sup> Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Mauritius

## PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Commodity Import Program III (CIP III)		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 2,000	LIFE OF PROJECT FUNDING: 2,000	
NUMBER 662-0005 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To provide short-term balance of payments relief through a Commodity Import Program emphasizing critical imports needed by the private sector to support agricultural diversification as well as employment generation.

Program Description: Grant funds will be made available to finance U.S. dollar costs of private sector commercial imports from the U.S. These imports would be vegetable oil, chemical fertilizer, agricultural equipment, spare parts, computers and other items. The provision of foreign exchange will strengthen the capability of the Government of Mauritius to support essential social service and development programs. The approximately RS 33 million of local currency generated from these imports will be deposited in a special government account. A.I.D. has requested the GOM that procurement transactions and the special account be handled through U.S. banks in Mauritius (e.g. Citibank). Local currency generations will be used to promote 1) Private foreign investment in Mauritius and the export of Mauritian industrial products; 2) the expansion of tourism; 3) agricultural diversification; 4) productive private sector enterprises and 5) small scale rural community development activities.

This project financed by the Economic Support Fund reflects the desire of the United States to contribute to the economic and social stability of a strategically located nation. Importantly too, it will do this in a way that is supportive of the Mauritius private sector and the maintenance of a free market oriented economy. The moderate domestic and foreign policy since June 1982 reflects a firm ideological commitment to democratic values. The U.S. has so far been pleased with the performance of the new government, and should demonstrate to that government that we reciprocate its interest in a continued, close relationship.

Host Country and Other Donors: This project will be financed

solely by A.I.D. A number of other donors, including the IMF, are currently providing similar balance of payments assistance. It is to be expected that such assistance will grow (in terms of both levels and donors) as the stabilization exercise evolves and expands.

Beneficiaries: The majority of Mauritius' people will benefit from the economic stability which this grant seeks to support. The direct beneficiaries will be the small farmers and small private sector entrepreneurs who will have access to the imported commodities, hence contributing to increasing their productivity and income.





FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: SEYCHELLES

*BASIC DATA*					*FOREIGN TRADE*				
TOTAL POPULATION.. (THOUSANDS,MID 1982) 66					MAJOR EXPORTS... (1980) CINNAMON AND VANILLA COPRA				
PER CAPITA GNP..... (DOLLARS,1981) 1,800					EXPORTS TO U.S. (\$ MILLIONS, US. FOB) (1973) 1 (1974) 1 (1980) 1				
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-76) 5.0%					AS % OF TOTAL EXPORTS (1973) 20% (1974) 10% (1980) 2%				
AVERAGE ANNUAL RATE OF INFLATION N.A.					MAJOR IMPORTS... (1980) FOODSTUFFS TOBACCO BEVERAGES				
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.					IMPORTS FROM U.S. (\$ MILLIONS, US. CIF) (1979) 2 (1980) 3 (1981) 3				
LIFE EXPECTANCY AT BIRTH, IN YEARS (1972) TOTAL 65.0 MALE 61.9 FEMALE 68.0					AS % OF TOTAL IMPORTS (1979) 2% (1980) 3% (1981) N.A.				
ADULT LITERACY RATE (1971) TOTAL 58% MALE 56% FEMALE 60% (1960) TOTAL 46% MALE 42% FEMALE 49%					TRADE BALANCE(\$ MILLIONS, U.S.)(1977) -29(78) -34(79) -58				
*AGRICULTURE*					MAIN TRADING PARTNERS: UNITED KINGDOM BAHRAIN SOUTH AFRICA.				
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE N.A.					EXTERNAL PUBLIC DEBT AS % OF GNP N.A.				
AGRICULTURAL PRODUCTION AS % OF GDP..... N.A.					SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... N.A.				
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND N.A.					AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... N.A.				
MAJOR CROP(S) ARABLE LAND YEAR					*SOCIAL DATA*				
SUBSISTENCE: COCONUTS 75% (1981)					POPULATION GROWTH RATE...(1970) 1.9% (1975) 1.7% (1982) 1.5%				
CASH: COCONUTS CINNAMON 95% (1981)					POPULATION IN URBAN AREAS..... (1960) 25% (1971) 26%				
MAJOR AGRICULTURAL EXPORTS:(1981) COPRA CINNAMON					LIVE BIRTHS PER 1,000 POPULATION....(1970) 32 (1982) 29				
MAJOR AGRICULTURAL IMPORTS:(1981) RICE SUGAR DAIRY PRODUCTS					MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.				
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1971) 26%					POPULATION IN AGE GROUP: (0-14YRS) N.A. (15-64YRS) N.A. (65+ YRS) N.A.				
*CENTRAL GOVERNMENT FINANCES*					INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 24				
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.) (1978) 22 (79) 34 (80) 53					PEOPLE PER PHYSICIAN..... (1975) 2,762				
TOTAL EXPENDITURES (\$ MILLIONS, U.S.) (1979) 40 (79) 53 (80) 69					MAJOR CAUSES OF DISEASE (1978)TUBERCULOSIS DYSENTERY DEATH.. (1969)ILL-DEFINED CAUS HEART DISEASE FLU & PNEUMONIA				
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.) (1978) -18 (79) -19 (80) -16					PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. N.A.				
DEFENSE EXPENDITURES. AS % OF TOTAL EXPENDITURES.. (1978) 2.0% (79) 7.1% (80) 5.9%					POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1971) 23%				
AS % OF GNP..... (1978) 0.9% (79) 3.4% (80) 3.4%					TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:				
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$MILLIONS, U.S.) (1979) 12 (80) 18 (81) 14					PRIMARY..... TOTAL N.A. MALE N.A. FEMALE N.A.				
EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1980)					SECONDARY..... TOTAL N.A. MALE N.A. FEMALE N.A.				
					POST SECONDARY.. TOTAL N.A. MALE N.A. FEMALE N.A.				
					ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.				

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

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

COUNTRY SEYCHELLES

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	1977	1978	1979	1980	1981			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	0.2	0.2	0.8	1.0	1.2	4.3	-	4.3
Loans	-	-	-	-	-	-	-	-
Grants	0.2	0.2	0.8	1.0	1.2	4.3	-	4.3
<b>a. A.I.D. and Predecessor Agencies</b>	*	*	0.6	0.6	0.5	1.6	-	1.6
Loans	-	-	-	-	-	-	-	-
Grants	*	*	0.6	0.6	0.5	1.6	-	1.6
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	0.2	0.2	0.1	0.2	0.5	1.8	-	1.8
Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.1	0.1	0.2	0.5	1.8	-	1.8
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Payable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.1	0.1	0.1	0.2	0.5	1.8	-	1.8
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
Voluntary Relief Agencies	0.1	0.1	0.1	0.2	0.5	1.8	-	1.8
<b>c. Other Economic Assistance</b>	*	0.1	0.1	0.2	0.2	0.7	-	0.7
Loans	-	-	-	-	-	-	-	-
Grants	*	0.1	0.1	0.2	0.2	0.7	-	0.7
Peace Corps	*	0.1	0.1	0.2	0.2	0.7	-	0.7
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE - TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	0.1	0.2	0.8	1.0	1.2	4.3	-	4.3
Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.2	0.8	1.0	1.2	4.3	-	4.3
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL.....	0.3	0.1	8.6	22.9
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	8.6	20.2
UNDP	0.3	0.1	0.0	2.3
OTHER-UN	0.0	0.0	0.0	0.4
FEC	0.0	0.0	0.0	0.0

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	1.0	1.0	2.0
U.K.	8.6	7.6	16.2
France	6.4	3.0	9.4
Other	0.9	1.2	2.1
<b>Total</b>	<b>18.3</b>	<b>13.8</b>	<b>32.1</b>

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

	CY 1980	CY 1981	CY 1976-81
-	-	-	-

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	-
Eastern Europe	-	-	-
China	-	-	5
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5</b>

## SEYCHELLES

CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	2.0	2.0	2.0

CP 82-21(8-82)

## FY 84 PROGRAM HIGHLIGHTS

\$2.0 million E.S.F. grant to finance import of essential commodities.

\$0.3 million for PL 480 Title II commodities.

Development Overview

The population in Seychelles totals about 65,000 persons, 88% of whom live on the main island of Mahe. The natural rate of increase is currently 2.1% but due to emigration the actual population growth is only half of that figure. Health statistics present an optimistic situation similar to Western developed nations. The main development problems in very general terms are three: 1) a population, growing more rapidly than employment opportunities 2) excessive dependence on external resources, and 3) limited physical resources. Tourism, which provides the major percentage of the GNP, has been declining since its peak year in 1979 when 79,000 visitors arrived in Seychelles. In 1980, there was a fall of 9% in the number of tourists and a further decline of 16% in 1981. By mid-May 1982 visitors from Western Europe (the main source) were down 50% from the previous year. This decline was due to several factors: rising air fares, the March 1981 revaluation of Seychelles' currency, and the unfavorable publicity generated by

the November 1981 mercenary coup attempt, and the August 1982 mutiny.

The government is trying to shift the emphasis of development planning away from tourism, while recognizing that it will remain the largest industry. Investment has increased for both agriculture and fisheries. The major export crops, copra and cinnamon bark, have been sold for higher prices in recent months than a year ago. However, overall export earnings dropped in the initial quarter of 1982, partly due to production declines. Attempts are being made to increase the extent of the fishing industry.

Total Resources

The Seychelles government recognizes these problems, and its overall goals are: 1) to improve social conditions and 2) to increase economic self-reliance. To meet these goals, the 1979-1983 development plan

## SEYCHELLES

RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-06 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	482	2,901	2,000
<b>Total AID.....</b>	<b>482</b>	<b>2,901</b>	<b>2,000</b>
<b>P.L. 480**</b>			
Title I..... (of which Title III is)	( - )	( - )	( - )
Title II.....	289	272	317
<b>Total P.L. 480.....</b>	<b>289</b>	<b>272</b>	<b>317</b>
<b>Total AID and P.L. 480.....</b>	<b>771</b>	<b>3,173</b>	<b>2,317</b>

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

PERSONNEL/PARTICIPANTS DATA CP 84-17 (8-82)			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>d</sup></b>			
Direct Hire <sup>b</sup> .....	-	-	-
PASA <sup>c</sup> .....	-	-	-
Contract.....	-	-	-
<b>Total.....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Participants <sup>d</sup></b>			
Noncontract.....	-	-	-
Contract.....	-	-	-
<b>Total.....</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (in 000 MT/\$000) CP 84-14 (8-82)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b> (of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies.....		289		272		317
World Food Programs.....		-		-		-
Gov't-to-Gov't.....		-		-		-
<b>Title II Total.....</b>		<b>289</b>		<b>272</b>		<b>317</b>
<b>Total P.L. 480.....</b>		<b>289</b>		<b>272</b>		<b>317</b>

projects the following investment allocations: fisheries (13%), education (10%), housing (12%), electricity (7%), water (7%), and agriculture (7%). This reflects the high priority given to improving housing and to developing fishing potential, especially deep-sea tuna operations. Agriculture appears to be short-changed, and in particular, small-holder farming. The new state farm, for example, will get 40% of the agriculture total. The land settlement scheme and outer island development, which will promote employment and equity, will receive less than 3%.

The major donor is the United Kingdom which has provided budget support and soft loan support mostly for infrastructure projects. France has recently become another major donor, mainly in grants, for fisheries, training and state farm support. Other donors include the U.N. agencies, the E.E.C., the African Development Bank, West Germany, Iraq, Algeria, Libya, and China. In general, the Seychelles have been the recipients of extremely high per capita

## SEYCHELLES

official development assistance inflow.

There will be a continuing need for donor assistance to improve Seychelles' infrastructure. The World Bank, for example, will look at a road building and port project if Seychelles formally qualifies for membership, as expected. Important development opportunities exist in agriculture and fisheries, sectors in which the United States could play an important role and in which assistance would have a significant beneficial impact on the poor.

### U.S. Interest and Objectives

The U.S. interests in Seychelles relate to its strategic position in the Indian Ocean and the presence of a U.S. satellite tracking station. A stable socio-economic environment which encourages a friendly government is compatible with U.S. interests.

### A.I.D. Assistance Strategy

A.I.D. strategy has focused on improving the performance of the agriculture sector in Seychelles, to increase the productivity of the small scale subsistence farmer, and to lessen the national dependence on imported food which must be financed with earnings from a unstable tourist industry.

### A.I.D. Program (FYs 1982-1983)

In FY 1980-1981 the United States provided the Seychelles with \$1.6 million in grant assistance for Food Crops Research (662-0002). The research assistance was designed to develop and introduce improved agricultural crop varieties. A housing investment guarantee (HIG) loan for \$2.5 million for low income shelter was signed in August 1981. Also, P.L. 480 Title II maternal/child health and school feeding programs are under way, conducted by Catholic Relief Services (CRS), utilizing \$289,000 worth of

P.L. 480 foods. An Economic Support Fund (ESF) program was initiated in FY 1982 to finance the importation of essential petroleum commodities and to assist Seychelles ameliorate its deteriorating balance of payments situation.

In FY 1983, in addition to a \$272,000 PL-480 Title II program, a second Commodity Import Program grant of \$2 million will be signed.

### Requested Year Program (FY 1984)

It continues to be in the interest of the United States to maintain current funding levels in FY 1984. Specifically, A.I.D. is requesting a \$2.0 million Economic Support Fund grant to finance essential imports sector, and P.L. 480 Title II commodities valued at \$317,000 is being requested.

DIRECTOR, REGIONAL ECONOMIC DEVELOPMENT SERVICES  
OFFICE, EAST AFRICA (REDSO/EA): JOHN W. KOEHRING

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

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PROGRAM: SEYCHELLES

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG ACTIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ACTIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
FOOD CROP RESEARCH	G 662-0002	79	81	1,520	1,520	1,520	619	---	901	---	---
				1,520	1,520	1,520	619	---	901	---	---
				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
AGRICULTURE SECTOR DEVELOPMENT	G 662-0003	82	82	2,000	2,000	2,000	---	---	2,000	---	---
AGRICULTURE SECTOR DEVELOPMENT II	G 662-0004	83	83	---	2,000	---	---	2,000	---	---	2,000
AGRICULTURE SECTOR DEVELOPMENT III	* G 662-0005	84	84	---	2,000	---	---	---	---	2,000	---
				2,000	6,000	2,000	---	2,000	2,000	2,000	2,000
				2,000	6,000	2,000	---	2,000	2,000	2,000	2,000
				---	---	---	---	---	---	---	---
				3,520	7,520	3,520	619	2,000	2,901	2,000	2,000
				3,520	7,520	3,520	619	2,000	2,901	2,000	2,000
				---	---	---	---	---	---	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Seychelles

## PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Agriculture Sector Development III		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)			
					FY 84 2,000	LIFE OF PROJECT FUNDING:	2,000	
NUMBER GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	662-0005	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To help the Government of the Seychelles (GOS) ameliorate its balance of payments position and improve domestic agriculture production levels.

Project Description: Grant funds will be made available to finance the importation of medium fuel oil and selected agricultural inputs from Kenya. The local currency generated from the sale of petroleum will be deposited in a special government account. Local currency generations will be used to improve agriculture sector performance and reduce the islands' dependence on food imports. This project financed by Economic Support Funds reflects the desire of the United States to contribute to the economic and social stability of a strategically located nation. Importantly too, it will do this in a way that is supportive of Seychelles' private sector and the maintenance of a free market oriented economy. The U.S. has so far been pleased with the performance of the GOS and should demonstrate to that government that we reciprocate its interest in a continued close relationship.

Relationship of Project to A.I.D. Country Strategy: U.S. interests in the Seychelles are both developmental and political. The overall effect of this project will not only implement U.S. policy by encouraging pragmatic GOS approaches to development, but may also contribute to improving the conditions under which the United States pursues important security interests, including use of the United States Air Force satellite-tracking station. The project continues our past strategy of utilizing A.I.D.'s advantages in agriculture extension and research. Previous activities have included a project designed to identify crops and methods of cultivation suited to the climate and soil of the Seychelles and a training and design project to upgrade the GOS agriculture extension service. The current project will provide commodities needed for general adoption of the new crops and improved methods which these earlier projects identified and introduced.

Host Country and Other Donors: This project will be financed solely by A.I.D. A number of other donors - Algeria, Britain, France - are currently providing similar balance of payments assistance. It is to be expected that such assistance will grow (in terms of both levels and donors) as the stabilization exercise evolves and expands.

Beneficiaries: The majority of Seychelles' people will benefit from the economic stability which this grant seeks to support. The direct beneficiaries will be the small-holder farmers, through the provision of agriculture production inputs such as fertilizer, farm machinery suitable for small plots, and from assistance financed by the local currency generations.

Somalia



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: SOMALIA

-----				-----			
*BASIC DATA*				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	6,124			MAJOR EXPORTS... (1981)	LIVESTOCK	HIDES & SKIN	BANANAS
PER CAPITA GNP..... (DOLLARS, 1981)	280			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79)	-0.5%			(\$ MILLIONS, US. FOB)	N.A.		
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	4.5%	(1970-80)	12.4%	AS % OF TOTAL EXPORTS	N.A.		
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	TEXTILES	CEREALS	TRANSPORT EQ
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 43.9 MALE 42.4 FEMALE 45.6				(\$ MILLIONS, US. CIF) (1979)	36	(1980)	61 (1981) 65
(1968) TOTAL 38.5 MALE 36.9 FEMALE 40.1				AS % OF TOTAL IMPORTS (1979)	13%	(1980)	22% (1981) N.A.
ADULT LITERACY RATE (1980) TOTAL 5% MALE 10% FEMALE 1%				TRADE BALANCE(\$ MILLIONS, U.S.)(1978)	-134(79)	-176(80)	-134
(1962) TOTAL 2% MALE 3% FEMALE 0%				MAIN TRADING PARTNERS: ITALY SAUDI ARABIA UNITED STATES			
-----				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	45.3%		
*AGRICULTURE*				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE	N.A.			(\$ MILLIONS, U.S.)..... (1980)			7
				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)			3.5%
-----				-----			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	60%			*SOCIAL DATA*			
-----				-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	51			POPULATION GROWTH RATE...(1970)	2.4%	(1975)	2.7% (1982) 3.5%
MAJOR CROP(S)		ARABLE LAND	YEAR	POPULATION IN URBAN AREAS..... (1960)	17%	(1978)	29%
SUBSISTENCE: CORN SORGHUM MILK		35%	(1981)	LIVE BIRTHS PER 1,000 POPULATION.....(1970)	47	(1982)	46
CASH: BANANAS SHEEP GOATS		1%	(1981)	MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)			1%
MAJOR AGRICULTURAL EXPORTS:(1981) LIVESTOCK BANANAS				POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL IMPORTS:(1981) GRAINS SUGAR VEG. OIL				(0-14YRS) 42.1% (15-64YRS) 55.1% (65+ YRS)			2.8%
PROPORTION OF LAEOR FORCE IN AGRICULTURE..... (1980)	82%			INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	150		
-----				PEOPLE PER PHYSICIAN..... (1973)	17,197		
*CENTRAL GOVERNMENT FINANCES*				-----			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF			
(1978) 226 (79) 242 (80) 226				DISEASE	N.A.		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DEATH..	N.A.		
(1978) 377 (79) 498 (80) 507				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)			88%
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)			38%
(1978) -151 (79) -256 (80) -281				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFENSE EXPENDITURES.				PRIMARY..... (1979) TOTAL 50.0% MALE 64.0% FEMALE 36.0%			
AS % OF TOTAL EXPENDITURES.. (1978) 21.2% (79) 17.0% (80) 18.4%				SECONDARY..... (1979) TOTAL 7.0% MALE 11.0% FEMALE 4.0%			
AS % OF GNP..... (1978) 6.7% (79) 7.0% (80) 6.2%				POST SECONDARY.. (1977) TOTAL .9% MALE 1.6% FEMALE .2%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.				ENERGY PRODUCTION AS % OF CONSUMPTION.....			N.A.
(\$MILLIONS, U.S.) (1979) 51 (80) 25 (81) 37							
EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1980)							

**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 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	SOMALIA							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	0.6	19.1	28.9	67.3	51.0	256.6	8.8	247.8
Loans	-	7.0	10.7	17.7	15.0	67.3	8.8	58.5
Grants	0.6	12.1	18.2	49.6	42.0	189.3	-	189.3
<b>a. A.I.D. and Predecessor Agencies</b>	-	3.3	10.9	17.3	12.1	105.9	5.0	100.9
Loans	-	-	-	-	-	16.0	5.6	10.4
Grants	-	3.3	10.9	17.3	12.1	89.9	-	89.9
(Economic Support Fund)	-	-	-	5.0	-	5.0	-	-
<b>b. Food for Peace (PL 480)</b>	0.6	15.6	18.0	50.0	44.9	145.2	3.2	142.0
Loans	-	1.0	10.7	17.7	15.0	51.3	3.2	48.1
Grants	0.6	6.6	7.3	32.3	29.9	93.9	-	93.9
Title I - Total Sales Agreements	-	1.0	10.7	17.7	15.0	51.3	3.2	48.1
Repayable in U.S. Dollars - Loans	-	7.0	10.7	17.7	15.0	51.3	3.2	48.1
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.6	6.6	7.3	32.3	29.9	93.9	-	93.9
Emerg. Relief, Econ. Develop. & World Food Program	0.6	8.6	7.3	32.3	29.9	93.2	-	93.2
Voluntary Relief Agencies	-	-	-	-	-	0.7	-	0.7
<b>c. Other Economic Assistance</b>	-	-	-	-	-	5.5	-	5.5
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	5.5	-	5.5
Peace Corps	-	-	-	-	-	5.5	-	5.5
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	20.0	20.0	40.0	-	40.0
Credits or Loans	-	-	-	20.0	20.0	40.0	-	40.0
Grants	-	-	-	-	0.4	0.4	-	0.4
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	20.0	20.0	40.0	-	40.0
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	0.4	0.4	-	0.4
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	0.6	19.1	28.9	87.3	71.4	297.0	8.8	288.2
Loans	-	7.0	10.7	37.7	35.0	107.3	8.8	98.5
Grants	0.6	12.1	18.2	49.6	42.4	189.7	-	189.7
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	32.2	16.2	0.0	341.9
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.4	0.0	0.4
IDA	18.0	0.0	0.0	148.4
IDB	0.0	0.0	0.0	0.0
ADR	0.0	0.0	0.0	0.0
AFDR	0.7	9.7	0.0	52.8
UNDP	3.1	3.3	0.0	48.0
OTHER-UN	1.4	2.8	0.0	13.8
EEC	0.0	0.0	0.0	78.5

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	61.0	61.0	159.0
Germany	67.0	18.7	124.4
Italy	27.4	29.0	80.7
Sweden	6.8	4.0	21.9
U.K.	6.7	5.0	16.7
Other	10.7	25.3	45.3
<b>Total</b>	<b>179.6</b>	<b>143.0</b>	<b>448.0</b>

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

	CY 1980	CY 1981	CY 1976-81
	129.0	-	504.7

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	165
Eastern Europe	-	-	10
China	10	-	165
<b>Total</b>	<b>10</b>	<b>-</b>	<b>340</b>

## SOMALIA

PROGRAM SUMMARY								
(In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	34,400	13,201	-	1,199	-	-	20,000	-
Total ....	34,400	12,201	-	1,199	-	-	20,000	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	53,218	12,730	-	6,238	1,250	-	21,000	12,000
Total ....	53,218	12,730	-	6,238	1,250	-	21,000	12,000
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	54,600	12,669	-	4,430	2,501	-	35,000	-
Total ....	54,600	12,669	-	4,430	2,501	-	35,000	-

A/ Includes \$12 million African Refugee Assistance, P.L. 97-121.  
Development Overview

Somalia continues to face a difficult development challenge, but there exists considerable potential for economic growth and diversification over the medium to long term. Key factors for increasing economic growth and improving the living standard of the population are: 1) increased agricultural production and productivity, including livestock, 2) protection of the natural resources base from overexploitation, and 3) the creation of a favorable economic climate with a greater role for market forces and private sector activity.

After ten years of state socialism, the Government of the Somali Democratic Republic (GSDR) is facing up to these challenges. It is seeking A.I.D.'s help in livestock, crop development, forestry and energy, health delivery systems, manpower training, and refugee assistance. The Government has agreed to an IMF stabilization program (supported by AID and the other donors) which has led to

## FY 84 PROGRAM HIGHLIGHTS

- Economic Support Fund continues to finance import of vital commodities required for agricultural and private sectors.
- Support of private sector activities designed to improve livestock production and marketing.
- Strengthen basic research and manpower training in agriculture.

more realistic exchange and interest rates, reduced deficits and inflation, and permitted a greater role for market forces in the determination of agricultural producer prices. The Somali Government is encouraging the indigenous private sector to expand and it seeks foreign private investment as well.

Today Somalia's economy is underdeveloped and serious constraints inhibit rapid growth over the short term. The economy suffers from a severe shortage of foreign exchange, thereby reducing access to the imports necessary to support and sustain development. The country has a weak revenue base and limited export possibilities. (For example, in 1981 exports of live animals to the Middle East accounted for 79 percent of export earnings.) Industrial and agricultural production are hampered by shortages of equipment, spare parts and other critical inputs. Fertilizer is unavailable to most small farmers and agricultural credit non-existent. Trained manpower is scarce and technical and managerial

## SOMALIA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	-	-	-
Grants .....	7,247	48,319	35,296
<b>Total AID .....</b>	<b>7,247</b>	<b>48,319</b>	<b>35,296</b>
<b>P.L. 480**</b>			
Title I .....	14,500	15,000	16,000
(of which Title III is)	( - )	( - )	( - )
Title II .....	6,878	6,608	1,791
<b>Total P.L. 480 .....</b>	<b>21,378</b>	<b>21,608</b>	<b>17,791</b>
<b>Total AID and P.L. 480 .....</b>	<b>28,625</b>	<b>69,927</b>	<b>53,087</b>

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

P.L. 480 PROGRAM SUMMARY (In 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	21.0	4,100	22.0	4,300	26.9	5,000
Rice .....	21.0	6,300	16.0	5,300	16.7	5,500
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	7.0	4,100	8.0	5,400	7.2	5,500
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>	<b>70.0</b>	<b>14,500</b>	<b>66.0</b>	<b>15,000</b>	<b>60.8</b>	<b>16,000</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies .....	-	-	-	-	-	-
World Food Programs .....	-	2,259	-	6,608	-	1,791
Gov't-to-Gov't .....	-	4,619	-	-	-	-
<b>Title II Total .....</b>	<b>-</b>	<b>6,878</b>	<b>-</b>	<b>6,608</b>	<b>-</b>	<b>1,791</b>
<b>Total P.L. 480 .....</b>	<b>70.0</b>	<b>21,378</b>	<b>66.0</b>	<b>21,608</b>	<b>60.8</b>	<b>17,791</b>

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	22	22	22
PASA <sup>c</sup> .....	2	2	2
Contract .....	5	4	4
<b>Total .....</b>	<b>29</b>	<b>28</b>	<b>28</b>
<b>Participants <sup>d</sup></b>			
Noncontract .....	4	45	34
Contract .....	-	-	-
<b>Total .....</b>	<b>4</b>	<b>45</b>	<b>34</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

talent has been attracted in recent to years lucrative opportunities in the Middle East. Finally, the Ethiopian conflict, with its defense requirements and attendant refugee influx, has added a financial burden which Somalia cannot afford. Although the Western donors and voluntary agencies have responded to the refugee issue with a large well-coordinated food and health relief program, the negative impact on Somalia economic and ecological health over the short term is real.

Somalia's potential for agricultural development constitutes the nation's main hope for a better economic future. The GSDR has recently taken steps for greater exploitation of this sector's potential. Producer prices, long determined by governmental fiat, have now been left to market forces. The government has become more permissive about private purchases and leases of arable land. Producers have responded by increasing output and by increasing their investment in the sector. With these incentives and expanding agricultural research and extension services, Somalia stands a chance of achieving self sufficiency in basic foods over the long term.

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Livestock, the country's largest foreign exchange earner, can make an increasing contribution to growth. The essential elements are improved marketing services, better range management, improved herd quality and higher rates of commercialized production. With donor assistance, the GSDR is adjusting policies and directing investments to overcome these constraints. Even banana production, long a declining activity, is on the upswing as a result of improved support services and higher producer prices.

In summary, while not well endowed with resources, Somalia is capable of providing its inhabitants with a better standard of living than they now enjoy. After a decade of stagnation, the country is gradually adopting policies to liberalize the economy. If this policy direction is sustained, investor confidence will increase and result in greater economic activity and growth in output and incomes.

### Total Resources

Somalia is not well endowed with accessible natural resources although there are unexploited minerals in remote areas of the North. On and offshore oil and gas exploration continues, but with no positive results to date. Frankincense and myrrh are exported in small quantities, but below their potential due to long distances and transport problems.

Periodic drought plagues Somalia's agricultural sector, and rangelands tend to be overpopulated and overgrazed. Nevertheless, there is considerable potential for expanding agricultural production both through the use of improved inputs and techniques and by bringing currently unused but arable land into production. Only 750,000 of a potentially cultivatable 8.2 million hectares are under production at the present time.

The financial position of the government improved in 1981. While current expenditures increased, current revenues expanded as well. With a significant decline in government expenditures, the overall deficit fell to 75

percent of its 1980 level. Domestic borrowing fell to 52 % of the 1980 level. From May 1981 to May 1982, the official Mogadishu consumer price index rose by only 21% as against 67% in calendar 1980.

Somalia's balance of payments improved somewhat in 1981. While exports were slightly below their 1980 levels on an annual basis, exports of both livestock and bananas were increasing rapidly during the second half of the year. Imports decreased significantly and transfers held firm, holding the overall deficit on current account to less than half its 1980 level. This improvement was obtained, however, at the expense of economic development and growth. Somalia at the present time does not earn sufficient foreign exchange to provide the imports necessary to support and sustain economic development.

In 1981, major donors included the Federal Republic of Germany, which provided technical assistance and capital and commodity aid; Saudi Arabia and the Islamic Bank provided budget and balance of payments support; Italy provided technical assistance and export subsidies; the European Economic Community (EEC) provided food aid and technical assistance; and China provided technical assistance. Other multilateral donors continuing to assist major development projects in Somalia include the World Bank/International Development Association (IBRD/IDA) and the African Development Fund. A number of donors continued to be very active in refugee relief in 1981. Along with the U.S. Government, these included the World Food Program and the EEC and the UNHCR.

Donor coordination has been active in the past and is continuing to evolve and improve. The GSDR has agreed to the formation of a consultative group under World Bank auspices. The first meeting of this group is scheduled for March 1983. Out of this meeting should come a more formal mechanism for donor coordination on the composition and levels of assistance, as well as an improved policy dialogue between the donors and the GSDR.

### U.S. Interests and Objectives

## SOMALIA

U.S. interests in Somalia are based on humanitarian, developmental and political considerations. U.S. humanitarian and development interests are served by providing assistance to lessen the refugee burden of the GSDR, and in providing resources to assist Somalia in realizing its economic potential, particularly in agriculture, which is vital to the country's future stability. Economic assistance also contributes toward rapidly improving relations between the United States and Somalia, and further encourages close cooperation in an area of the world strategically vital to the United States. Specific U.S. economic objectives are to assist the GSDR in increasing the country's food production, developing Somalia's human resources, improve its institutional capabilities, and encourage movement toward a freer market-oriented economy.

### A.I.D. Assistance Strategy

A.I.D. strategy is to assist Somalia, over the long term, to establish an effective institutional base in the agricultural/livestock and health sectors so the country can become more self-sufficient in meeting its food needs and at the same time increase the income of farmers and herdsmen. Since fragile institutions create a major development constraint in all sectors, A.I.D. projects in farming, livestock and health emphasize improved management through manpower/institutional development. A.I.D.'s strategy incorporates the use of Development Assistance, Economic Support Funds (ESF), and P.L. 480 to assure that the economic stability so necessary to the long term development process is maintained. The use of the ESF is particularly important in view of the July 1982 IMF-Somalia Standby Agreement which calls for major economic policy reforms and imposes much needed fiscal restraints. The provision of balance of payments support under ESF will finance the import of critical items needed both for the agricultural sector and related small private sector industries. P.L. 480 credits are being used to meet vital food requirements, and the program will also encourage agricultural sector reforms and generate local currency funds for support of development projects.

The common and unifying element in A.I.D.'s assistance strategy is an expansion of Somalia's trained manpower base through institutional strengthening of operating government and private entities. The development of these institutions will provide the skills and capacity to (1) carry out appropriate agriculture and livestock research and extension activities, (2) implement land and water resources management programs, (3) maximize limited health sector resources in the delivery of rural primary health care services, and (4) provide practical training in agriculture, animal husbandry, nutrition and health.

The A.I.D. strategy is fully compatible with the GSDR's development objectives of concentrating the majority of its limited resources on exploiting the potential of the agricultural and livestock sectors. The GSDR view is that emphasis in these areas will increase the nation's level of food self-sufficiency, while simultaneously improving the income of its small farmers and herdsmen.

### A.I.D. Program (FY 1982-1983)

To encourage expansion and reinvestment in private farming, A.I.D. contributed to activities in FY 1982 to provide support services to small holder producers. The Agriculture Training Extension and Research project (649-0101) was our first effort to develop and test information programs useful to small grain producers in several pilot areas. The Agriculture Delivery Systems project (649-0112) builds upon the pilot extension program and is expanding the concept into a full fledged National Extension Service. Under the Bay Region Development Project (649-0113), grazing reserves have been established and varietal trials conducted with corn, sorghum and other crops.

A.I.D. has just begun to implement the first phase of a long-term program aimed at improving the quality of animal production from Somalia's range areas under the Central Rangelands Project (649-0108). In 1982 a series of in depth rangeland surveys were begun in central Somalia, to identify current pastoral practices, status of the range areas condition of plant life, herding

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patterns, etc. By mid-1983, a plan for improving range practices should emerge. Two small efforts in livestock artificial insemination and poultry development were also in progress in 1982. A well-drilling program, under the Comprehensive Groundwater Development Project (649-0104), supports water requirements of both the Bay Region and Central Rangelands projects.

To support investment in agriculture, A.I.D. and the Somalia Government signed two grant agreements in 1982, totalling \$18.5 million, which launched the first in a planned series of annual Commodity Import Programs. The 1982 CIP concentrates on machinery, spare parts and raw materials for the agro-industrial sector. Fertilizer procurement will also be financed. The private sector is expected to draw down at least 50% of available foreign exchange under the CIP with the majority of public sector procurement destined for projects such as irrigation canal repair which will aid private producers.

Projects underway in FY 1982 to support the private farming sector continue to expand in FY 1983. The extension effort is being supplemented and bolstered by a crop and farming systems research activity. With the arrival of an A.I.D. financed technical assistance team, there will be more intensified activity in the Bay Region on seed development and multiplication, extension, and improved farming practices. The well-drilling program will expand from Bay Region into the Central Rangelands area. New range environmental and production practices are being introduced. Rural health and population activities continue with construction of primary health care facilities.

In addition, four new projects are starting in FY 1983. The Rural Development Management Project (649-0119) finances training of mid-level management and technical expertise needed for the design, implementation and evaluation of rural development activities in the public and private sectors. A shortage of such manpower within the public and private sectors is a key constraint to Somalia's economic development.

Two other recently approved projects directed toward refugees begin implementation in FY 1983. The CDA Forestry Project (649-0122) finances the replacement of trees in areas around the refugee population. It also finances a major investment in expanded fuelwood resources and preservation and expansion of the forest resources. The Refugee Self-Reliance Project (649-0123) provides assistance to increase the productivity of refugees. Under two umbrella grant agreements implementing both projects, individual U.S. voluntary agencies are participating in the design and implementation of agricultural, skill training and infrastructure improvement projects, thereby improving the economic status of refugees and reducing their dependence on the Government of Somalia and donor agencies.

In FY 1983, a second Commodity Import Program grant will be signed. The CIP supports policy reforms conducive to economic growth and encourages a continued expansion of the private sector in Somalia's economic development. The emphasis of this CIP continues to be on the importation of commodities essential to the productivity of private agriculture and agriculture related industries.

P.L. 480 resources under Title I and II are provided in FY 1983 to supply food required to feed the general population and support refugee feeding programs. The Title I program of \$15 million will also help ease a difficult foreign exchange situation. Though good rains and free market determined producer prices have increased food production considerably over the last 18 months, there remains a need for wheat/wheat flour, edible oil, and rice. Title II food assistance for refugees support continues in FY 1983, though at reduced levels. Beginning in FY 1983, the bulk of Title II assistance is to be channeled through the World Food Program.

### Requested Year Program (FY 1984)

In FY 1984, \$12,669,000 is requested for the agriculture and livestock sectors. A.I.D. will continue to focus on extension, research, water development, range management

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and livestock marketing directed at private producers. These projects all stress strengthening of institutional support systems for agricultural development. A new project, National Research Development (649-0126), will be initiated during the fiscal year. It will establish a permanent program of applied research to find solutions to the physical, biological and socio-economic problems that constrain the development of Somalia's agricultural potential.

In health, \$4,430,000 is requested to complete financing of the rural primary health care project in Somalia.

Under education and human resources, \$2,501,000 is requested to increase the quality and quantity of mid-level managerial and technical manpower in selected key ministries and institutions involved in rural development, and in the private sector. This activity will directly support A.I.D.'s strategy of addressing the human resource/institutional capacity constraint to Somalia's development.

A P.L. 480 Title I program of \$16 million will require that the Government continue to make needed policy and institutional changes in rural areas in support of increased food production and livestock exports. These changes, particularly those related to an increased role for the private sector, are vital to the agricultural sector's future performance.

P.L. 480 Title II food of \$1,791,000 will be required to continue supporting refugee feeding programs, though at a reduced level. It is probable that food assistance will have to continue over the short term until refugees achieve a greater degree of self-sufficiency or return to their homes.

In FY 1984, \$35 million is requested from Economic Support Funds. A third Commodity Import Program (\$20 million) will continue to provide critically-required balance of payments relief and supply (1) commodities for the private sector, (2) commodities related to improved agricultural production, and (3) commodities required to

maintain infrastructure such as transportation and port facilities. \$15 million is requested to continue rehabilitation of Kisumayo Port.

MISSION DIRECTOR, Jim Kelly



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

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PROGRAM: SOMALIA

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PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ACTIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ACTIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ACTIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
AG EXTENSION, TRAINING AND RESEARCH	G 649-0101	78	79	5,050	5,050	5,050	3,485	---	1,000	---	565
COMPREHENSIVE GROUNDWATER DEVELOPMENT	G 649-0104	79	83	6,444	6,444	3,401	---	3,043	2,471	---	1,440
CENTRAL RANGELANDS DEVELOPMENT	G 649-0108	79	83	14,944	14,944	10,680	1,827	4,264	3,074	---	2,352
LIVESTOCK MARKETING	* G 649-0109	84	87	---	12,000	---	---	---	---	7,599	2,000
AGRICULTURAL DELIVERY SYSTEMS	G 649-0112	79	83	7,752	10,752	7,752	1,782	3,000	2,950	---	1,500
BAY REGION DEVELOPMENT PROJECT	G 649-0113	80	83	11,171	11,171	8,748	1,271	2,423	3,800	---	1,785
NATIONAL RESEARCH DEVELOPMENT	* G 649-0126	84	87	---	20,000	---	---	---	---	5,070	---
TOTAL FOR ACCOUNT GRANTS				45,361	80,361	35,631	8,365	12,730	13,295	12,669	9,642
LOANS				45,361	80,361	35,631	8,365	12,730	13,295	12,669	9,642
				---	---	---	---	---	---	---	
HEALTH											
RURAL HEALTH DELIVERY	G 649-0102	79	84	15,249	18,468	7,800	3,618	6,238	2,011	4,430	2,586
COMPREHENSIVE GROUNDWATER DEVELOPMENT	G 649-0104	79	83	6,556	6,556	6,556	5,056	---	63	---	568
TOTAL FOR ACCOUNT GRANTS				21,805	25,024	14,356	8,674	6,238	2,074	4,430	3,154
LOANS				21,805	25,024	14,356	8,674	6,238	2,074	4,430	3,154
				---	---	---	---	---	---	---	
EDUCATION AND HUMAN RESOURCES											
RURAL DEVELOPMENT MANAGEMENT	G 649-0119	83	87	---	5,000	---	---	1,250	450	2,501	1,000
TOTAL FOR ACCOUNT GRANTS				---	5,000	---	---	1,250	450	2,501	1,000
LOANS				---	5,000	---	---	1,250	450	2,501	1,000
				---	---	---	---	---	---	---	
ECONOMIC SUPPORT FUND											

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: SOMALIA

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST		-THROUGH FY82-		-ESTIMATED FY83-		-PROPOSED FY84-	
				AUTHD	PLANNED	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
KISMAYO PORT REHABILITATION	G 649-0114	82	84	15,000	21,500	1,500	---	5,000	2,000	15,000	4,500
GRAIN TRANSPORT GRANT	G 649-0117	80	80	5,000	5,000	5,000	4,887	---	---	---	---
COMMODITY IMPORT PROGRAM I	G 649-0118	82	82	18,500	18,500	18,500	---	---	18,500	---	---
COMMODITY IMPORT PROGRAM II	G 649-0120	83	83	---	16,000	---	---	16,000	12,000	---	4,000
COMMODITY IMPORT PROGRAM III *	G 649-0125	84	84	---	20,000	---	---	---	---	20,000	13,000
TOTAL FOR ACCOUNT GRANTS				38,500	81,000	25,000	4,887	21,000	32,500	35,000	21,500
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				105,666	191,385	74,987	21,926	41,218	48,319	54,600	35,296
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on planned date.

TITLE Livestock Marketing		FUNDING SOURCE:	AG, RD & N: 7,599	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 7,599	LIFE OF PROJECT FUNDING: 12,000	
NUMBER 649-0109 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To protect and increase the income of private sector nomadic herdsmen by upgrading marketing and export facilities and improving the disease control program at export points.

Project Description: The livestock sector produces 80% of the total foreign exchange earnings of Somalia through the sale of livestock, mainly live animals (camels, goats, sheep and cattle). Approximately 90% of all sheep and goats exported leave through the port of Berbera and 65% of cattle and camels exported go through the north. At present, the animal transit and holding facilities at Berbera are unhealthy, congested and lack adequate veterinary services to assure that animals destined for export are of the best quality. While other less important animal production areas are provided with animal marketing services under projects financed by the Government of Somalia (GSDR) the northern triangle is not, yet it contains the greatest animal concentration during the export seasons. The GSDR has afforded the highest priority to the development of resources in the export triangle in early 1980s; however, the project will look to the private sector to tap the organizational capability and market knowledge of the Somali livestock traders associations. Most of the project resources will be channelled to private groups with first hand experience in the problems of marketing.

This project will involve repair of the quarantine and marshalling yards in Berbera, including repair of water facilities, fences and shade areas; the construction of isolation pens; and reconstruction of wharfside holding facilities. Provision would also be made for ectoparasite control and veterinary services at the port site. Also planned are the establishment of a cold chain for vaccine transfer and storage and for reactivation of the Hargeisa laboratory. Technical assistance will be provided to insure that animals receive the necessary medical care and vaccinations.

Relationship of Project to A.I.D. Strategy: The GSDR assigns high priority to the livestock sector, supporting as it does 60% of the population of the country and generating the great bulk of the country's foreign exchange. A.I.D.'s strategy is to strengthen extension and other support services to the rural poor in the agriculture/livestock sector using to a large extent the skills and knowledge of the private sector. This project will directly contribute to improvements in the livelihood of herders and nomads through increases in livestock production supported by improved animal health services. A.I.D. is already involved in development of the livestock sector through its Central Rangelands Project (649-0108) and the regionally funded Artificial Insemination Project (698-0410.20). The Livestock Marketing Project complements those activities in that it meets a major producing areas need not covered by these and other donor initiatives, and it will also assure that animals from other areas will receive adequate processing at a major export port.

Host Country and Other Donors: The GSDR will contribute 25% of the project costs through financing of field staff salaries, laboratories and vaccines. The United Nations Food and Agriculture Organization is providing assistance in strengthening the Central Veterinary Laboratory. German Technical Assistance is being provided to the Veterinary Laboratory at Kismayo, and the Federal Republic of Germany will also provide the technical assistance and commodities for the multi-donor Central Rangelands Project. The Bay Region Project is another multi-donor project which will provide assistance to the Bay Region is improving animal health.

Beneficiaries: The private sector livestock producers of the country, both sedentary agriculturalists, and nomadic herdsmen and their families, will be the primary beneficiaries of the project. The income of these groups would increase because of a higher livestock offtake rate and exports resulting from reduced animal losses.

TITLE National Research Development		FUNDING SOURCE:	AG, RD & N: 5,070	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 5,070	LIFE OF PROJECT FUNDING: 20,000	
NUMBER 649-0126 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: The purpose of this project is to establish a permanent program of applied research capable of producing solutions to the physical, biological and socio-economic problems that constrain the development of Somalia's agricultural potential.

Project Description: Applied research is one of the fundamental requirements or sustained improvement and productivity in agriculture. Responsibility for agricultural research in Somalia is divided among several agencies which are all inadequately staffed and financed. Not surprisingly, the few research activities that they carry on are generally of low quality and of marginal significance.

From 1965 to 1970, A.I.D. partially funded a modest research and extension project which demonstrated the technical feasibility of improving and diversifying crop production in the Bay Region of Somalia. Currently, A.I.D. is assisting Somalia in revamping its National Extension Service, (Project 649-112), in improving range and animal range production in Central Somalia (649-108), and in increasing the integration of crop and livestock production and much of its arable, rainfed land (Project 649-113).

The absence of a Somali program of applied research is increasingly becoming a threat to the long-term benefits expected from these projects. Under Project 649-112, a National Agricultural Research Strategy is being elaborated with the assistance of the International Service for National Agricultural Research. Although this work is not likely to be completed until June 1983, some of the basic constraints to successful implementation of the strategy are already known. Somalia lacks the human and financial resources to establish and operate a permanent applied research program. This project will help Somalia to overcome these constraints. It will provide: (1) technical assistance to consolidate and expand the

research activities undertaken under Project 649-113; (2) training for Somali scientists, technicians, managers and support personnel in sufficient numbers to ensure effective operation of the research programs; and (3) locally unavailable equipment, machinery and supplies as needed.

Relationship of Project to A.I.D. Country Strategy: This project is an essential step in the implementation of A.I.D.'s strategy for the agriculture sector. The strategy is designed to support the GSDR's objective of increasing food crop and livestock production through programs that improve current production practices and systems as well as the input delivery systems, remove constraints to marketing and increase the country's capacity to plan and manage the development of the agricultural sector.

Host Country and Other Donors: It is anticipated that this project, like the three on-going ones, will be funded in part by IBRD, IFDA and the GSDR as well as A.I.D. In addition, the project will establish links with international research centers, and other national research programs which have potential benefits for Somalia (eg. Kenya).

Beneficiaries: Somali crop producers and livestock herders will be the direct beneficiaries of the project for they will be the users of the improved production practices and new technology tested and developed by the research program with their participation. In time, all Somalis involved in production, processing, marketing and transport of agricultural products will benefit.

PROGRAM: SOMALIA

## PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Commodity Import Program III		FUNDING SOURCE: ESF 20,000	AG. RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 649-0125					FY 84 20,000	LIFE OF PROJECT FUNDING: 20,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: This grant will provide balance of payments support through a Commodity Import Program, emphasizing procurement of those commodities critical to the productivity of the agricultural sector (as a source of exports and food for domestic consumption), and to the revitalization of the Somali private sector in general.

Project Description: Somalia currently is emerging from a period of severe economic crisis. Due to adverse climatic factors and inappropriate public policies, food production and agricultural exports declined over recent years. Simultaneously, imports of food grains and other agricultural products rose. In addition the country was burdened with the requirement of feeding and supporting the vast numbers of refugees who fled to Somalia as a result of drought and the conflict with Ethiopia .

In mid-1981, the GSDR and the IMF agreed on the elements of a program to stabilize the Somali economy. Its major features included agreement to establish a two tier exchange rate system, quantitative controls on government borrowing and expenditures, and increased prices for agricultural products.

Two IMF teams have visited Somalia in recent months to review performance under the agreement. Both teams have been satisfied with performance to date. Quantitative targets have been met and increased agricultural prices (coupled with good rains) have led to increased output. Inflation has dropped off with the Government's reduced utilization of deficit financing and, as of March 1982, gross foreign exchange reserves had increased to two months worth of imports. Banana exports expanded in 1981, reversing the declining trend of recent years.

The financial resources provided by CIP I and II, even when combined with those of the IMF and other donors, will not be sufficient to close the resource gap. Somalia could very likely use an additional \$500 million in imports beyond the

\$547 million in 1982. Additional resource inputs from the donors and incremental policy reforms on the part of the GSDR will be required beyond FY 1982 and FY 1983. Accordingly, A.I.D. is proposing a follow-on CIP III for \$20 million in FY 1984.

The program will finance not only raw materials, spare parts and capital equipment required directly by the agricultural sector, but also inputs for other elements of the economy vital to the support of agriculture, such as transport, water delivery systems, and light industry units capable of manufacturing agricultural machinery. Approximately sixty-five percent of the resources provided by CIP III will be made available to private sector importers and entrepreneurs.

Relation of Project to A.I.D. Country Strategy: Financed from the Economic Support Fund, this project reflects the desire of the United States to contribute to the economic and social stability of Somalia. Specifically, the project supports the A.I.D. strategy of increasing agricultural production both for domestic consumption and export, and thereby raising the incomes of rural subsistence farmers and pastoral nomads.

Host Country and Other Donors: This project will be financed solely by A.I.D. A number of other donors, including the IMF, are currently providing similar balance of payments assistance. It is to be expected that such assistance will grow (in terms of both levels and donors) as the stabilization exercise evolves and expands.

Beneficiaries: The majority of Somalia's people will benefit from the economic stability which this grant seeks to support. The direct beneficiaries will be the small farmers and small private sector entrepreneurs who will have access to imported farm inputs, raw materials, etc., hence contributing to increasing their productivity and income. However, the nature of the program extends benefits to the economy as a whole.

Sudan

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: SUDAN

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	19,868			MAJOR EXPORTS... (1981)	COTTON	GROUNDNUTS	LIVESTOCK
PER CAPITA GNP..... (DOLLARS, 1981)	380			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	-0.2%			(\$ MILLIONS, US. FOB) (1979)	18	(1980) 17	(1981) 57
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	3.7%	(1970-80)	15.8%	AS % OF TOTAL EXPORTS (1979)	3%	(1980) 3%	(1981) 9%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	OIL PRODUCTS	MANUFACTURES	FOODSTUFF
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 46.7 MALE 45.4 FEMALE 47.9				(\$ MILLIONS, US. CIF) (1979)	72	(1980) 156	(1981) 229
(1968) TOTAL 46.1 MALE 44.9 FEMALE 47.3				AS % OF TOTAL IMPORTS (1979)	6%	(1980) 10%	(1981) 14%
ADULT LITERACY RATE (1977) TOTAL 20% MALE N.A. FEMALE N.A.				TRADE BALANCE(\$ MILLIONS, U.S.) (1979)	-575	(80) -1,033	(81) -940
(1961) TOTAL 13% MALE 23% FEMALE 3%				MAIN TRADING PARTNERS: SAUDI ARABIA	UNITED KINGDO	UNITED STATES	
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	37.2%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
(1970-1981) -2.2%				(\$ MILLIONS, U.S.)..... (1980)	163		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	38%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)	20.6%		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	163			*SOCIAL DATA*			
MAJOR CROP(S)	ARABLE LAND	YEAR		POPULATION GROWTH RATE... (1970)	3.0%	(1975) 3.0%	(1982) 2.8%
SUBSISTENCE: SORGHUM MILLET WHEAT	40%	(1981)		POPULATION IN URBAN AREAS..... (1969)	11%	(1976) 20%	
CASH: COTTON GROUNDNUTS	33%	(1981)		LIVE BIRTHS PER 1,000 POPULATION.... (1970)	46	(1982) 45	
MAJOR AGRICULTURAL EXPORTS: (1981) COTTON GROUNDNUTS				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	N.A.		
MAJOR AGRICULTURAL IMPORTS: (1981) WHEAT SUGAR TEA				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LAEOR FORCE IN AGRICULTURE..... (1980)	66%			(0-14YRS) 44.2%	(15-64YRS) 53.0%	(65+ YRS) 2.8%	
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	131		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1977)	8,643		
(1978) 900 (79) 1,088 (80) 1,240				MAJOR CAUSES OF			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DISEASE (1978) MALARIA ENTERIC DISEASE DYSENTERY			
(1978) 1,182 (79) 1,590 (80) 1,932				DEATH.. N.A.			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	96%		
(1978) -282 (79) -502 (80) -692				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975)	50%		
DEFENSE EXPENDITURES.				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978) 14.7% (79) 11.4% (80) 12.2%				PRIMARY..... (1979) TOTAL 51.0% MALE 60.0% FEMALE 43.0%			
AS % OF GNP..... (1978) 3.0% (79) 2.8% (80) 3.0%				SECONDARY..... (1979) TOTAL 16.0% MALE 20.0% FEMALE 11.0%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.				POST SECONDARY.. (1978) TOTAL 1.7% MALE 2.5% FEMALE .8%			
(\$MILLIONS, U.S.) (1979) 67 (80) 49 (81) 17				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	4%		

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

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	SUDAN							
	1977	1978	1979	1980	1981			
<b>PROGRAM</b>								
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	0.4	19.7	37.5	46.7	109.4	357.6	19.0	338.6
Loans	7.0	7.5	17.0	25.0	30.0	94.4	19.0	75.4
Grants	1.0	10.2	18.5	21.7	79.4	263.2	-	263.2
<b>a. A.I.D. and Predecessor Agencies</b>	*	1.0	10.7	70.1	74.5	233.9	14.0	239.9
Loans	-	-	-	-	-	23.0	14.0	9.0
Grants	*	1.0	10.7	70.1	74.5	230.1	-	230.1
(Economic Support Fund)	-	-	-	40.0	50.0	90.0	-	-
<b>b. Food for Peace (PL 480)</b>	0.4	12.5	20.3	26.3	34.9	103.7	5.0	98.7
Loans	7.0	7.0	17.0	25.0	30.0	70.0	5.0	65.0
Grants	1.5	2.5	1.8	1.3	4.9	33.1	-	33.1
Title I - Total Sales Agreements	7.0	7.0	17.0	25.0	30.0	74.9	5.0	69.9
Repayable in U.S. Dollars - Loans	7.0	7.0	17.0	25.0	30.0	53.8	1.7	52.1
Payable in Foreign Currency - Planned for Country Use	7.0	7.0	17.0	25.0	30.0	21.1	3.3	17.8
Title II - Total Grants	1.0	2.5	1.0	1.3	4.9	28.8	-	28.8
Emerg. Relief, Econ. Develop. & World Food Program	1.5	2.0	1.0	0.7	3.2	22.0	-	22.0
Voluntary Relief Agencies	0.5	0.5	0.2	0.6	1.7	6.8	-	6.8
<b>c. Other Economic Assistance</b>	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE - TOTAL</b>	0.1	0.2	0.3	0.4	0.7	0.3	2.0	0.7
Credits or Loans	-	-	0.0	0.4	0.0	0.3	2.0	0.7
Grants	0.1	0.2	0.3	0.4	0.7	0.0	-	0.0
<b>a. MAP Grants</b>	-	-	-	-	1.7	1.7	-	1.7
<b>b. Credit Financing - FMS</b>	-	-	0.0	0.0	0.0	0.0	2.0	0.7
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	0.1	0.2	0.3	0.4	0.0	0.0	-	0.0
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	0.5	20.1	47.8	57.5	144.8	461.3	21.0	440.3
Loans	7.0	7.0	17.0	25.0	30.0	155.7	21.0	134.1
Grants	1.9	13.1	30.8	32.5	114.8	305.6	-	305.6
<b>Other U.S. Government Loans and Grants</b>	0.5	-	-	-	1.2	30.7	33.3	5.4
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	10.9	0.4	4.5
<b>b. All Other Loans</b>	0.5	-	-	-	1.2	27.8	26.9	0.9

\* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	196.4	60.4	8.9
IBRD	0.0	0.0	0.0	139.2
IFC	0.3	0.0	0.3	33.2
IDA	170.0	0.0	0.0	492.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	10.0	19.7	8.6	78.8
UNDP	16.0	14.6	0.0	80.3
OTHER-UN	0.1	26.1	0.0	43.9
EEC	0.0	0.0	0.0	0.0
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
1. D.A.C. COUNTRIES (Gross Disbursements)				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	60.0	64.0	164.0	
Germany	206.0	71.3	372.4	
U.K.	50.8	66.4	169.1	
Netherlands	48.5	34.9	154.9	
Japan	10.9	7.6	65.2	
Other	44.8	53.8	153.6	
Total	421.0	298.0	1079.2	
2. O.P.E.C. COUNTRIES (Gross Disbursements)				
	CY 1980	CY 1981	CY 1976-81	
	222.0	-	718.2	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	65	
Eastern Europe	30	-	270	
China	-	55	140	
Total	30	55	475	



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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	124,871	14,840	596	6,000	-	2,555	100,000	880 <sup>A/</sup>
Total ....	124,871	14,840	596	6,000	-	2,555	100,000	880
1983							<u>C/</u>	
Loans ....	-	-	-	-	-	-	-	-
Grants ....	134,982	25,982	500	1,000	-	1,500	95,000	11,000 <sup>B/</sup>
Total ....	134,982	25,982	500	1,000	-	1,500	95,000	11,000
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	148,000	17,196	2,697	2,103	-	5,004	120,000	1,000 <sup>B/</sup>
Total ....	148,000	17,196	2,697	2,103	-	5,004	120,000	1,000

<sup>A/</sup> Includes \$880,000 from Foreign Disaster Assistance Act of 1974.

<sup>B/</sup> Includes \$11 million in FY 1983 and \$1 million in FY 1984, African Refugee Assistance, P.L. 97-121.

<sup>C/</sup> Includes \$25 million supplemental.

#### Development Overview

Despite considerable efforts in recent years to reform fundamental economic policies and structures, Sudan, already one of the world's least developed countries, continues to be plagued by a grave financial crisis from which it must soon start to recover or face bankruptcy, perennial need for foreign assistance and consequent economic, political and social upheaval.

Sudan remains one of the world's least developed countries, in spite of considerable potential, particularly in agriculture, and the government's firm commitment to balanced economic development. The country's per capita income is \$380; life expectancy is

#### **FY 84 PROGRAM HIGHLIGHTS**

- Continue balance of payments assistance to support reforms needed for Sudan's recovery from current financial crisis (\$120 million)
- Continue support for basic agricultural research, production and marketing projects and related infrastructure (\$17.0 million)
- Continue support for power rehabilitation primary health care, family planning, and regionalization efforts (\$10.0 million)
- Provide PL 480 commodities to help meet domestic food requirements (\$51.3 million)

less than 50 years; only one-fifth of the population is literate; health services are inadequate and more often non-existent for a majority of the population; and approximately 80 percent of the population is living at subsistence levels. Yet, development efforts in Sudan are hampered by lack of infrastructure, the sheer size of the country--Sudan is about one third the size of the United States--and most importantly, the severe and chronic financial crisis.

Sudan is now running a trade deficit in excess of one billion dollars; export earnings cover less than one-third of imports. Debt service alone exceeds annual foreign exchange receipts. Foreign exchange reserves average less than one week of imports. The current budget deficit is over 40 percent of the total budget. In the face of increasing import costs, of which petroleum now accounts for about one-quarter, domestic production has been declining, particularly the Sudan's principal export crop, cotton.

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans.....	-	-	-
Grants.....	76,200	155,895	213,675
Total AID.....	76,200	155,895	213,675
P.L. 480**			
Title I.....	25,000	50,000	50,000
(of which Title III is)	( 20,000 )	( 20,000 )	( 20,000 )
Title II.....	1,919	724	1,287
Total P.L. 480.....	26,919	50,724	51,287
Total AID and P.L. 480.....	103,119	206,619	264,962

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

P.L. 480 PROGRAM SUMMARY (In 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
Title I						
Wheat.....	141.0	25,000	302.8	50,000	272.6	48,000
Rice.....	-	-	-	-	6.1	2,000
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
Title I Total.....		25,000		50,000		50,000
(of which Title III is)		(20,000)		(20,000)		(20,000)
Title II						
Voluntary Agencies.....		1,400		-		482
World Food Programs.....		519		724		805
Gov't-to-Gov't.....		-		-		-
Title II Total.....		1,919		724		1,287
Total P.L. 480.....		26,919		50,724		51,287

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel <sup>a</sup>			
Direct Hire <sup>b</sup> .....	24	25	25
PASAC <sup>c</sup> .....	2	2	2
Contract.....	29	44	46
Total.....	55	71	73
Participants <sup>d</sup>			
Noncontract.....	48	64	61
Contract.....	39	46	48
Total.....	87	110	109

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

The present crisis is the result of a decade of economic decline and stagnation during which the productive sectors of Sudan's economy fell into disarray. Especially critical has been the decline in agriculture which produces 95 percent of the Sudan's exports. Productivity of this sector fell due to a number of factors, including deterioration of infrastructure, shortage of inputs, and loss of trained manpower. Particularly harmful have been dysfunctional pricing policies and the displacement by the public sector of market operations. Industrial production and investment, primarily the processing of agricultural products, declined because of the nationalization and regulation of private enterprise, unrealistic pricing policies, administrative obstacles to the marketing of commodities, and inadequate and erratic supplies of power. While capital equipment and infrastructure were deteriorating, foreign exchange grew increasingly scarce. This set in motion a vicious downward cycle wherein lack of spare parts and other imported inputs led to further declines in production. At the same time, the emigration of skilled Sudanese to better-paying employment in neighboring oil-rich countries has impaired the

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performance of Sudanese public and private sector institutions in a worsening economy, which in turn has encouraged more emigration.

Since 1978, the Government of Sudan (GOS), with the assistance of the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD) and bilateral donors, has been working to reverse the downward spiral and change the macro-economic policy framework, particularly in key areas such as exchange rates, budget and credit. Since June of 1978, the GOS has engaged in a series of exchange rate moves resulting in a devaluation of the Sudanese pound of almost 70 percent. To address internal price distortions, the GOS has embarked on a dramatic upward adjustment of prices, including those of politically sensitive consumer items. All budget subsidies are being permanently eliminated. To improve budget management, the GOS has introduced austerity measures in spending and important changes in tax rates on imports, exports and domestic sales.

Since the current economic situation dictates that even more stringent economic reforms will be necessary, it has become necessary for the GOS to adopt a further package of reforms in collaboration with the IMF as a next and probably not final step. In addition, Sudan has recently agreed upon a strict Three Year Recovery Program with the IBRD which will give highest priority to completion of on-going projects with the best promise of quick foreign exchange benefits. Recognizing that the roots of the economic problems also lay largely in ineffective and inefficient public sector involvement in agricultural production and processing, the GOS has begun to withdraw from direct participation in many areas of the economy and to remove other disincentives to private sector productivity.

### Total Resources

Agriculture forms the basis of Sudan's economy. One-third of the Sudan's total land area is suited--with proper irrigation--to crop or livestock production. About one-fifth of the area suited to crops is currently

under cultivation. Petroleum was discovered recently in the southwestern part of the Sudan. Exploration is continuing in order to determine the magnitude of these deposits and the potential for exploitation.

However, since 1978, Sudan's GDP has stagnated. This, combined with a population growth rate of 2.8 percent, has caused a decline in real per capita income. Further, the emigration of skilled Sudanese workers to better-paying jobs in the Gulf States continues to strip Sudan of critical and scarce human resources. At the same time, Sudan has become a haven for approximately 500,000 refugees from bordering countries.

Sudan's Investment Budget, the basis of its stringent recovery program, calls for development outlays of approximately \$500 million. However, a dominant feature of Sudan's resource allocation is its crushing debt service of \$600 million per year, plus amortization of massive arrears of over \$2.6 billion.

To supplement its own meager resources, the Sudan receives economic assistance from a number of donors. Saudi Arabia and the United States are the principal bilateral donors (\$125 to \$200 million per year), followed by West Germany, the United Kingdom (U.K.), France and the Netherlands (\$20 to \$50 million per year). Canada, Italy, Denmark, China, Japan and Czechoslovakia contribute lesser amounts. The International Bank for Reconstruction and Development/International Development Association (IBRD/IDA), European Economic Community (EEC) and Arab Bank for Economic and Social Development are the principal multilateral donors. IBRD/IDA assistance is currently running at \$120 to \$150 million annually. EEC commitments average \$30 million annually, and the Arab Bank, \$75 million. The major United Nations agencies operating in Sudan include the United Nations Development Programme (UNDP), Food and Agriculture Organization (FAO), World Food Program (WFP), and United Nations High Commission on Refugees (UNHCR). The WFP and UNHCR programs are currently averaging \$18.0 million annually, those of the UNDP and FAO nearly \$10.0 million.

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Much of the donor assistance is balance of payments support, primarily commodity imports, but much still comes as project assistance to the agricultural, transport, energy and health sectors. A large proportion of bilateral inputs are grant-financed.

### U.S. Interests and Objectives

Sudan is a country of major significance for U.S. interests in Africa and the Middle East. Astride both the African and Arab worlds, it relates importantly to both. Its position in the Nile Valley means that events in Sudan are of prime importance to the security of Egypt. It is potentially an important producer of food and fiber for the Middle East.

U.S.-Sudanese relations have grown increasingly close since the mid-1970s. Today the two countries' views coincide on a broad range of regional and international issues. Sudan under President Nimeiri has played a constructive role in Arab and African councils. We have also found ourselves in sympathy with the Nimeiri Government's efforts to unify the country by creating national and representative political institutions, to develop Sudan's agricultural potential, and to spread the benefits of development equitably among different regions and social groups in the country. Sudan's continued stability and moderate orientation are in the best interests of the United States and comprise the chief objectives of our assistance programs.

### A.I.D. Assistance Strategy

A.I.D.'s strategy for helping Sudan surmount its current crisis encompasses three complementary approaches: first, to help the sickly economy survive the short-term, the largest share of our economic assistance finances essential imports under PL 480 and a Commodity Import Program (CIP). Second, toward the recovery and growth of the economy over the longer term, we use the leverage of our assistance levels and the influence of our advisors in specific institution-building projects to promote economic policy reform. Third, our development

assistance is helping to relieve some of the more critical infrastructural and institutional constraints to increased production. As the economy regains its viability and foreign exchange becomes available to meet input demands, we will reduce the level of balance of payments support and increase assistance for longer-term development activities, particularly in the potentially productive western and southern rainfed agricultural areas.

A.I.D. will also continue to provide modest support to GOS efforts to improve the efficiency of its primary health program by concentrating on preventive medicine and maximizing community participation in the establishment and operation of family planning and health service delivery systems. These systems can readily serve as a foundation for further community-based efforts in education, water supply and sanitation. Strengthening the capacity of local communities to undertake these activities will reduce their dependence on the already over-taxed financial and human resources of the Central Government.

A.I.D. will continue to work primarily through the UNHCR and PVOs in providing food and other support for GOS efforts to assist the large number of refugees that have flowed into the Sudan.

### Current A.I.D. Program

#### FY 1982 Program

In line with the strategy outlined above, roughly 80 percent of A.I.D. funding in FY 1982 was balance of payments support provided through Economic Support Fund (ESF) and PL 480 commodity import programs. The remaining 20 percent financed development projects in the agriculture, energy and health sectors, including \$14.8 million for agriculture and related infrastructure; \$2.1 million for energy projects; \$6.6 million for health/population; and \$0.5 million for regional finance and planning.

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Economic Support Funds (ESF) at a level of \$100 million in FY 1982, financed essential imports through a Commodity Import Program (CIP). As indicated above, the Sudan badly needs such assistance to shore up its efforts to stabilize the economy and put it on a sounder footing. The proceeds from the sale of CIP commodities are used for general budget support and to help meet the local costs of A.I.D.-assisted projects in agriculture, energy, transport and health.

PL 480 Food Resources totalled \$26.9 million in FY 1982, of which \$20 million was provided under a five-year, \$100 million Title I/III program which allows Title I loan funds to be converted to Title III grants.

### Agriculture Sector

The basic overall strategy for helping Sudan toward economic recovery has been to concentrate on re-establishing production in the irrigated sector to levels achieved in 1970, while providing a lesser amount of support to rehabilitation of institutions and infrastructure associated with the high potential rainfed sector. The IBRD and other donors are directing massive assistance to rehabilitation of the modern irrigated schemes in east-central Sudan. Thus, A.I.D. project assistance resources are being focused on increasing private sector productivity in the traditional rainfed areas of the West and the South. Since A.I.D. and other agriculture assessments pointed out that agricultural research had been heretofore aimed at the irrigated sector to the exclusion of the high potential rainfed sector, A.I.D. has been financing the Western Sudan Agricultural Research Project (650-0020) and Blue Nile Integrated Agriculture Development Project (650-0018). Having nearly completed the highly successful Southern Manpower Development (650-0021) and Yambio Agriculture Research Station (650-0035) projects, A.I.D. built on recommendations from the project evaluations, as well as a recent agricultural assessment, and consolidated our Southern agricultural efforts. The result was the first phase of a proposed 10-year effort to increase agricultural production and farm incomes in the

economically depressed Southern region with the Southern Region Agricultural Development Project (650-0046). Recognizing the need to reinforce the impact of the sectoral projects with better planning and coordination, the Agricultural Planning and Statistics Project (650-0047), authorized in FY 1981, is helping the GOS strengthen the policy analysis and planning capabilities of agriculture sector institutions.

### Energy

An erratic and inadequate supply of electricity contributed significantly to the Sudan's present economic crisis by causing massive underutilization of existing productive capacity. At the same time, the growing demand for fuelwood had resulted in the cutting of gum arabic trees, causing a loss of foreign exchange from reduced agricultural production due to desertification. The Rural Renewable Energy Project (650-0041), begun in FY 1981, is helping to strengthen the government's capability for applied research in renewable energy technologies and will provide grants to private sector dissemination of such technologies. The Energy Planning and Management Project (650-0059), authorized in FY 1982, is aimed at easing existing energy-related constraints to economic recovery while developing strategies for the most efficient use of the Sudan's scarce energy resources in the future.

### Regional Development

The Regional Finance and Planning Project (650-0012), which has resulted from amending the Rural Development Planning Project (650-0012), is designed to help the Sudan's regional governments become more autonomous, thereby bringing services, decision-making and financing closer to actual beneficiaries. The project will improve regional governments' revenue generation, budgeting, financial management, and project development capabilities.

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### Health

The Primary Health Care Projects in the North (650-0011) and the South (650-0019), together with the Rural Health Support Project (650-0030), are A.I.D.'s main channels for helping the GOS build efficient decentralized community-based health care systems in the rural areas of the Sudan.

### Population

The Sudan has one of the lowest population-to-land ratios in the world. Skilled workers and agricultural laborers are in short supply. Yet, population increases add to demands for social services which government revenues are unable to meet. The Planning for Family Health Project (650-0063) provides grant assistance to the Sudan Fertility Control Association, to promote the concept and practice of family planning through private organizations operating in Khartoum and its environs. Family planning services are also being extended through the community-based networks being established under the A.I.D.-financed Rural Health Support Project (650-0030).

### Refugee Assistance

Because international donors and the GOS are unable to meet expected emergency relief needs of new refugees, A.I.D., in collaboration with the Department of State's Office of Refugee Programs, is focusing its resources on the economic integration of refugees into the areas in which they live. The Port Sudan Water Supply Project (650-0050) is helping to provide an adequate water supply to the refugees and urban poor living in Port Sudan. A.I.D. contributed \$2.0 million to the project. UNHCR is contributing \$1.0 million and CARE is contributing in-kind services. The Southern Sudan Refugee Assistance Project (650-0068), which was authorized in FY 1982, will help to make four refugee settlement areas self-sufficient through increased production for market. The project is being implemented under an OPG to the Presiding Bishop's Fund of the American Episcopal Church, a private voluntary organization.

### FY 1983 Program

The FY 1983 Program is continuing the current A.I.D. emphasis on balance of payments support, while incorporating a sharper sectoral and geographic focus. It includes \$25.9 million for the agriculture sector; \$1.5 million for health and population; \$1.5 million in selected development activities (mainly energy), and \$11.0 million in refugee support.

Economic Support Funds (ESF), at \$95 million in FY 1983, will enhance GOS economic stabilization efforts by financing essential imports. This assistance will broadly support the economic reforms included under the new IMF Standby Agreement.

PL 480 Resources, at a level of \$50.7 million for FY 1983 will continue to provide U.S. wheat and wheat flour to help improve the nutritional status of the Sudanese population.

### Agriculture Sector

A.I.D. is initiating two new and continuing to finance two ongoing projects in agriculture during FY 1983. The new Agricultural Production and Marketing Project (650-0054) will help to increase the production and income of farmers in the Kordofan Region of western Sudan; by addressing the production and marketing constraints that are preventing the region from capitalizing on its comparative advantage in the production of export crops. It will also promote private sector agribusiness activities in the region. Phase II of the Southern Rural Infrastructure Project (650-0043), which will involve actual road construction, will also be undertaken. The cost of Phase II is now estimated at over \$30.0 million. A.I.D. is planning to contribute \$20.0 million. The GOS is seeking support from other donors to supplement the U.S. contribution. The Blue Nile Integrated Agriculture Development Project (650-0018) continues to reinforce the rainfed agricultural sector to increase production and income of traditional farm and herder families. A.I.D. will

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continue its support for GOS decentralization efforts through the Regional Finance and Planning Project (650-0012).

### Health

A.I.D. will continue to foster the development of community-based health care delivery systems in the Sudan's rural areas through the ongoing Northern and Southern Primary Health Care projects (650-0011 and 650-0019) and the Rural Health Support Project (650-0030).

### Population

A.I.D. will continue providing assistance in the delivery of family planning services through private sector organizations under the Planning for Family Health Project (650-0063). In addition, AID/W grants will continue to finance a number of population activities in the Sudan including data collection, survey research studies and curriculum development.

### Selected Development Activities

A.I.D. will continue helping ease the Sudan's energy constraints through the Energy Planning and Management Project (650-0059) and Rural Renewable Energy Project (650-0041).

### Refugee Assistance

Two new projects are being initiated to continue economic integration of the refugees into the areas in which they live. The Eastern Reforestation Project (650-0064) will assist the GOS in restoring its forestry resources while providing income-generating activities for refugees and local Sudanese. The Gedaref Water and Sanitation Project (650-0065) will help regional and municipal GOS agencies in the Gedaref municipal area to provide steady and increased supplies of potable water and reduce the public health threat from untreated water and refuse.

### Requested Year Program (FY 1984)

One hundred twenty million dollars is requested from the Economic Support Fund to finance essential commodity imports to continue helping the Sudan to overcome its financial crisis and to support its economic reform program.

PL 480 Food Assistance will continue under all three titles at a total value of \$51.3 million. PL 480 Title I sales will be \$50.0 million, of which \$20.0 million will help finance agriculture projects and be converted to a grant under the provisions of Title III. The remaining \$1.3 million will support World Food Program refugee activities and the maternal child health/pre-school nutrition program of a private voluntary organization.

Funds amounting to \$17.2 million are requested for the agriculture sector to continue financing the Agricultural Production and Marketing Project (650-0054), the Southern Region Agriculture Development Project (650-0046), Phase II of the Southern Rural Infrastructure Project (650-0043) and the Regional Finance and Planning Project (650-0012).

Health funds in the amount of \$2.1 million are requested to continue A.I.D. assistance to the Rural Health Support Project (650-0030).

Population funds in the amount of \$2.7 million dollars are requested to continue A.I.D. support of GOS family planning efforts through the existing OPG with the Sudan Fertility Control Association to finance outreach activities.

To continue assisting the Sudan's appropriate energy technology development and dissemination program, \$1.5 million is requested for the Renewable Energy Project (650-0041). An additional \$3.5 million is requested to continue support for the Energy Planning and Management Project (650-0059).

MISSION DIRECTOR: ARTHUR W. MUDGE, II

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

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PROGRAM: SUDAN

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
REGIONAL FINANCE/PLANNING	G 650-0012	79	84	2,000	2,700	2,000	369	500	1,200	200	1,131
BLUE NILE INTEGRATED AG DEVELOPMENT	G 650-0018	78	83	12,032	12,032	9,527	7,575	2,505	2,406	---	2,051
WESTERN AGRICULTURAL RESEARCH	G 650-0020	78	82	26,000	26,000	26,000	6,047	---	6,000	---	5,500
SOUTHERN MANPOWER DEVELOPMENT	G 650-0021	79	82	6,640	6,640	6,640	5,601	---	896	---	143
WADI HALFA COMMUNITY DEVELOPMENT (PVO)	G 650-0026	78	82	518	518	518	453	---	65	---	---
SOUTHERN RURAL INFRASTRUCTURE PHASE I	G 650-0031	80	82	3,628	3,628	3,628	2,235	---	1,393	---	---
YAMBIO AGRICULTURAL RESEARCH - OPG	G 650-0035	79	80	1,066	1,066	1,066	869	---	197	---	---
SOUTHERN RURAL INFRASTRUCTURE PHASE II	G 650-0043	83	84	---	20,000	---	---	16,000	1,000	4,000	8,000
SOUTHERN AG DEVELOPMENT PHASE I	G 650-0046	82	85	10,000	10,000	6,780	---	---	600	2,000	3,100
AGRICULTURAL PLANNING/STATISTICS	G 650-0047	81	82	4,900	4,900	4,900	190	---	1,200	---	1,400
AGRICULTURAL PRODUCTION / MARKETING	G 650-0054	83	85	---	20,000	---	---	6,977	---	10,996	2,500
TOTAL FOR ACCOUNT GRANTS				66,784	107,484	61,259	23,339	25,982	14,957	17,196	23,825
LOANS				66,784	107,484	61,259	23,339	25,982	14,957	17,196	23,825
				---	---	---	---	---	---	---	
POPULATION PLANNING											
RURAL HEALTH SUPPORT	G 650-0030	80	81	1,881	1,881	1,881	43	---	250	---	400
PLANNING FOR FAMILY HEALTH	G 650-0063	82	84	920	3,793	596	---	500	300	2,697	300
TOTAL FOR ACCOUNT GRANTS				2,801	5,674	2,477	43	500	550	2,697	700
LOANS				2,801	5,674	2,477	43	500	550	2,697	700
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\* Refers to the planned project summary sheet

C Level of effort activity

217

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



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

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02/10/83

PROGRAM: SUDAN

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
HEALTH											
NORTHERN PRIMARY HEALTH CARE	G 650-0011	78	80	5,863	5,863	5,863	4,114	---	1,749	---	---
SOUTHERN PRIMARY HEALTH CARE	G 650-0019	78	81	3,686	3,686	3,686	2,108	---	628	---	950
RURAL HEALTH SUPPORT	G 650-0030	80	86	16,182	16,182	12,000	504	1,000	2,500	2,103	3,500
TOTAL FOR ACCOUNT GRANTS				25,731	25,731	21,549	6,726	1,000	4,877	2,103	4,450
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
LITERACY TRAINING - OPG	G 650-0028	79	80	1,400	1,400	1,400	1,219	---	181	---	---
TOTAL FOR ACCOUNT GRANTS				1,400	1,400	1,400	1,219	---	181	---	---
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
REGIONAL FINANCE/PLANNING	G 650-0012	82	82	500	500	500	---	---	500	---	---
SOUTHERN ACCESS ROAD	G 650-0036	80	80	10,000	10,000	10,000	3,720	---	4,080	---	2,200
RURAL RENEWABLE ENERGY	G 650-0041	81	85	4,600	4,600	1,500	3	---	750	1,504	1,000
ENERGY PLANNING/MANAGEMENT	G 650-0059	82	85	6,555	6,555	1,555	---	1,500	1,200	3,500	1,500
TOTAL FOR ACCOUNT GRANTS				21,655	21,655	13,555	3,723	1,500	6,530	5,004	4,700
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
COMMODITY IMPORT PROGRAM I	G 650-K601	80	80	40,000	40,000	40,000	39,713	---	287	---	---
COMMODITY IMPORT PROGRAM II	G 650-K602	81	81	50,000	50,000	50,000	31,487	---	18,513	---	---
COMMODITY IMPORT PROGRAM III	G 650-K603	82	82	100,000	100,000	100,000	25,000	---	40,000	---	35,000
COMMODITY IMPORT PROGRAM IV	G 650-K604	83	83	---	75,000	---	---	75,000	50,000	---	25,000
SUDAN PROGRAM GRANT	G 650-K605	33	83	20,000	20,000	---	---	20,000	20,000	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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02/10/83

PROGRAM: SUDAN

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY32- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
COMMODITY IMPORT PROGRAM VI	* G 650-K606	84	84	--- 120,000	---	---	---	---	120,000	120,000
TOTAL FOR ACCOUNT GRANTS			210,000	405,000	190,000	96,200	95,000	128,800	120,000	180,000
LOANS			210,000	405,000	190,000	96,200	95,000	128,800	120,000	180,000
TOTAL FOR COUNTRY GRANTS			328,371	566,944	290,240	131,250	123,982	155,895	147,000	213,675
LOANS			328,371	566,944	290,240	131,250	123,982	155,895	147,000	213,675

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: SUDAN

## PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Commodity Import Program (CIP) V		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 650-K-606 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 120,000	LIFE OF PROJECT FUNDING: 120,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 85

Purpose: To provide short-term balance of payments support by financing essential imports, and thereby help the Sudan survive its present economic crisis. Priority goes to imports which contribute to increased export earnings and to the maintenance and expansion of existing productive capacity.

Program Description: The \$120 million to be provided under this grant will be used to finance agricultural and industrial machinery, equipment and spare parts; industrial raw materials, such as tinplate, tallow, and chemicals; telecommunications and transport equipment. At least 60 percent of imports will go to the private sector. The Government of Sudan (GOS) uses local currency proceeds from the sale of CIP imported commodities to finance the local costs of projects designed to increase production through the rehabilitation and expansion of institutional and physical infrastructure facilities.

Relation of Program to A.I.D. Country Strategy: The A.I.D. country strategy gives highest priority to balance of payments and budget support programs such as the CIP that finance essential imports and help to cover the local costs of development projects.

Host Country and Other Donors: Similar commodity import programs are being financed by the World Bank, Federal Republic of Germany, England and other European Economic Community donors. Saudi Arabia also provides substantial foreign exchange assistance. The magnitude of the Sudan's current trade deficit is such that no one donor is capable of financing more than a small proportion of the Sudan's total needs. Nevertheless, the cumulative total of donor assistance, combined with a comparable amount from the IMF and with budgetary tax and other economic reforms by the GOS, is helping the Sudan move toward a more stable economy under its current recovery program with the IMF.

Beneficiaries: The public agencies and private firms who receive commodities imported under the CIP will be the direct beneficiaries. However, the increased agricultural and industrial production that will result from the use of these commodities will benefit the general population.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: TANZANIA

-----				-----			
*BASIC DATA*				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	19,968			MAJOR EXPORTS... (1981)	COFFEE	COTTON	SISAL
PER CAPITA GNP..... (DOLLARS,1981)	300			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	1.9%			(\$ MILLIONS, US. FOB) (1979)	26 (1980)	21 (1981)	16
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.8%	(1970-80)	11.9%	AS % OF TOTAL EXPORTS (1979)	5% (1980)	4% (1981)	N.A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	MANUFACTURES	MACHINERY	TEXTILES
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 52.1 MALE 50.4 FEMALE 53.9				(\$ MILLIONS, US. CIF) (1979)	23 (1980)	76 (1981)	67
(1968) TOTAL 41.8 MALE 40.2 FEMALE 43.4				AS % OF TOTAL IMPORTS (1979)	2% (1980)	6% (1981)	N.A.
ADULT LITERACY RATE (1978) TOTAL 74% MALE 78% FEMALE 70%				TRADE BALANCE(\$ MILLIONS, U.S.)(1978)	-670(79)	-556(80)	-663
(1962) TOTAL 10% MALE 14% FEMALE 5%				MAIN TRADING PARTNERS: UNITED KINGDO	GERMANY, FED	JAPAN	
-----				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	27.6%		
*AGRICULTURE*				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				(\$ MILLIONS, U.S.)..... (1980)	51		
(1970-1981) -0.9%				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)	7.3%		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	54%			-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	103			*SOCIAL DATA*			
MAJOR CROP(S)				-----			
SUBSISTENCE: CORN CATTLE CASSAVA		ARABLE LAND	YEAR	POPULATION GROWTH RATE... (1970)	2.8% (1975)	3.0% (1982)	3.2%
CASH: COFFEE COTTON BEEF & VEAL		44%	(1981)	POPULATION IN URBAN AREAS..... (1960)	5%	(1978)	13%
		9%	(1981)	LIVE BIRTHS PER 1,000 POPULATION.... (1970)	47	(1982)	45
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE COTTON SISAL				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)	0%		
MAJOR AGRICULTURAL IMPORTS:(1981) CORN RICE DAIRY PRODUCTS				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LAEOR FORCE IN AGRICULTURE..... (1980)	83%			(0-14YRS) 46.1% (15-64YRS) 50.9% (65+ YRS) 3.0%			
-----				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	108		
*CENTRAL GOVERNMENT FINANCES*				PEOPLE PER PHYSICIAN..... (1977)	17,015		
-----				MAJOR CAUSES OF			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				DISEASE (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
(1978) 724 (79) 816 (80) 923				DEATH.. (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	87%		
(1978) 1,012 (79) 1,436 (80) 1.769				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)	39%		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				-----			
(1978) -288 (79) -620 (80) -846				MAJOR CAUSES OF			
DEFENSE EXPENDITURES,				DISEASE (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
AS % OF TOTAL EXPENDITURES.. (1978) 16.3% (79) 17.9% (80) 16.3%				DEATH.. (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
AS % OF GNP..... (1978) 4.0% (79) 5.7% (80) 5.8%				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	87%		
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)	39%		
(\$MILLIONS, U.S.) (1979) 68 (80) 20 (81) 19				-----			
				MAJOR CAUSES OF			
				DISEASE (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
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				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)	39%		
				-----			
				MAJOR CAUSES OF			
				DISEASE (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
				DEATH.. (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	87%		
				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)	39%		
				-----			
				MAJOR CAUSES OF			
				DISEASE (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
				DEATH.. (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	87%		
				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)	39%		
				-----			
				MAJOR CAUSES OF			
				DISEASE (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			
				DEATH.. (1979)INFECTIOUS DIS. RESPIRATORY ENTERIC DISEASE			

**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	TANZANIA					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81	
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD							
		1977	1978	1979	1980				1981
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	24.0	25.2	24.0	25.2	37.2	306.8	19.5	289.3	
Loans	7.6	6.2	-	7.5	19.3	83.0	19.5	63.5	
Grants	17.0	19.0	24.0	17.7	17.9	223.8	-	225.8	
<b>a. A.I.D. and Predecessor Agencies</b>	6.7	17.2	21.4	14.9	21.7	156.3	15.0	140.5	
Loans	-	-	-	-	11.6	42.1	15.0	26.5	
Grants	6.7	17.2	21.4	14.9	9.9	114.2	-	114.2	
(Economic Support Fund)	-	-	-	-	-	-	-	-	
<b>b. Food for Peace (PL 480)</b>	17.9	6.0	2.4	10.0	14.8	141.8	3.7	138.1	
Loans	7.5	6.2	-	7.5	7.5	40.9	3.7	37.2	
Grants	10.4	1.8	2.4	2.5	7.3	100.9	-	100.9	
Title I - Total Sales Agreements	7.0	6.2	-	7.5	7.5	40.9	3.7	37.2	
Repayable in U.S. Dollars - Loans	7.0	6.2	-	7.5	7.5	40.9	3.7	37.2	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	
Title II - Total Grants	10.3	1.8	2.4	2.5	7.3	100.5	-	100.5	
Emerg. Relief, Econ. Develop. & World Food Program	7.1	-	1.2	0.6	4.6	61.5	-	61.5	
Voluntary Relief Agencies	3.2	1.8	1.2	1.9	2.7	39.0	-	39.0	
<b>c. Other Economic Assistance</b>	-	-	0.2	0.3	0.7	10.7	-	10.7	
Loans	-	-	-	-	-	-	-	-	
Grants	-	-	0.2	0.3	0.7	10.7	-	10.7	
Peace Corps	-	-	0.2	0.3	0.7	10.7	-	10.7	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
<b>II. MILITARY ASSISTANCE - TOTAL</b>	-	-	-	-	-	-	-	-	
Credits or Loans	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-	
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-	
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-	
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-	
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-	
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	24.0	25.2	24.0	25.2	37.2	306.8	19.5	289.3	
Loans	7.6	6.2	-	7.5	19.3	83.0	19.5	63.5	
Grants	17.0	19.0	24.0	17.7	17.9	223.8	-	225.8	
<b>Other U.S. Government Loans and Grants</b>	0.3	13.0	-	-	1.7	16.0	4.0	12.0	
<b>a. Export-Import Bank Loans</b>	-	13.8	-	-	1.7	13.7	4.0	11.7	
<b>b. All Other Loans</b>	0.3	-	-	-	-	0.3	-	0.3	

\* LESS THAN \$20,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	148.4	14.4	22.0
IBRD	0.0	0.0	0.0	317.2
IFC	0.0	0.0	0.0	7.2
IDA	134.5	0.0	0.0	572.3
IDB	0.0	0.0	0.0	0.0
ADR	0.0	0.0	0.0	0.0
AFDB	9.7	13.8	8.6	75.6
UNDP	4.7	0.6	0.0	55.7
OTHER-UN	0.0	0.0	13.4	41.0
EEC	0.0	0.0	0.0	5.0
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	29.0	33.0	121.0	
Germany	209.0	54.4	430.2	
Netherlands	87.3	74.3	383.6	
Sweden	78.1	76.4	420.0	
U.K.	74.5	56.0	208.5	
Other	188.3	199.7	873.5	
Total	666.2	493.8	2436.8	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	7.8	-	19.3	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	40	
Eastern Europe	-	-	75	
China	5	-	370	
Total	5	-	485	

## TANZANIA

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	10,646	7,646	-	-	3,000	-	-	-
Total ....	10,646	7,646	-	-	3,000	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	10,200	7,200	-	-	3,000	-	-	-
Total ....	10,200	7,200	-	-	3,000	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	8,000	2,925	-	-	5,075	-	-	-
Total ....	8,000	2,925	-	-	5,075	-	-	-

Development Overview

Tanzania's mounting economic problems continue to erode the country's growth. Recent reverses attributable to high costs of needed imports (petroleum, capital equipment and spare parts), together with weak and fluctuating prices for major agricultural exports and ineffective domestic policies have collectively caused an unprecedented balance of payment crisis in Tanzania. Domestic fuel requirements, despite strict controls, are expected to absorb 50% of Tanzania's export earnings. Scheduled debt repayment will require an additional 19%, leaving the remaining 31% of its declining export earnings to use for essential imports.

Tanzania, as the fourth most populous nation in Sub-Saharan Africa, has made great strides in the social services sector (primary education is now reaching 96% of the eligible population, commitment of resources to providing paramedical health services to the rural areas is

**FY 84 PROGRAM HIGHLIGHTS**

FY 1984 program of \$8 million will emphasize agriculture productivity through:

- continued institutional support to agriculture research and the delivery of improved agricultural inputs and credit (\$2.9 million)
- continued assistance to help alleviate shortages of skilled manpower (\$5.1 million)
- continued population activities thru central and regional funded project
- P.L. 480 Title I food aid (\$3 million).

among the highest in the world and life expectancy has increased from 41 to 51 over the past 15 years). The human resource base, however, still lacks sufficient numbers of skilled technical, administrative and clerical personnel necessary to administer Tanzania's overextended development machinery. The welfare of virtually all Tanzanians is still tied to the performance of the agricultural sector, with 90% of the country's 19.9 million people living in rural areas and contributing 40% of the GNP and 85% of export earnings. The country remains one of the world's least developed nations in terms of per capita GNP (US \$300), share of the labor force in agriculture (83%), proportion of the population in a subsistence economy, under employment of available labor resources and heavy dependence on a few agricultural exports. The Government is just beginning to recognize the role the private sector can play in revitalizing the Tanzanian economy.

Unlike many nations in Africa, Tanzania has the potential

## TANZANIA

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	122	1,595	1,786
Grants .....	12,730	23,169	18,184
<b>Total Aid .....</b>	<b>12,852</b>	<b>24,764</b>	<b>19,970</b>
<b>P.L. 480**</b>			
Title I .....	5,000	5,000	3,000
(of which Title III is)	( - )	( - )	( - )
Title II .....	2,576	2,841	3,024
<b>Total P.L. 480 .....</b>	<b>7,576</b>	<b>7,841</b>	<b>6,024</b>
<b>Total Aid and P.L. 480 .....</b>	<b>24,173</b>	<b>31,806</b>	<b>23,508</b>

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

P. L. 480 PROGRAM SUMMARY (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	12.0	3,400	16.0	5,000	4.5	1,500
Feedgrains .....	14.0	1,600	-	-	12.1	1,500
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>		<b>5,000</b>		<b>5,000</b>		<b>3,000</b>
(of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies .....		1,711		1,508		1,612
World Food Programs .....		865		1,333		1,412
Gov't-to-Gov't .....						
<b>Title II Total .....</b>		<b>2,576</b>		<b>2,841</b>		<b>3,024</b>
<b>Total P.L. 480 .....</b>		<b>7,576</b>		<b>7,841</b>		<b>6,024</b>

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	22	20	20
PASAC <sup>c</sup> .....	2	2	2
Contract .....	24	21	18
<b>Total .....</b>	<b>48</b>	<b>43</b>	<b>40</b>
<b>Participants<sup>d</sup></b>			
Noncontract .....	53	42	43
Contract .....	22	26	11
<b>Total .....</b>	<b>75</b>	<b>68</b>	<b>54</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

for self-sufficiency in food production and for significantly increased exports of both food and non-food agricultural products. While domestic economic conditions and policies have hindered Tanzania from attaining its growth potential in the past, the government is taking steps to reverse the present situation. In June 1982, the Government issued the Structural Adjustment Program (SAP) - a plan designed to address the major macro-economic and sectoral constraints affecting the economy. The strategy proposes significant alterations in present government policies which include restructuring and limiting the role of parastatals, providing incentives to producers, reducing government spending and changes in the marketing and input distribution system. Implementation of the program outlined in the SAP requires large amounts of donor assistance if it is to succeed. Donor confidence in and support for this program will probably be forthcoming only if the IMF and Tanzania agree on a suitable program of fiscal and monetary reform which has been under consideration for over a year, thus withholding an infusion of \$200 million into the economy. Negotiations are scheduled for late CY 1982 and a successful outcome must be achieved if Tan-



## TANZANIA

zania is to execute the program it has adopted to extricate the country from the present economic quagmire.

Tanzania's answer to its macroeconomic problem lies in developing and exploiting its high-potential agricultural sector. Increased production in food and cash crops is necessary if Tanzania is to achieve its development objectives of employment, income distribution and modernization.

### Total Resources

Tanzania's GDP fell by 3.7% during 1980/81, bringing its 20 year average annual rate of growth to 1.9%. This decline in GDP is attributable to poor performance in the industrial sector (which fell by 28.2%) and in the agricultural sector (-7.6%). Local financial resources needed to bolster the declining economy are scarce. Approximately \$1.5 billion is planned for the recurrent budget in 1982/83 and \$.5 billion for the development budget. Of this amount approximately \$1.1 billion is expected from local revenue generations and \$.5 billion from Government borrowing. Donor assistance is expected to provide the approximately \$400 million required to fill the budget gap.

During FY 82 over 60% of donor assistance came from six major donors: The World Bank, Holland, Sweden, the European Economic Community (EEC), Germany and Denmark. The World Bank's portfolio is diversified with its largest allocation of funds (30%) in agriculture, making it the principal donor in that field. Dutch assistance is in water development and agriculture, Swedish aid is in the social service sector and in industry. EEC is involved in infrastructure, and along with Germany, in industrial development.

### U.S. Interests and Objectives

Tanzania, both as a leader of the Front Line States and as an important voice in the Third World, is of significant interest to the United States. The United States and Tanzania cooperated closely in the negotiations which

led to the independence of Zimbabwe. In the quest for an internationally-acceptable settlement in Namibia, Tanzania's moderating influence and continued active involvement in support of the negotiation process are essential. We have a continuing interest in promoting moderation on other international issues of importance to the United States, whether in the context of the North-South Dialogue, East-West confrontation in the Indian Ocean or economic and political stabilization in Africa. On each issue, Tanzania's role is of considerable importance given the stature of President Nyerere in the non-aligned world.

Despite differences in our social and economic systems, we support attempts to strengthen the market-oriented productive elements of the Tanzanian economy. Given Tanzania's heavy dependence on agriculture, real economic growth can only be maintained by our continued support to increasing agricultural productivity.

### AID Assistance Strategy

Tanzania's economic well-being is heavily dependent upon the health and vigor of its agricultural sector. Its sagging economic production picture in recent years is a result of poor performance of both domestic and export-oriented agriculture. AID's program is concentrated in support of the agricultural sector and aims at:

- increasing agricultural production by making agricultural inputs available to farmers and agricultural research more relevant to their needs;
- enhancing the role of cooperatives, individual farmers and local government in agricultural decision making while reducing the role of the central government in these areas;
- improving institutional capability through support to agricultural research, extension and credit institutions;
- improving the human resource base through (1) extensive U.S. and in-country training in fields directly related to improvements in agricultural productivity, (2) im-

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proving the health status of the rural population by strengthening low-cost rural health delivery systems and (3) providing in-country training, literature and appropriate population interventions leading to a population growth rate in line with Tanzania's ability to provide minimal acceptable social services to its people;

-enhancing the policy climate and the role of the private sector in agriculture by judicious use of P.L. 480 food resources and commodity imports.

### AID Program (FYs 1982-1983)

During this period the AID program has focused on agriculture, human resources and developing institutional capability and social services in rural areas. Low-cost health delivery services, malaria control and population are social service focal points. Activities in all these areas have been molded to contribute to our stated strategy of increasing agricultural productivity. Many of the ongoing project activities, already fully funded, will be completed during FY 83. Follow-on activities have been designed to take into account the experiences gained from evaluations taken during their lifetimes. In FY 82 three mid-term and one end of project evaluations were conducted. In FY 83 nine project evaluations are scheduled.

Agriculture: The Agriculture Research project (621-0107), which will end in FY 1983, and the Farming Systems Research project (621-0156) which will begin implementation in FY 1983, provide assistance to the Ministry of Agriculture in food crops research. Evaluation of the original project indicated that research findings would have a greater impact and produce more relevant and useable technology if the program were expanded to include off-station research and farmer/extension/researcher interaction. The follow-on activity Farming System Research project will accomplish this goal and is part of the on-going effort to increase institutional capacity and enhance technological transfer within the agricultural sector. Research-farmer interaction is also supported through (1) the Agriculture Education and Extension project (621-0135) which directly supports the Faculty of

Agriculture in training Tanzanian nationals in mid and upper level agricultural administration, teaching and extension skills and (2) the Farmer Training and Production project (621-0119.1) which works directly with the extension training schools to foster improved extension/farmer/research interaction.

AID's major project within the agricultural sector is Resources for Village Production and Income (621-0155) which provides institutional support to the Tanzanian Rural Development Bank (TRDB), the entity responsible for providing credit to small farmers and local entrepreneurs. Begun in 1980 as a \$45 million project, it has provided, in addition to institutional strengthening, approximately \$4 million in agricultural and processing inputs to villages, farmers and cooperatives. The project is now being scaled down to \$15 million in response to U.S. and Tanzanian budgetary cuts and a need to monitor more closely TRDB's financial viability before additional funds are committed (a joint A.I.D./GOT system monitoring specific concerns about TRDB's financial viability has been established as a result of an intensive review of the project and policy dialogue between our two organizations).

The Arusha Regional Planning and Village Development project (621-0143) is an integrated rural development activity scheduled for completion in FY 1983. During its four year life this project has strengthened the capability of Arusha Region to plan, manage and evaluate local development activities; rehabilitated 250 miles of secondary roads; initiated 57 small scale economic activities; provided funding for an agricultural implement facility; initiated a pilot agricultural extension system and conducted in-country training in technical fields.

Health/Population: A.I.D. assistance in the health and population sectors contributes to increased agricultural productivity by improving the human resource base of the rural population. Completed in FY 1982. The Maternal and Child Health Aides Training project (621-0121) has reorganized and expanded the provision of maternal and

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child health care services throughout the country by training over 2300 MCH Aides in 18 centers constructed under the project. Population related activities are funded from central and regional programs. Rural health care services are also being promoted through the Tanzania School Health project (621-0150) which utilizes the primary education system to expand preventive health services and education to the rural primary school population. Working in over 80 schools in two regions, the program is expected to be replicated nationwide within the next 3 years. Under the Continuing Education for Health Workers project (621-0154), a private voluntary agency, African Medical and Research Foundation (AMREF) is providing low-cost in-service training to increase the effectiveness of rural health workers. A recent evaluation of this project concluded that the project is well integrated into the GOT system, a necessary ingredient for this pilot activity to be adopted nation-wide.

The Zanzibar Malaria Control project (621-0163) is establishing an on-going system for controlling malaria, a major debilitating disease on Zanzibar. This project, A.I.D.'s only bilateral assistance activity on the island of Zanzibar, will adopt sustainable, low-cost technologies to reduce significantly the prevalence of malaria.

Education and Human Resources: Improving the human resource base through training as well as through the promotion of effective decentralization is taking place under Training for Rural Development I (621-0149) and Training for Rural Development II (621-0161). A total of 70 participants have had or now are receiving U.S. long-term training in technical and managerial fields related to agriculture and rural development. In-country training focuses on high and mid-level managers of rural development institutions and on village-level training (in five high potential regions) assisting the villages and cooperatives to manage their own development.

P.L. 480: During FY 1982 rice and corn valued at \$5.0 million were provided under the P.L. 480 Title I program. Provision of the FY 1982 commodities initiated

discussion between A.I.D. and the Tanzanian government on policies which appeared to be hindering productivity in the agricultural sector. The magnitude of future P.L. 480 Title I assistance will depend upon policy changes occurring which help stimulate agricultural production. Under the P.L. 480 Title II program, commodities were provided to Catholic Relief Services (CRS), which directly utilized Title II resources to support maternal/child health pre-school programs in 37 centers in 8 regions of Tanzania, and to World Food Program (WFP), which undertook Food for Work programs in Zanzibar.

FY 1983 Program: FY 1983 is a period of consolidation of donor activities in Tanzania, including those of A.I.D. The number of activities in the AID portfolio will be substantially reduced as projects are completed. No new starts are planned. This is in response to A.I.D. management concerns and Tanzania's desire to reduce the number of development projects. The total FY 1983 program is \$10.2 million. All of these funds will be used to continue on-going projects in agriculture and training. Resources for Village Production and Income (621-0155) will, following redesign, be evaluated as to a follow-on activity. The Farming Research Project (621-0156) and Training for Rural Development II project (621-0161) will be incrementally funded in FY 1983.

Based upon the results of the policy changes discussed during FY 1983 and the needs of the Tanzanian Government, \$5 million of P.L. 480 Title I is requested in FY 1983. P.L. 480 Title II programs with CRS and WFP will continue at levels similar to FY 1982.

### Requested Year Program (FY 1984)

The total program for FY 1984 is \$8 million. No new starts are planned. A total of \$2.9 million is requested in Agriculture, Rural Development and Nutrition. A.I.D. will complete funding for its institutional development support in research (\$2.6 million) and in the provision of critical agricultural related inputs through assistance to the Tanzanian Rural Development Bank (\$.323 million). \$5.1 million is requested in Education/Human

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Resources for the Training for Rural Development II project. Funds will be used to continue long-term training and expand the in-country training for villages high and mid-level management. Training given to villages and mid-level personnel under this project will help expand the human resource base needed for the effective use of packages and expanded credit programs.

Ongoing health projects, as described above, will continue through FY 1983 and FY 1984. These projects are fully funded and will not require additional resources.

A.I.D. will propose a \$3 million program of P.L. 480 Title I assistance in FY 1984. The possibility of initiating a multi-year program of Title I/III will be examined. Such a program would be predicated on agricultural policy changes being implemented and will serve as a buffer against any food shortages which may occur during the initial phases of implementation. Local currency generated from sales of Title I commodities will be used to help finance the local costs of programs enacted in support of policy changes. If as a result of policy discussions with IMF/IBRD and other bilateral donors (including A.I.D.), Tanzania initiates major policy changes related to the agricultural sector, A.I.D. will consider raising the Title I level

MISSION DIRECTOR: ARTHUR M. HANDLY

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

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PROGRAM: TANZANIA

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PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
SEED MULTIPLICATION AND DISTRIBUTION	G 621-0092	70	80	6,854	6,354	6,563	---	286	---	---	
AGRICULTURAL RESEARCH	G 621-0107	71	81	8,496	8,495	6,795	---	1,700	---	---	
FARMER TRAINING AND PRODUCTION	G 621-0119.02	77	79	2,528	2,528	1,453	---	913	---	162	
LIVESTOCK MARKETING AND DEVELOPMENT	G 621-0122	74	79	4,427	4,427	4,289	---	138	---	---	
AGRICULTURAL EDUCATION AND EXTENSION	G 621-0135	78	78	2,356	2,356	1,581	---	775	---	---	
ARUSHA REGIONAL PLANNING AND VILLAGE DEV	G 621-0143	78	82	14,591	14,591	11,416	---	1,532	---	1,643	
RESOURCES FOR VILLAGE PROD AND INCOME	G 621-0155	80	84	45,000	15,000	2,715	4,500	5,215	325	4,900	
FARMING SYSTEMS RESEARCH	G 621-0156	82	84	8,300	8,300	3,000	---	2,700	3,000	3,000	
ARUSHA WOMENS PARTICIPATION IN DEV	G 621-0162	79	79	400	400	166	---	157	---	77	
TOTAL FOR ACCOUNT GRANTS				92,952	62,951	52,826	34,983	7,200	13,716	2,925	9,782
LOANS				92,952	62,951	52,826	34,983	7,200	13,716	2,925	9,782
				---	---	---	---	---	---	---	
POPULATION PLANNING											
MANPOWER TRAINING PROGRAM FOR MCH AIDES	G 621-0121	73	80	3,029	3,029	2,521	---	508	---	---	
TOTAL FOR ACCOUNT GRANTS				3,029	3,029	3,029	2,521	---	508	---	---
LOANS				3,029	3,029	3,029	2,521	---	508	---	---
				---	---	---	---	---	---	---	
HEALTH											
MANPOWER TRAINING PROGRAM FOR MCH AIDES	G 621-0121	73	80	7,396	7,917	6,290	---	1,103	---	---	
SCHOOL HEALTH PROGRAM	G 621-0150	79	80	5,744	5,744	1,452	---	1,484	---	1,314	

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: TANZANIA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
CONT ED FOR HEALTH WORKERS (PVO)	G 621-0154	80	80	2,206	2,206	236	---	689	---	894	
ZANZIBAR MALARIA	L 621-0163	81	81	11,771	11,771	122	---	1,595	---	1,786	
TOTAL FOR ACCOUNT GRANTS				27,117	27,114	8,100	---	4,871	---	3,994	
LOANS				15,346	15,343	7,978	---	3,276	---	2,208	
				11,771	11,771	122	---	1,595	---	1,786	
EDUCATION AND HUMAN RESOURCES											
TRAINING FOR RURAL DEVELOPMENT I	G 621-0149	79	80	6,000	6,000	3,512	---	1,220	---	1,268	
TRAINING FOR RURAL DEVELOPMENT II	G 621-0161	81	86	18,500	18,500	73	3,000	4,200	5,075	4,800	
TOTAL FOR ACCOUNT GRANTS				24,500	24,500	3,585	3,000	5,420	5,075	6,068	
LOANS				24,500	24,500	3,585	3,000	5,420	5,075	6,068	
				---	---	---	---	---	---	---	
SELECTED DEVELOPMENT ACTIVITIES											
VILLAGE ENVIRONMENTAL IMPROVEMENT (PVO)	G 621-0160	81	81	499	499	124	---	249	---	126	
TOTAL FOR ACCOUNT GRANTS				499	499	124	---	249	---	126	
LOANS				499	499	124	---	249	---	126	
				---	---	---	---	---	---	---	
TOTAL FOR COUNTRY GRANTS				148,097	148,097	49,313	10,200	24,764	8,000	19,970	
LOANS				136,326	136,326	49,191	10,200	23,169	8,000	18,184	
				11,771	11,771	122	---	1,595	---	1,786	

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



FYB4 CP ECONOMIC AND SOCIAL DATA

COUNTRY: UGANDA

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*BASIC DATA*				*FOREIGN TRADE*			
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TOTAL POPULATION.. (THOUSANDS,MID 1982)	13,651			MAJOR EXPORTS... (1981)	COFFEE	COTTON	TEA
PER CAPITA GNP..... (DOLLARS,1981)	360			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	-0.7%			(\$ MILLIONS, US. FOB) (1979)	77	(1980)	119 (1981) 99
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	3.0%	(1970-80)	30.4%	AS % OF TOTAL EXPORTS (1979)	18%	(1980)	N.A. (1981) N.A.
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	3.0%	(1970-80)	30.4%	MAJOR IMPORTS... (1981)	OIL PRODUCTS	MACHINERY	TEXTILES
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			IMPORTS FROM U.S.			
LIFE EXPECTANCY AT BIRTH, IN YEARS				(\$ MILLIONS, US. CIF) (1979)	1	(1980)	13 (1981) 7
(1981) TOTAL 54.1 MALE 52.4 FEMALE 56.0				AS % OF TOTAL IMPORTS	N.A.		
(1968) TOTAL 47.5 MALE 45.9 FEMALE 49.2				TRADE BALANCE(\$ MILLIONS, U.S.)(1977)	340(78)	95(79)	197
ADULT LITERACY RATE (1980) TOTAL 48% MALE 64% FEMALE 32%				MAIN TRADING PARTNERS: KENYA	UNITED KINGDO	UNITED STATES	
(1962) TOTAL 35% MALE 44% FEMALE 26%				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	4.8%		
-----				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
*AGRICULTURE*				(\$ MILLIONS, U.S.)..... (1980)	40		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)	11.9%		
(1970-1981)	-4.5%			-----			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	76%			*SOCIAL DATA*			
-----				-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	336			POPULATION GROWTH RATE...(1970)	3.2%	(1975)	3.3% (1982) 3.2%
MAJOR CROP(S)				POPULATION IN URBAN AREAS..... (1969)	8%	(1972)	7%
SUBSISTENCE: MILLET CASSAVA CORN	ARABLE LAND YEAR			LIVE BIRTHS PER 1,000 POPULATION....(1970)	45	(1982)	46
CASH: COFFEE COTTON SUGAR	27% (1981)			MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	N.A.		
	8% (1981)			POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE COTTON TEA				(0-14YRS) 45.1% (15-64YRS) 51.6% (65+ YRS)	3.3%		
MAJOR AGRICULTURAL IMPORTS:(1981) SUGAR CORN DAIRY PRODUCTS				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	101		
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	83%			PEOPLE PER PHYSICIAN..... (1977)	28,280		
-----				-----			
*CENTRAL GOVERNMENT FINANCES*				MAJOR CAUSES OF			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				DISEASE (1977)MALARIA MEASLES GONORRHEA			
(1978) 789 (79) 431 (80) 588				DEATH..	N.A.		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	93%		
(1978) 830 (79) 711 (80) 917				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)	35%		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
(1978) -41 (79) -280 (80) -329				PRIMARY..... (1979) TOTAL 50.0% MALE 58.0% FEMALE 42.0%			
DEFENSE EXPENDITURES,				SECONDARY..... (1979) TOTAL 5.0% MALE 7.0% FEMALE 3.0%			
AS % OF TOTAL EXPENDITURES.. (1978) 19.3% (79) 18.3% (80) 20.6%				POST SECONDARY.. (1977) TOTAL .6% MALE .9% FEMALE .3%			
AS % OF GNP..... (1978) 1.8% (79) 0.8% (80) 0.6%				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	21%		
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,							
(\$MILLIONS, U.S.) (1978) 53 (79) 23 (80) 17							
EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1979)							



**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 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	UGANDA							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	-	-	3.0	0.1	9.0	02.5	2.7	59.0
Loans	-	-	-	-	-	11.4	2.7	0.7
Grants	-	-	3.0	0.1	9.0	11.1	-	11.1
<b>a. A.I.D. and Predecessor Agencies</b>	-	-	3.0	-	2.0	42.5	2.7	39.8
Loans	-	-	-	-	-	11.4	2.7	0.7
Grants	-	-	3.0	-	2.0	30.9	-	30.9
(Economic Support Fund)	-	-	3.0	-	-	3.0	-	-
<b>b. Food for Peace (PL 480)</b>	-	-	-	0.1	7.0	10.4	-	10.4
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	0.1	7.0	10.4	-	10.4
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	-	-	-	0.1	7.0	10.4	-	10.4
Voluntary Relief Agencies	-	-	-	1.4	2.3	0.0	-	6.0
	-	-	-	4.7	4.1	10.4	-	10.4
<b>c. Other Economic Assistance</b>	-	-	-	-	-	3.0	-	3.0
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	3.0	-	3.0
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	3.0	-	3.0
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	*	*	-	*
Credits or Loans	-	-	-	-	*	*	-	*
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	*	*	-	*
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	-	-	3.0	0.1	9.0	02.5	2.7	59.8
Loans	-	-	-	-	-	11.4	2.7	0.7
Grants	-	-	3.0	0.1	9.0	11.1	-	11.1
<b>Other U.S. Government Loans and Grants</b>	-	1.8	-	-	-	2.0	0.2	1.8
a. Export-Import Bank Loans	-	1.8	-	-	-	2.0	0.2	1.8
b. All Other Loans	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

	FY 1980	FY 1981	FY 1982	FY 1946-82
	<b>A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS</b>			
TOTAL	92.5	21.7	0.0	224.3
IBRD	0.0	0.0	0.0	8.4
IFC	0.0	0.0	0.0	3.2
IDA	72.5	0.0	0.0	120.5
IDR	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDR	9.7	0.0	0.0	27.2
UNDP	7.3	14.0	0.0	48.6
OTHER-UN	3.0	7.7	0.0	16.4
EEC	0.0	0.0	0.0	0.0
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	13.0	8.0	21.0	
U.K.	6.7	30.7	45.1	
Germany	6.4	11.4	26.8	
Netherlands	4.3	21.0	33.5	
France	4.1	6.8	10.9	
Other	8.5	17.8	45.9	
Total	43.0	95.7	183.2	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	7.0	-	14.9	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	25	
Eastern Europe	-	-	25	
China	-	-	40	
Total	-	-	9.0	

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PROGRAM SUMMARY <span style="float: right;">CP 84-13 (8-82)</span>								
<i>(In thousands of dollars)</i>								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	6,999	6,999	-	-	-	-	-	-
Total ....	6,999	6,999	-	-	-	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	7,500	7,500	-	-	-	-	-	-
Total ....	7,500	7,500	-	-	-	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	9,000	9,000	-	-	-	-	-	-
Total ....	9,000	9,000	-	-	-	-	-	-

Development Overview

Uganda has embarked on a bold program of far reaching economic structural changes that should provide the foundation for realization of its unparralleled development potential. Positive results from the new market oriented economic policies already are evident, but further adjustments will be needed. Agricultural production, particularly of export crops, is increasing rapidly, food shortages have disappeared, and more goods are now available in the market place. Domestic prices have begun to stabilize and in some instances have gone down, and the rate of inflation has been reduced sharply. While a policy climate conducive to longer term economic growth has been established, socio-political problems associated with the Amin regime and subsequent two years of administrative chaos remain, and the government must continue to address them. Ethnic divisions that threaten national unity must be healed and political stability fully restored. More attention must be given to bringing about

FY 84 PROGRAM HIGHLIGHTS
- Expand agricultural production, stressing rehabilitation of private sector manufacturing and processing facilities.
- Strengthen credit and marketing operations of agricultural cooperatives.

the rule of law, greater respect for human rights and national reconciliation.

The new government that came to power after elections in December, 1980 inherited an economy in ruins. During the previous decade Uganda's infrastructure had deteriorated and few investments were made in new capital and equipment or spare parts. Productive enterprises were run until raw materials and machinery were no longer available and then abandoned. Uganda lost almost four-fifths of its transport fleet in the War of Liberation and its aftermath. Investment in social services declined drastically and valuable human capital resources were lost to the Amin regime or fled the country. Investment priorities were distorted and a disproportionate share of the budget was allocated to internal affairs and defense. Budget deficits grew as revenue fell, and the rate of inflation exceeded 1,000% in the past ten years. Inefficient parastatals and government enterprises continued to incur heavy debts while production dropped to a fraction

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	738	8,679	10,317
<b>Total AID</b> .....	738	8,679	10,317
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( 411 )	( 206 )	( 84 )
Title II.....			
<b>Total P.L. 480</b> .....	411	206	84
<b>Total AID and P.L. 480</b> .....	1,149	8,885	10,401

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

P.L. 480 Program Summary (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total</b> .....						
(of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies.....		411		-		-
World Food Programs.....		-		206		84
Gov't-to-Gov't.....		-		-		-
<b>Title II Total</b> .....		411		206		84
<b>Total P.L. 480</b> .....		411		206		84

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	3	5	5
PASAC <sup>c</sup> .....	-	-	-
Contract.....	2	6	8
<b>Total</b> .....	5	11	13
<b>Participants<sup>d</sup></b>			
Noncontract.....	-	-	-
Contract.....	5	51	46
<b>Total</b> .....	5	51	46

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

of its capacity. The balance of payments gap began to widen as traditional exports dropped because of low government price incentives, corruption in the marketing of crops, and smuggling. The government tried to deal with the growing scarcity of goods by rationing them through an allocation system, but a black market quickly began to flourish. Only those with privileged access to foreign exchange or who received allocations were able to maintain their living standards under the chaotic circumstances. Per capita GNP fell by one-fourth between 1970-1980.

Agriculture is the most important economic sector in Uganda and accounts for 76% of the GDP in 1980. Over 83% of the country's population lives in rural areas and over 80% of the people are engaged in farming. Along with the rest of the economy, the agriculture sector deteriorated during the past decade. Government-controlled prices for crops fell below production costs. Farmers pulled out of cash crop production and cultivated only enough for their immediate families and for barter or for smuggling. Private sector firms manufacturing goods needed by Uganda's farmers lost technically skilled people and access to raw

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materials and machinery. Consequently, farm inputs such as seeds, fertilizer, insecticide and agricultural implements became increasingly scarce. The transportation and marketing system was incapable of bringing food commodities and cash crops into domestic and international trade. Administrative barriers to the development of indigenous entrepreneurs prevented the growth of private traders in areas when the government was too inefficient to function. Finally, many crop processing facilities and agro-industrial concerns that had been nationalized collapsed in the face of controlled prices and declining crop production. Institutional services to the country's small farmers such as training programs, practical field demonstrations, and agricultural research lost strength, and farmers lost access to new technological developments.

AID established an economic policy dialogue with the new government and encouraged it to initiate a series of structural adjustments through a stabilization program supported by the IMF and other donors. The government launched its economic reform program in mid 1981 and in the first year of the Standby Agreement it scrupulously adhered to the budget, fiscal and foreign exchange performance criteria. In July, 1982 the Ugandans concluded a second one year Agreement with the IMF and to date have continued to meet all performance standards. The reform measures were designed to stimulate agricultural production, boost export earnings and ensure that capital was allocated more efficiently and equitable. The shilling first was devalued by 90% and then allowed to depreciate even further. More recently the government began to auction \$2 million in foreign exchange each week to the private sector and parastatals, a move that has sharply reduced black market activities and eliminated distortions in capital use. Producer prices for export crops have been increased by a factor of six to twelve times since the reform program started. The production of cash crops has quickly increased in response to these measures and smuggling has fallen, but additional incentives will still be required. An Agricultural Price Policy unit has been established to analyze the export price structure in order to increase returns to the country's farmers and improve marketing efficiency. Government-administered

prices for consumer goods with few exceptions, have been abolished and government attempts to control commodity allocations have ended. Prices for most goods are now established on the basis of supply and demand. Energy subsidies have been ended forcing gasoline prices to go up over 16 times, and consumption has been cut by one-third since the reforms were introduced.

The government has continued to make further economic reforms as well as adjustments in the new directions adopted previously. Parliament has passed a law to systematically return property and assets confiscated from expelled Asians or nationalized by the Amin regime. Many administrative restrictions on private traders and crop processors have been removed. Competition between the private sector and cooperatives and among cooperative societies is being encouraged. The official availability of foreign exchange to the private sector through the weekly auction should improve its competitive position with respect to the cooperatives and government enterprises. Restrictions on inter-district trading are being removed, and the government now is encouraging the export of food crops. The monopsony position of crop marketing boards is being challenged, the boards are being forced to become more efficient, and the Ugandans are considering an auction system for openly recording sales price and volume, a step that should lead to more rapid increased prices to the country's farmers. Finally, the government has decided to force some parastatals to operate on a commercial basis, will dissolve some altogether, and will divest itself of those remaining either by selling them to the private sector or cooperatives or by allowing them to go under.

The Ugandan Recovery Program assigns high priority to agriculture as the leading sector to stimulate the country's economic development. However, in spite of a much improved policy environment that should facilitate the sector's rapid growth, formidable challenges remain. The lack of the most basic farm inputs, such as hoes, axes, plows, seed, fertilizer, and gunny bags, is the greatest constraint to increased agricultural productivity. The Ugandans are familiar with production techniques using

these implements, but currently are cultivating at a much lower level than they are capable because they have not had the foreign exchange to procure needed farm inputs. For example, out of a rural population of around thirteen million people between five and seven million producers do not have a hoe, the most basic farm implement in Uganda. A number of private sector companies can manufacture these inputs, but many need external assistance to get production underway. Others require better production technologies so that they can improve efficiency and help save foreign exchange by reducing import requirements. To provide these needed resources the banking system must be strengthened so that it can analyze proposed rehabilitation projects and determine those that should be funded first in order to have the greatest impact on agricultural output. Finally, institutions providing services to Uganda's farmers, such as cooperatives, agricultural training facilities and credit programs should be rehabilitated so that they again help diffuse new technology and provide needed inputs and marketing services. Reviving agricultural productivity in the near future therefore is a threefold task. First, the capital resources for small farmer production and manufacturing enterprises must be available. Second, financial intermediaries to appraise development projects and assign funding priorities to them must be strengthened. Third, institutional services for small farmers and enterprises including training, access to better production technology, the cooperatives, and improved marketing systems must be rehabilitated.

In spite of substantial progress further macro-economic adjustments and refinements in its reform program will be required in the future, but the Ugandans appear prepared to take action. Public sector wage scales, which set a pattern throughout the economy, are far out of line with current needs given the massive inflation in the past few years. Marginal programs and redundant employees will need to be eliminated so that priority activities can be financed and superior performance rewarded accordingly. Administrative obstructions holding back the implementation of new private sector measures should be removed. Adjustments in export crop prices must be announced be-

fore the planting season begins. Bureaucratic restrictions on the issuance of import licenses should be eliminated. Improved administrative procedures for the allocation of the limited foreign exchange available to government ministries should be implemented to ensure that only priorities consistent with the Recovery Program's objectives are financed. Greater attention should be given to the issue of corruption and mismanagement of public funds. In addition, the Ministry of Finance will have to implement increasingly stringent budgetary regulations to ensure that ministries remain within approved expenditure limits and that resources are devoted only to the highest priority activities.

#### Total Resources

Uganda now has a severe balance of payments deficit although its longer term prospects are good. Until recently the country had been unable to increase its foreign exchange earnings because it lacked the resources to increase production and process its output. Further, poor domestic revenue generations did not permit major programs in farmer training, research and extension, or in recapitalizing the cooperative movement over the near future.

In order to break this vicious circle the government arranged for a stabilization program with the IMF, IBRD and other donors. The IMF provided \$197 million in 1981-1982 in Compensatory Financing and a Standby Agreement in response to the economic reforms; the World Bank released \$70 million in program assistance at the same time. This assistance is being complemented in 1982-1983 by an additional \$120 million from the IMF and \$105-150 million in program assistance from the World Bank. The European Community (EC) is disbursing over \$100 million in project activities committed under the Lome I Convention and will commit around \$130 million under the Lome II program. The International Fund for Agricultural Development (IFAD) has committed \$20 million for an agricultural rehabilitation project. Other multilateral donors including the European Investment Bank, Saudi Fund, African Development Bank, OPEC Special Fund, the United Nations,

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and East African Development Bank are providing program and project assistance. Bilateral donors have initiated projects and a number are increasing their level of assistance. This includes the United Kingdom, Germany, Italy, France, Iraq, Canada and Australia. But, this assistance remains far below the level required to get productivity up quickly and Uganda firmly on the road to recovery.

The World Bank chairs a Consultative Group for Uganda and formal and informal coordination among donors in Kampala is frequent. In preparation for the second meeting of the Consultative Group in May, 1982, the government prepared a Recovery Program for the 1982-1986 period to set out its priorities, describe further reforms it contemplated, and relate expected revenue to its short term rehabilitation plan. The Recovery Program gives highest priority to projects that a) earn foreign exchange, b) stimulate industrial and agricultural production, c) have a positive impact on current government revenue, d) must be started to enhance economic recovery, and e) address urgent humanitarian and social concerns. The Consultative Group endorsed the Recovery Program as a realistic guideline for reviving the economy and urged the Ugandans to follow it when preparing future budget allocations. Implementing the Recovery Program will require over \$1.4 billion in external investments beyond the foreign exchange Uganda is expected to earn from its exports. Thus, Uganda has an urgent need for additional assistance to ensure that its Recovery Program succeeds.

Domestic budgetary performance under the Standby Agreement continues to, be good, but the weak tax base will hold expenditures down to only the most critical items. In 1982-1983 total expenditures will increase by 38% over the previous year, to a total of \$609 million. Revenue, however, is expected to increase by 75%. The overall deficit as a proportion of expenditure should decline from 39% in 1981-1982 to about 25% in the next fiscal year. Approximately 27% of the 1982-1983 budget will go for development purposes as opposed to funding recurrent costs.

### U.S. Interests and Objectives

A restoration of Uganda's once prosperous economy together with improvement in Uganda's internal security situation will contribute to regional stability and to economic growth within East Africa. The recent coup attempt in Kenya points out the critical importance to U.S. interests of stability and mutual cooperation in the East African area. Uganda serves as an important market for industrial and manufactured goods exported from Kenya. It also is a potential food source for Kenya, Sudan and eastern Zaire, as well as providing a vital transportation link for Zaire, Sudan, Rwanda and Burundi. An important objective of Uganda's recovery is the reestablishment of the rule of law and order and strengthening of the country's system of parliamentary democracy. Uganda's progress in fully carrying forward its economic recovery program as a foundation for broader growth in the future is also important to the United States. The U.S. has encouraged other countries in the region to initiate new economic policies similar to Uganda's, and they are paying close attention to Uganda's success in solving major structural problems through the application of free market principles. In the longer run, the United States has an interest in helping Uganda to develop a strong private sector in the framework it has chosen for a mixed public and private sector approach to development.

### A.I.D. Assistance Strategy

AID's strategy in Uganda is to 1) bring agricultural productivity to its current potential through short-term rehabilitation activities, 2) revitalize small and medium size facilities providing farm inputs or processing agricultural crops, and 3) establish the policy framework and institutions (within cooperatives and the private sector) under which per acre yields can be increased.

Uganda's cooperative societies play a key role in the provision of agricultural inputs and the collection, marketing and distribution of farm crops. But, their services urgently require strengthening and they need external resources to fulfill their role as farm suppliers.

AID will finance some of the items that cooperatives can sell to their members in order to boost production. This includes oxplows and spares, seeds, bicycles, tires and tubes. AID also will help improve the services provided to cooperative members including renewing farm credit programs, promoting savings and loan activities, providing better marketing and transportation of agricultural commodities, and ensuring that farmers are paid in cash upon crop delivery. To accomplish this, demoralized cooperative staff members will need to be retrained, farmer-accepted cooperative society operating principles and accounting and auditing functions restored, and greater public accountability of cooperative officials reestablished.

Many small and medium size enterprises could resume production if they had raw materials, spares, improved technology, or access to credit. They also need better services from the banking system. AID will finance on commercial terms some of the capital items needed. For example, in the past AID-financed steel has been converted into farm implements that were distributed at the local level by cooperative societies. AID will also provide short term advisory services to consult with entrepreneurs to improve the efficiency and productivity of domestic enterprises. Further, AID will finance the preparation of feasibility studies for private investors and will help develop a corps of trained financial analysts and banking and credit specialists within the banking system that are capable of appraising projects and determining their financial and economic feasibility.

As the Ugandans continue to move forward on their macro-economic reform program, further policy adjustments to stimulate agricultural production will be needed. AID will assist in the analysis of policy alternatives and in determining priorities for action. In the past AID collaboration with crop marketing boards has led to some changes in their operations that have increased income to producers. But, much more is needed. Further price incentives should be considered. The improved climate for private sector traders and crop processors should be translated from policy statements into administrative ac-

tion. Closer coordination by the ministries responsible for establishing agricultural policy and strategy is needed. And, greater latitude in resource allocation decision is needed by cooperatives and district unions. AID will address these concerns through our ongoing dialogue with the government as well as by providing specialized consultants under bilateral projects.

#### AID Program (FY's 1982-1983)

Assistance to rehabilitate the cooperative movement under the Food Production Support project was increased by \$6.999 million in FY 1982. The project contractor is now on board and already has initiated training to motivate cooperative officials and better equip them to handle their executive responsibilities, particularly with respect to financial accounting. Over thirty high level cooperative and ministry representatives have been trained in new management techniques and they in turn have helped design practical training activities for their staff. One contract advisor has helped improve the efficiency of crop transportation and distribution by implementing a better system for scheduling truck use and maintenance. Another advisor is developing a pilot credit scheme to channel local currency being generated into small farmer production activities. With the anticipated reactivation of a credit program, most societies that had defaulted or were in arrears on previous loans have gotten current on repayments. This project finances the import of vital farm inputs, and one facility using AID-financed steel and some equipment spares will soon be manufacturing close to 30,000 hoes each month for Uganda's cooperative members. Some 20,000 bicycles, a key component in farm to market transport, will be arriving soon in Uganda.

AID is expanding its efforts in FY 1983 to revive production at several private sector manufacturing facilities currently operating at low levels of capacity. Medium term credit will be extended to these enterprises through the Cooperative Development project, and technical assistance and training to the banking system will ensure that future financial intermediation efforts to assist

## UGANDA

them will be successful. A machete factory, ox plow spare parts manufacturing facility, battery factory, bicycle tire manufacturer, and other farm implement makers will resume production through this project.

In FY 1983 AID will begin work on strengthening Uganda's key development training institutions under the Manpower for Agricultural Development project. Over the past 10 years many of Uganda's civil servants and farmer trainers have fallen behind new technological advances in agriculture that other countries have adopted. As a consequence, much of the knowledge passed on to farmers at District Farm Institutes, through the Institute of Public Administration, Agricultural Colleges and other facilities is stale, outdated, and often possibly misleading. This activity is structured to provide quick refresher training for many officials who are advising farmers on a daily basis on production techniques. Advisory assistance will help improve in-country training capabilities and help solve technical problems. Many of the farmer training and boarding facilities that were looted during the War of Liberation will be repaired and resupplied.

### Requested Year Program (FY 1984)

AID requests a total of \$9 million in FY 1984, all of which will be concentrated on expanding agricultural production with particular emphasis on food crops. An additional \$6 million will be added to the Rehabilitation of Productive Enterprises project and will help increase the domestic manufacture and assembly of farm inputs as well as improving crop processing facilities. As personnel in the banking system who were trained earlier under this project assume management responsibilities, AID will increasingly look to the commercial banking community to channel funds to projects which they determine are economically feasible. The banks will establish repayment terms, determine appropriate interest rates, and follow up on loan repayments. Feasibility studies jointly prepared by outside consultants and bank staff should guide investment decisions toward activities that are most supportive of the Ugandan Recovery Program. An effort to increase the cultivation of new oil seed crops in this

project will be initiated through establishing an out-growers program, expanding a small farmer managed seed multiplication program, and replacing old equipment at seed processing mills.

AID will complete funding of the Manpower for Agricultural Development project by adding \$1 million for further training of district farm institute teachers and to set up a new rural development training capability within the Institute of Public Administration.

AID will follow on its earlier efforts to revive the cooperative movement by initiating an expanded training and technical assistance project, Cooperative Development. We request \$1 million for this project in FY 1984. Under the Food Production Support activity the farm supply network of the cooperative movement will have been reestablished, the accounting system and financial controls re-instituted, and large numbers of primary society members and district union officials trained in their application. Yet, a number of the critical services performed by the cooperatives will still need to be revitalized. The production credit program should be expanded beyond a pilot scheme so that it will encompass all well managed primary societies. This will require an expanded training program to prepare credit specialists to analyze primary society records and determine commercially feasible projects. Further, the cooperatives will be diversifying their commercial operations to participate in new domestic enterprises such as poultry farming, pig raising and dairy operations. Procedures for determining profitable business ventures will be established and advisory assistance will be provided to help make them successful. Marketing operations including crop financing procedures will be improved through the assistance of technical advisors working on such issues as crop pricing, calculating transport costs, marketing board organization and functions, and export procedures. Finally, the savings and credit program will be reestablished and advisors will help set up accounting procedures, train local society members to encourage rural savings, and arrange for the participation of the Cooperative Bank in this program.



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

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02/10/83

PROGRAM: UGANDA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
FOOD PRODUCTION SUPPORT	G 517-0102	81	82	8,999	8,999	8,999	682	---	7,000	---	1,317
MANPOWER FOR AGRICULTURE DEVELOPMENT	G 617-0103	83	84	---	3,000	---	---	2,000	400	1,000	2,000
PRODUCTION OF AGRICULTURE INPUTS	G 617-0104	83	85	---	20,500	---	---	5,500	1,000	7,000	6,500
COOPERATIVE DEVELOPMENT	* G 617-0105	84	89	---	20,000	---	---	---	---	1,000	500
TOTAL FOR ACCOUNT GRANTS				8,999	52,499	8,999	682	7,500	8,400	9,000	10,317
LOANS				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
REHABILITATION IMPORT GRANT(UGANDA)	G 617-0101	79	79	3,000	3,000	3,000	2,721	---	279	---	---
TOTAL FOR ACCOUNT GRANTS				3,000	3,000	3,000	2,721	---	279	---	---
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				11,999	55,499	11,999	3,403	7,500	8,679	9,000	10,317
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: UGANDA

## PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Cooperative Development		FUNDING SOURCE: ARDN	AG, RD & N: 1,000	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
					FY 84 1,000	LIFE OF PROJECT FUNDING: 20,000	
NUMBER 617-0105 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 89	ESTIMATED COMPLETION DATE OF PROJECT FY 90

Purpose: To rehabilitate, strengthen and expand the services that cooperative societies and district unions provide to Uganda's small farmers in credit, cooperative management, savings and loan, marketing, and diversifying production.

Project Description: Uganda's cooperatives once had a much stronger role in contributing to the country's economic development and again can have a major impact if specific farmer services are brought back into operation and government controls removed.

One of the more critical barriers to increased on-farm production is the lack of production credit for procurement of farm inputs such as hoes, seeds, on-farm storage facilities, fertilizer and plows. By 1984 these commodities should be more readily available in the local market, but farmers will need access to credit to procure them. Through this project the pilot credit scheme now being initiated under the Food Production Support project will be expanded to additional primary societies that have the capacity to procure inputs and manage loan repayments. An important element of this project will be the reactivation of the rural savings and loan program once operated through the Cooperative Bank. This activity not only will encourage capital accumulation but will also serve as a partial source of funding for the credit program.

The cooperative movement represents a major source of rural capital, managerial capacity and entrepreneurial ability. The government is encouraging the cooperatives to invest in rural enterprises that they can operate on a commercial basis to generate increased income for their members. This would include such projects as pig raising, poultry production, rural transport, beekeeping and crop processing. Seed capital will be needed to initiate some of these projects, proper accounting methods would need to be established, a relationship with the Cooperative Bank set up, and limited advisory services and training to manage discrete activities provided. These services

will be financed under this project. A team of U.S. advisors will work with Ugandan counterparts to develop and initiate the short term training programs.

#### Relationship to AID Country Strategy

This project is directly supportive of AID's strategy of increasing agricultural productivity, revitalizing private sector facilities providing farm inputs and crop processing, and strengthening local farmer organizations.

#### Host Country and Other Donors

The Government of Uganda will provide for all operating costs for this program, including salaries of trainers, cooperative ministry staff and travel allowances; and it will provide all training facilities. Some funds from the Cooperative Bank will be made available for financing the credit program, and Bank staff will assist in implementing the credit and savings and loan programs. Other donors, including the EC, IFAD, World Bank, and UNDP, are providing some farm supplies. These commodities will be provided in kind under the credit program. All commodities will be distributed through the Uganda Cooperative Union, which will arrange for their import, transport, security and accounting during distribution.

#### Beneficiaries

Approximately 750 primary societies will participate in the credit program. Thus, approximately 30,000 farm families will receive additional production inputs through this project. If half of the 600 savings and loan societies which once operated in Uganda are reactivated, another 30,000 Ugandan farm families will also benefit from this project. Almost 7,000 new cooperative members will receive management and cooperative principles training each year.

**AFRICA**

**CENTRAL AND WEST AFRICA PROGRAMS**



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: BURUNDI

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	4,438			MAJOR EXPORTS... (1981)	COFFEE	TEA	COTTON
PER CAPITA GNP..... (DOLLARS,1981)	240			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	2.5%			(\$ MILLIONS, US. FOB) (1979)	44	(1980) 27	(1981) 31
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	2.8%	(1970-80)	11.8%	AS % OF TOTAL EXPORTS (1979)	42%	(1980) 42%	(1981) N.A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	TEXTILES	FOODSTUFFS	TRANSPORT EO
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 42.3 MALE 40.8 FEMALE 43.9				(\$ MILLIONS, US. CIF) (1979)	7	(1980) 10	(1981) 8
(1968) TOTAL 38.5 MALE 36.9 FEMALE 40.1				AS % OF TOTAL IMPORTS (1979)	5%	(1980) 6%	(1981) N.A.
ADULT LITERACY RATE (1980) TOTAL 23% MALE 39% FEMALE 7%				TRADE BALANCE(\$ MILLIONS, U.S.)(1978)	-29(79)	-47(80)	-103
(1962) TOTAL 14% MALE 21% FEMALE 7%				MAIN TRADING PARTNERS: UNITED STATES	BELGIUM	IRAN	
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	15.6%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981)	-0.9%			SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... (1980)	6		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	55%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979)	3.1%		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	675			*SOCIAL DATA*			
MAJOR CROP(S)		ARABLE LAND YEAR		POPULATION GROWTH RATE...(1970)	2.0%	(1975) 2.7%	(1982) 2.7%
SUBSISTENCE: BANANAS CASSAVA SWEET POTATOES 73% (1981)				POPULATION IN URBAN AREAS..... (1968)	2%	(1970)	2%
CASH: COFFEE COTTON TEA 4% (1981)				LIVE BIRTHS PER 1,000 POPULATION....(1970)	44	(1982)	47
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE TEA COTTON				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)	1%		
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT SUGAR DAIRY PRODUCTS				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LAEOR FORCE IN AGRICULTURE..... (1980)	84%			(0-14YRS) 44.1%	(15-64YRS) 52.9%	(65+ YRS) 3.1%	
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	127		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.) (1978)	91 (79)	113 (80)	124	PEOPLE PER PHYSICIAN..... (1974)	47,568		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.) (1978)	71 (79)	90 (80)	102	MAJOR CAUSES OF DISEASE (1977)INFECTIOUS DIS. PARASITIC DISEAS RESPIRATORY DEATH.. (1977)INFECTIOUS DIS. PARASITIC DISEAS NATAL DISEASES			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.) (1978)	20 (79)	23 (80)	22	PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	99%		
DEFENSE EXPENDITURES, AS % OF TOTAL EXPENDITURES.. (1978) 23.9% (79) 21.8% (80) 22.2%				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970)	2%		
AS % OF GNP..... (1978) 2.8% (79) 2.5% (80) 2.6%				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$MILLIONS, U.S.) (1979) 99 (80) 104 (81) 68				PRIMARY..... (1979) TOTAL 23.0% MALE 28.0% FFEMALE 18.0%			
EQUIVALENT TO 7.0 MONTHS OF IMPORTS (1980)				SECONDARY..... (1979) TOTAL 2.0% MALE 3.0% FFEMALE 2.0%			
				POST SECONDARY.. (1978) TOTAL .5% MALE .8% FFEMALE .2%			
				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	4%		

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

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	BURUNDI							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE — TOTAL</b>	1.1	2.2	2.3	6.5	6.1	30.9	-	30.9
Loans	-	-	-	-	-	-	-	-
Grants	1.1	2.2	2.3	6.5	6.1	30.9	-	30.9
<b>a. A.I.D. and Predecessor Agencies</b>	0.1	0.1	0.1	4.4	3.3	9.3	-	9.3
Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.1	0.1	4.4	3.3	9.3	-	9.3
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	1.0	2.1	2.2	2.1	2.8	21.6	-	21.6
Loans	-	-	-	-	-	-	-	-
Grants	1.0	2.1	2.2	2.1	2.8	21.6	-	21.6
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	1.0	2.1	2.2	2.1	2.8	21.6	-	21.6
Emerg. Relief, Econ. Develop. & World Food Program	0.4	0.6	0.8	1.0	1.0	10.7	-	10.7
Voluntary Relief Agencies	0.6	1.5	1.4	1.1	1.8	10.9	-	10.9
<b>c. Other Economic Assistance</b>	-	-	-	-	-	*	-	*
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	*	-	*
Peace Corps	-	-	-	-	-	*	-	*
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE — TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	1.1	2.2	2.3	6.5	6.1	30.9	-	30.9
Loans	-	-	-	-	-	-	-	-
Grants	1.1	2.2	2.3	6.5	6.1	30.9	-	30.9
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

	FY 1980	FY 1981	FY 1982	FY 1946-82
	<b>A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS</b>			
TOTAL	62.4	27.6	13.6	266.7
IBRD	0.0	0.0	0.0	4.8
IFC	0.0	5.6	0.0	5.6
IDA	37.7	3.0	0.0	93.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
A FDB	21.8	14.5	10.7	63.5
UNDP	1.1	0.5	0.0	30.2
OTHER-UN	1.8	0.0	2.9	9.3
EEC	0.0	0.0	0.0	60.3
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. O.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	4.0	7.0	17.0	
Belgium	27.7	22.7	113.0	
France	12.9	17.2	51.0	
Germany	10.3	18.1	45.0	
Other	5.0	6.4	17.1	
Total	59.9	71.4	243.1	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	3.7	-	4.2	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	-	
Eastern Europe	-	-	-	
China	-	-	60	
Total	-	-	60	

Burundi

PROGRAM SUMMARY (In thousands of dollars)							CP 84-13 (8-82)	
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982	-	-	-	-	-	-	-	-
Loans ....	5,008	3,902	-	-	-	1,106	-	-
Grants ....								
Total ....	5,008	3,902	-	-	-	1,106	-	-
1983	-	-	-	-	-	-	-	-
Loans ....	5,197	3,997	-	-	-	1,200	-	-
Grants ....								
Total ....	5,197	3,997	-	-	-	1,200	-	-
1984	-	-	-	-	-	-	-	-
Loans ....	4,300	3,000	-	-	-	1,300	-	-
Grants ....								
Total ....	4,300	3,000	-	-	-	1,300	-	-

FY 84 PROGRAM HIGHLIGHTS
-- In the agriculture sector, continue funding for the Small Farming Systems Research Project (\$3,000,000).
-- In the energy sector, continue funding for the Peat II Project (\$1,300,000).
-- PL 480 Title II will benefit programs in Maternal and Child Health, Food for Work, Other Child Feeding and General Relief. (\$1,972,000).

Development Overview

Burundi's long term economic outlook is bleak as the rapidly expanding population competes for food and fuel. Landlocked Burundi is one of the Relatively Least Developed countries. It has the second highest population density in sub-Saharan Africa, crowded into a mountainous terrain the size of Maryland.

Burundi's physical environment is such that the population's food needs cannot be met using current production methods. Population pressure on land and current limitations on food production capability have caused pre-harvest food shortages, increased erosion and reduced soil fertility, and have also helped to create the poor health conditions associated with underdevelopment. Firewood and charcoal have become scarce and expensive. It is apparent that Burundi will face severe food and fuel shortages before the end of the century unless it

takes prompt action.

More than 95% of the population in Burundi is rural, living on scattered homesteads. Subsistence farming produces more than 50% of the Gross Domestic Product. The cash economy is very small, between 5% to 10% of food crops are sold or traded off-farm.

The Government of the Republic of Burundi (GRB) places great emphasis on increasing food production through improved management techniques, because there is relatively little land suitable for agriculture which lies unused. It is clear, however, that the technological shift to higher average production per unit of land has not occurred yet. The 1980-1981 harvests were very good, thanks to favorable weather conditions, publicity campaigns to produce more food and hard work. Weather conditions and yields were fair for the 1981-1982 agricultural year, but total production was considerably lower. The size of the harvest depends heavily on weather as

## Burundi

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	2,871	7,027	7,625
<b>Total AID.....</b>	<b>2,871</b>	<b>7,027</b>	<b>7,625</b>
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	2,124	1,848	1,972
<b>Total P.L. 480.....</b>	<b>2,124</b>	<b>1,848</b>	<b>1,972</b>
<b>Total AID and P.L. 480.....</b>	<b>4,995</b>	<b>8,875</b>	<b>9,597</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	7	6	6
PASAC <sup>c</sup> .....	-	-	-
Contract.....	11	17	12
<b>Total.....</b>	<b>18</b>	<b>23</b>	<b>18</b>
<b>Participants<sup>d</sup></b>			
Noncontract.....	3	13	22
Contract.....	-	-	-
<b>Total.....</b>	<b>3</b>	<b>13</b>	<b>22</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 Program Summary (In 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b>						
(of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies.....		1,373		1,385		1,490
World Food Programs.....		751		463		482
Gov't-to-Gov't.....		-		-		-
<b>Title II Total.....</b>		<b>2,124</b>		<b>1,848</b>		<b>1,972</b>
<b>Total P.L. 480.....</b>		<b>2,124</b>		<b>1,848</b>		<b>1,972</b>

very few modern agricultural inputs are available.

The rural fuel supply problem remains acute. Forests of all types cover only 3% of the land area. If trends continue unchecked, Burundi's tree cover will be reduced to less than 40% of present availabilities within five or six years. Then woodlands would not be able to play their vital role of protecting watersheds from erosion.

Burundi's population relies almost exclusively on wood as fuel. The GRB has undertaken a substantial reforestation program in addition to urban hydroelectric supply programs, but little impact can be expected for several years. Therefore, the GRB has launched a high priority program to develop alternative energy sources, such as peat, to supplement forest resources to facilitate soil conservation.

Burundi's population increases at annual rates estimated between 2.3% and 2.7%. The Government's population policy has shifted rapidly from "spaced births" to policies which include family planning along with other health services. The President of Burundi in a major



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policy speech in April 1982 expressed the hope that the (resettlement) option, accompanied by "an appropriate demographic policy would provide results which are urgently needed." Both government and private sector personnel recognize increasingly the magnitude of the problem.

The principal health sector problems include communicable diseases due to lack of preventive care, nutritional deficiencies, poor environmental sanitation, and lack of access to clean water. Infectious and parasitic diseases, made more serious by malnutrition, are the primary causes of death.

The Burundi Government has begun stressing preventive medicine, and started its pilot immunization program in June 1980. Government objectives include continued decentralization of health services and training of medical and paramedical personnel, especially in health education and immunization against childhood diseases.

Education and the availability of trained manpower remain key problems in Burundi's development. Less than 25% of the adult population is literate and enrollment in formal primary schools covers only about 30% of the primary school age group. Although technical and non-formal education have grown rapidly, the absolute shortage of trained manpower hampers Burundi's ability to implement programs. Managerial and technical skills are also in short supply.

### Total Resources

The Burundi economy improved during the 1976-1981 period. Real Gross Domestic Product (GDP) at Factor Cost grew by more than 25% per capita during that period. In 1981, GDP in constant prices grew by more than 9%, but a smaller coffee crop will be the primary cause of much lower economic growth rates in 1982 and 1983.

The fourth Five-Year Plan is being prepared. The third Plan provided greater emphasis on agricultural production to meet increasing food needs. It also concentrated on

increasing substantially the rate of economic growth in order to provide greater employment opportunities and more income to the poorest segments of the population.

The Burundi Government has mobilized its own resources for development. In 1975, the country collected 9% of GDP as government revenues, by 1980 they reached 14%. Total government expenditures have remained a relatively constant percentage of GDP from 1979 through 1981. Capital expenditures rose by 11% in 1980, after very rapid growth in the previous five years, and stagnated in 1981 due as much to absorptive capacity problems as to the availability of resources.

Burundi's balance of payments and monetary policies have been conservative. Burundi's foreign debt is relatively low. Monetary management is complicated by the need to finance the coffee harvest. The low world coffee price has contributed to a sharp deterioration in Burundi's balance of payments, complicated by oil price increases. Foreign exchange reserves have been drawn down since 1979. For a few years, Burundi's monetary supply was remarkably stable, but in 1981 it rose by over 50% and is expected to rise again in 1982.

In terms of private sector development, it should be noted that the "modern economy" is very small. There is a growing recognition, in recent presidential and other governmental statements, of the need to encourage Burundi's small businesses and increasing concern over parastatal operations. The World Bank is preparing a pilot study of parastatal operations.

Since the late 1970's Burundi has received increasing amounts of assistance from other donors. Historically, Belgium is the largest donor of bilateral assistance, usually grants, at an annual level of about \$26 million, primarily for technical assistance in education, agriculture and health. West Germany provides just about as much, especially in the area of urban electricity and water supply. France is the third largest bilateral donor particularly for transportation and agriculture assistance, as well as providing about 150 technicians

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and teachers. French assistance is increasing, particularly with the forthcoming support to the Rwegura hydroelectric project.

The European Development Fund (EDF) and the United Nations Development Program (UNDP) are the largest multilateral donors of grant assistance, and are active in almost all fields, while the European Economic Community (EEC) also provided STABEX (stabilization of exports) support in 1981 to compensate for low coffee production in 1980.

The largest multilateral lender is the World Bank, through the International Development Association, with about \$53 million in projects authorized in 1981. The International Fund for Agriculture Development is contributing towards the 1982 Ngozi II agriculture development project. Burundi received \$1 million from the Organization of Oil Exporting Countries (OPEC) oil facility and \$7 million from the OPEC fund for the Mosso's sugar development project. The Arab Bank for Economic Development in Africa, the Abu Dhabi Fund, the African Development Bank and West Germany are also contributors to the Mosso project. The Kuwait Development Fund provided an \$8 million loan for a road, while the African Development Bank made a \$10.9 million loan for Rumonge rural development (oil palm).

Other relatively minor donors and lenders include: Japan, USSR, Cuba, Romania, Egypt, Sweden, Italy, Switzerland, Denmark, China, North Korea and Saudi Arabia.

### U.S. Interests and Objectives

The U.S. interest in Burundi is associated with the stability of the region. Unless development keeps pace with population growth, prospective food and fuel shortages may cause grave problems for Burundians, particularly the rural poor, within the next decade. Extending appropriate assistance to Burundi could reduce the threat to internal and external stability which this problem poses as well as promote developmental and humanitarian objectives.

A.I.D. Assistance Strategy: The basic objective of A.I.D.'s strategy is to help solve the land/food/population dilemma faced by the rural poor who possess a small resource base. A.I.D.'s strategy objectives and projects are designed to contribute to arresting human and ecological disaster in the medium to long term.

A.I.D.'s three strategy objectives are:

- Increasing food production and availability, particularly in densely populated rural areas;
- Reducing the rate of loss of arable land to soil erosion and increasing the availability of alternative energy sources to the rural and urban poor; and
- Improving the delivery of health and family planning services.

The primary beneficiaries of A.I.D. assistance will be the rural poor along the Zaire/Nile divide and in the Central Plateau regions. By 1988, approximately 500,000 people will benefit directly from one or more A.I.D. financed projects. In addition, about 60% of Bujumbura's population (or roughly 125,000 people) will also benefit from alternative energy projects well before the end of the decade.

The U.S. Government will remain a relatively minor donor of economic assistance. A.I.D. assistance is tailored carefully in each sector to be complementary to other donor activities.

Food Production: A.I.D.'s ultimate objective in food production is implementation of food crop programs to improve both food availability and nutritional quality. Before such programs can be implemented successfully, key components and services must be made available including relevant results from applied agricultural research, reliable supplies of seeds and other agricultural inputs, trained extension staff, farm to market roads and improved food storage and marketing capabilities. In Burundi, A.I.D. is concentrating on applied agricultural

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research (particularly on farming systems), seed multiplication/extension, and farm to market roads.

**Soil Conservation/Energy:** Soil conservation, afforestation and energy use are closely related development problems. Burundi's steep slopes and dense population have exacerbated soil erosion and deforestation has accelerated the process. A.I.D.'s projects include use of peat as alternative fuel and a pilot forestry extension program for meeting fuelwood needs.

**Rural Health/Family Planning:** Rural health and family planning are closely linked in Burundi, given the sociological importance of the family and the consequences of high infant mortality rates. With continued support first through regional and then through bilateral projects, A.I.D. will be able to influence development efforts to meet basic human needs in such areas as family health, family planning, safe water, immunization and sanitation education.

In terms of private sector development, Burundi has only recently begun to emerge from the post-colonial situation of virtually complete dominance of small private enterprises by expatriates. A.I.D. plans in early FY 1983, through the use of regional funds, to attempt to define the existing support and constraints to private sector development in Burundi and to define A.I.D.'s role in this area.

### A.I.D. Program (FYs 1982-1983)

The A.I.D. program in Burundi is relatively new. Project implementation has accelerated as key project personnel come on board, as facilities are constructed and as commodities and equipment arrive.

In the agriculture sector, the Basic Food Crops Project (695-0101), begun in April 1980, will receive its final funding increment in FY 1983. This project helps the Burundi Government to make available improved varieties of seed and plant materials to subsistence farmers and introduces improved production techniques for basic food

crops developed on a seed multiplication farm. By the end of FY 1982, the project was fully staffed, most equipment had arrived and most buildings were nearing completion. The European Development Fund (EDF) has signed an agreement with the GRB for a food production project in high altitude zones which plays an important complementary role in distributing the seeds.

The FY 1983 Small Farming Systems Research Project (695-0106) will help develop an institutional capacity for applied agricultural research in biological and socio-economic fields at the level of the individual small holder farm as a production unit. It will also develop a link to bridge the gap between GBR agricultural research and extension activities.

The Rural Road (R.P. 84) Project (695-0108), signed in FY 1980 will provide access to agricultural markets and to health and education services for about 65,000 people living along a mountainous 60 kilometer long road. Earthwork, culverts and drains were completed up to Murago (km. 24) in FY 1982. The first 40 kilometers of R.P. 84 should be completed in FY 1983. Based on the success of R.P. 84, a follow-on project, Rural Road II (695-0112), is scheduled for FY 1983. This project will help to institutionalize a system for labor intensive rural roads projects within the Public Works Department, conduct studies for four additional labor-intensive roads, and reconstruct a branch road from kilometer 50 on R.P. 84 down to the major market town of Rumonge, on Lake Tanganyika.

In the conservation/energy area, the Peat II Project (695-0103), begun in August 1980, promotes peat as an urban household and light industry fuel in order to reduce the depletion of Burundi's forest resources. More than 9,000 tons of peat were produced in 1982. The Bururi Forest Project (695-0105), the only new project in FY 1982, combines the preservation a high altitude natural forest with construction and firewood production. The project includes the establishment of tree nurseries and plantations, training in innovative non-conventional firewood producing programs in other

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countries, and extension work on introducing a more efficient cookstove.

Under the regionally financed Improved Rural Technology Project, implementation of a small program to develop, test and extend solar crop dryers in Burundi will continue.

Activities in the rural health/family planning sectors in FY 1983 include plans to complete regionally financed support to the UNICEF/World Health Organization/Burundi Expanded Program of Immunization Project, a program of immunization against childhood diseases. This project is meeting its targets in five districts. The Burundi Government and the medical schools of Columbia University and the University of Burundi plan to sign an A.I.D. centrally funded agreement for operational research on family health/family planning.

Some training is provided to facilitate projects in the three areas of concentration in the Burundi program. A.I.D. finances education and human resources development activities using regional funds. The African Manpower Development Program (AMDP) finances Burundians in agriculture, rural development and administration. Five African Graduate Fellowship Program (AFGRAD) students are currently in the United States to pursue master's degree programs in public administration, economics, agricultural economics, plant pathology and plant physiology. Four places are being requested for the 1983-1984 academic year.

The PL 480 Program in Burundi consists only of Title II. It is administered by Catholic Relief Services (CRS) and the World Food Program. The CRS program, in operation since 1970, has made a significant improvement in the nutrition of vulnerable groups. The program has four components: Maternal and Child Health, Other Child Feeding, Food for Work and General Relief. CRS/Burundi management provides nutrition education as part of its feeding programs. Food for Work projects are carefully selected to provide incentives to increase participation in small projects that will benefit the laborers' commu-

nities. CRS/Burundi provides Food for Work commodities to the laborers on the Rural Road Project (695-0108) and evaluation findings indicate that PL 480 food is a valuable part of the project. Food for Work will be a component of the Rural Road II Project (695-0112).

Given the GBR's positive encouragement of Burundian small business as outlined in the President's policy speech in April 1982, there are a number of devices, including loan funds, that are theoretically available to encourage private business. A.I.D. plans, through use of regional funds in early FY 1983, to attempt to define the existing support and constraints to private sector development in Burundi and to define a possible A.I.D. role in this area. In this connection, A.I.D.'s increasing emphasis on private sector development should accelerate a formal agreement with the Burundi Government on timing and modalities of shifting ONATOUR (the peat production and marketing enterprise) to the private sector.

### Requested Year Program (FY 1984)

FY 1984 is a year where all A.I.D.'s "first generation" projects in Burundi will be completely funded. Only the Small Farming Systems Project (695-0106), which begins in FY 1983, will require financing beyond FY 1984. A.I.D. will, however, be engaged in detailed planning for the second generation of projects in agriculture extension and production as well as health/family planning. These projects will build upon the framework established in the initial bilateral and regional projects.

Three active agriculture projects will not require FY 1984 funding: Basic Food Crops (695-0101), operational until FY 1985; Rural Road ( R.P. 84) (695-0108) will be completed in FY 1984, and Rural Road II (695-0112) will enter its full implementation stage. Small Farming Systems Research (695-0106) will require \$3,000,000 in FY 1984. Construction under this project should be nearing completion and all U.S. technicians at post by September 1984.

Among energy/reforestation projects, Bururi Forest

Burundi

(695-0105) will not require any additional funds until its final stage in late 1986. Peat II (695-0103) is the only bilateral energy/special development activities project scheduled for FY 1984 financing. The \$1,300,000 set aside for FY 1984 obligation will complete the project's funding requirements.

Regional and centrally financed family health/family planning activities will continue implementation in FY 1984, while A.I.D. works on developing a bilateral family health/family planning project.

PL 480 Title II will continue to play a substantial role in Burundi's rural development. Burundi is not self sufficient in meeting caloric and nutrition requirements and is unable to pay for purchased food imports. It is estimated that 70,000 participants will be reached under the Title II programs in FY 1983. These include Maternal and Child Health (50,000), Food for Work (16,000), Rural Road (4,000), Other Child Feeding (5,000) and General Relief (5,000). A total of \$1,972,000 is requested for FY 1984 Title II activities.

A.I.D. AFFAIRS OFFICER: George T. Bliss

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

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02/10/83

PROGRAM: BURUNDI

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ACTIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ACTIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ACTIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
BASIC FOOD CROPS	G 695-0101	80	83	5,458	5,992	5,458	2,190	534	1,700	---	1,350
BURURI FOREST	G 695-0105	82	82	1,144	1,144	1,144	---	---	482	---	350
SMALL FARMING SYSTEMS RESEARCH	G 695-0106	83	85	---	8,000	---	---	2,280	700	3,000	2,200
RURAL ROAD (ROUTE 34)	G 695-0108	80	83	926	1,327	926	407	401	460	---	460
RURAL ROADS II	G 695-0112	83	83	---	782	---	---	782	120	---	375
TOTAL FOR ACCOUNT GRANTS				7,528	17,245	7,528	2,597	3,997	3,462	3,000	4,735
LOANS				7,528	17,245	7,528	2,597	3,997	3,462	3,000	4,735
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
ALTERNATIVE ENERGY PEAT II	G 695-0103	80	85	8,000	8,000	5,106	959	1,200	3,565	1,300	2,890
TOTAL FOR ACCOUNT GRANTS				8,000	8,000	5,106	959	1,200	3,565	1,300	2,890
LOANS				8,000	8,000	5,106	959	1,200	3,565	1,300	2,890
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				15,528	25,245	12,634	3,556	5,197	7,027	4,300	7,625
LOANS				15,528	25,245	12,634	3,556	5,197	7,027	4,300	7,625
				---	---	---	---	---	---	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: CAMEROON

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	9.049			MAJOR EXPORTS... (1981)	COCOA COFFEE WOOD		
PER CAPITA GNP..... (DOLLARS,1981)	790			EXPORTS TO U.S.	(\$ MILLIONS, US. FOB) (1979) 236 (1980) 320 (1981) 379		
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	2.6%			AS % OF TOTAL EXPORTS (1979)	21% (1980) 23% (1981) 34%		
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	3.7% (1970-80) 10.2%			MAJOR IMPORTS... (1981)	MANUFACTURES MACHINERY TRANSPORT EQ		
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			IMPORTS FROM U.S.	(\$ MILLIONS, US. CIF) (1979) 72 (1980) 47 (1981) 90		
LIFE EXPECTANCY AT BIRTH, IN YEARS				AS % OF TOTAL IMPORTS (1979)	6% (1980) 3% (1981) 5%		
(1981) TOTAL 47.5 MALE 45.9 FEMALE 49.2				TRADE BALANCE(\$ MILLIONS, U.S.) (1979)	-143(80) -218(81) -689		
(1968) TOTAL 41.0 MALE 39.4 FEMALE 42.6				MAIN TRADING PARTNERS: FRANCE UNITED STATES NETHERLANDS			
ADULT LITERACY RATE (1976) TOTAL 41% MALE 55% FEMALE 25%				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	34.0%		
(1962) TOTAL 20% MALE 31% FEMALE 7%				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.	(\$ MILLIONS, U.S.)..... (1980) 182		
*AGRICULTURE*				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)	7.7%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE	(1970-1981) -0.4%			*SOCIAL DATA*			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	32%			POPULATION GROWTH RATE... (1970)	2.1% (1975) 2.1% (1982) 3.4%		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	150			POPULATION IN URBAN AREAS..... (1969)	19% (1976) 28%		
MAJOR CROP(S)	ARABLE LAND YEAR			LIVE BIRTHS PER 1,000 POPULATION.... (1970)	42 (1982) 42		
SUBSISTENCE: ROOTS & TUBERS CORN	28% (1981)			MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	(1977) 1%		
CASH: COFFEE COCOA BEANS	19% (1981)			POPULATION (1981) IN AGE GROUP:	(0-14YRS) 41.3% (15-64YRS) 54.2% (65+ YRS) 4.4%		
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE COCOA BEANS				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	115		
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT RICE DAIRY PRODUCTS				PEOPLE PER PHYSICIAN..... (1977)	16,459		
PROPORTION OF LAEBOR FORCE IN AGRICULTURE..... (1980)	83%			MAJOR CAUSES OF DISEASE (1974)MEASLES MALARIA FLU & PNEUMONIA			
*CENTRAL GOVERNMENT FINANCES*				DEATH.. (1976)DEFICIENT DIET DYSENTERY RESPIRATORY			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)	(1977) 572 (78) 768 (79) 950			PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	106%		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)	(1977) 608 (78) 789 (79) 827			POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970)	32%		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)	(1977) -36 (78) -21 (79) 123			TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFENSE EXPENDITURES.				PRIMARY..... (1978) TOTAL 103.0% MALE 113.0% FFEMALE 93.0%			
AS % OF TOTAL EXPENDITURES.. (1978) 8.7% (79) 9.8% (80) 9.1%				SECONDARY..... (1978) TOTAL 17.0% MALE 22.0% FFEMALE 12.0%			
AS % OF GNP..... (1978) 1.6% (79) 1.6% (80) 1.4%				POST SECONDARY.. (1977) TOTAL 1.3% MALE 2.3% FFEMALE .4%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	431%		
(\$MILLIONS, U.S.) (1979) 141 (80) 206 (81) 97							
EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1981)							



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

**ECONOMIC PROGRAMS OF ALL DDNORS**  
(Millions of Dollars)

COUNTRY CAMEROON

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	1977	1978	1979	1980	1981			
	<b>I. ECONOMIC ASSISTANCE — TOTAL</b>							
Loans	4.9	15.1	11.4	9.4	12.0	93.8	0.7	87.1
Grants	-	7.0	-	-	-	20.2	0.7	13.5
<b>Grants</b>	<b>4.9</b>	<b>7.0</b>	<b>11.4</b>	<b>9.4</b>	<b>12.0</b>	<b>73.0</b>	<b>-</b>	<b>73.6</b>
<b>a. A.I.D. and Predecessor Agencies</b>								
Loans	4.1	12.1	7.7	0.3	1.0	62.1	0.7	55.4
Grants	-	7.0	-	-	-	20.2	0.7	13.5
<i>(Economic Support Fund)</i>	0.8	4.0	1.7	0.3	1.0	41.9	-	41.9
<b>Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.0</b>	<b>-</b>	<b>-</b>
<b>b. Food for Peace (PL 480)</b>								
Loans	0.0	1.4	1.0	0.3	2.4	11.7	-	11.7
Grants	-	-	-	-	-	-	-	-
<b>Grants</b>	<b>0.0</b>	<b>1.4</b>	<b>1.0</b>	<b>0.3</b>	<b>2.4</b>	<b>11.7</b>	<b>-</b>	<b>11.7</b>
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.0	1.4	1.0	0.3	2.4	11.7	-	11.7
Emerg. Relief, Econ. Develop. & World Food Program	*	0.4	1.1	0.1	1.0	7.0	-	7.0
Voluntary Relief Agencies	0.0	0.3	0.4	0.0	0.4	4.7	-	4.7
<b>c. Other Economic Assistance</b>								
Loans	1.2	1.0	2.2	2.2	2.4	20.0	-	20.0
Grants	-	-	-	-	-	-	-	-
Peace Corps	1.2	1.0	2.2	2.2	2.4	20.0	-	20.0
Narcotics	1.2	1.0	2.2	2.2	2.4	20.0	-	20.0
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE — TOTAL</b>								
Credits or Loans	-	0.0	2.0	1.0	4.0	12.7	3.4	9.3
Grants	-	0.0	2.0	1.0	4.0	12.4	3.4	9.0
<b>Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>0.1</b>	<b>0.3</b>	<b>-</b>	<b>0.3</b>
<b>a. MAP Grants</b>								
Loans	-	-	-	-	-	0.2	-	0.2
<b>b. Credit Financing - FMS</b>								
Loans	-	0.0	2.0	1.0	4.0	12.4	3.4	9.0
<b>c. Military Assistance Service-Funded (MASF) Grants</b>								
Loans	-	-	-	*	0.1	0.1	-	0.1
<b>d. Transfers from Excess Stocks</b>								
Loans	-	-	-	-	-	*	-	*
<b>e. Other Grants</b>								
Loans	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>								
Loans	4.9	20.1	15.4	10.4	17.1	106.5	10.1	96.4
Grants	-	12.0	2.0	1.0	4.4	32.0	10.1	22.0
<b>Grants</b>	<b>4.9</b>	<b>7.0</b>	<b>11.4</b>	<b>9.4</b>	<b>12.7</b>	<b>73.5</b>	<b>-</b>	<b>73.6</b>
<b>Other U.S. Government Loans and Grants</b>								
a. Export-Import Bank Loans	-	-	02.7	0.9	-	89.9	24.0	05.3
b. All Other Loans	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES — COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
<b>TOTAL</b>	<b>64.7</b>	<b>47.3</b>	<b>155.7</b>	<b>1046.7</b>
IBRD	16.5	40.0	128.3	492.3
IFC	0.0	3.3	1.5	14.4
IDA	31.0	0.0	0.0	233.2
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AIDB	0.0	0.0	15.9	33.9
UNDP	2.8	2.0	0.0	42.2
OTHER-UN	0.0	2.0	0.0	7.3
EEC	14.4	0.0	10.0	223.4

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	11.0	13.0	45.0
France	100.6	80.3	360.4
Germany	26.8	17.3	180.5
Canada	17.8	16.4	69.8
U.K.	12.0	7.0	24.1
Other	12.1	10.0	93.8
<b>Total</b>	<b>180.3</b>	<b>144.0</b>	<b>773.6</b>

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

	CY 1980	CY 1981	CY 1976-81
	24.1	-	48.5

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	10
Eastern Europe	-	-	-
China	-	-	105
<b>Total</b>	<b>-</b>	<b>-</b>	<b>115</b>

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	9,100	9,100	-	-	-	-	-	-
Grants ....	6,235	6,235	-	-	-	-	-	-
Total ....	15,335	15,335	-	-	-	-	-	-
1983								
Loans ....	12,961	12,961	-	-	-	-	-	-
Grants ....	4,039	4,039	-	-	-	-	-	-
Total ....	17,000	17,000	-	-	-	-	-	-
1984								
Loans ....	6,800	5,400	-	-	1,400	-	-	-
Grants ....	13,200	11,353	-	-	1,847	-	-	-
Total ....	20,000	16,753	-	-	3,247	-	-	-

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## FY 84 PROGRAM HIGHLIGHTS

- \$16.8 million for incremental funding of ongoing agriculture sector projects. Primary emphasis on institution building and technology transfer.
- \$3.2 million for initial funding of a major new project start designed to assist the development of improved primary education.

Development Overview

Cameroon faces the long-term problems shared by many developing countries, namely how to develop an internationally competitive, modern economy providing a rising standard of living for a growing population, while at the same time assuring equitable distribution of economic gains among regions and income groups and alleviating rural poverty.

Approximately 67% of Cameroon's 9.1 million people are located in the rural sector. Although this sector produced only 32% of Cameroon's GDP in 1980, its overall importance to the economy is reflected in the fact that its production of agricultural exports accounted for 60% of Cameroon's total export earnings. Agricultural commodities also form the basis of the country's principal processing and manufacturing industries. With the exception of some large-scale plantations, agriculture is in the hands of the small farmers, whose productive potential is

constrained by inadequate access to inputs, technology, credit, and markets.

Cameroon's severely limited transportation network and institutional infrastructure prevent access of the rural population to market centers and government technical and social services. The fragile Sahelian ecology of the north is subject to severe degradation through over-population by both people and livestock. The multiplicity of ecological zones, ethnic groups and local languages severely limits the Government of Cameroon's (GURC) ability to develop programs which can be implemented with the human and financial resources available to it. Major diseases such as schistosomiasis, onchocerciasis, malaria and intestinal parasites debilitate the rural people and prevent them being more productive. Lack of skilled manpower at all levels and in all fields further prevents the GURC from successfully planning and implementing the actions required to overcome these problems. A heavy rural-urban migration

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	2,592	7,630
Grants.....	5,189	10,859	10,159
<b>Total Aid</b> .....	<b>5,189</b>	<b>13,451</b>	<b>17,789</b>
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	1,474	1,175	852
<b>Total P.L. 480</b> .....	<b>1,474</b>	<b>1,175</b>	<b>852</b>
<b>Total Aid and P.L. 480</b> .....	<b>6,663</b>	<b>14,626</b>	<b>18,641</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	25	23	23
PASA <sup>c</sup> .....	6	7	7
Contract.....	35	34	38
<b>Total</b> .....	<b>66</b>	<b>64</b>	<b>68</b>
<b>Participants <sup>d</sup></b>			
Noncontract.....	32	41	51
Contract.....	7	26	41
<b>Total</b> .....	<b>39</b>	<b>67</b>	<b>92</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 Program Summary (In 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total</b> .....						
(of which Title III is)	( - )		( - )		( - )	
<b>Title II</b>						
Voluntary Agencies.....		613		360		-
World Food Programs.....		771		815		852
Gov't-to-Gov't.....		90		-		-
<b>Title II Total</b> .....		<b>1,474</b>		<b>1,175</b>		<b>852</b>
<b>Total P.L. 480</b> .....		<b>1,474</b>		<b>1,175</b>		<b>852</b>

pattern has accentuated urban development problems, and despite recent growth in the private sector, has resulted in urban unemployment conservatively estimated at 12.4%.

Cameroon's economy has, nevertheless, shown improvement over recent years. This has been primarily due to political stability, growth in domestic and foreign private investment, sound government policies, sustained foreign donor assistance, and increased exports.

Recent growth in Cameroon's petroleum production, as well as growth in the private commercial and industrial sectors, show signs of further improving Cameroon's economic situation. However, development needs are such that external donor assistance will continue to be required to address the country's basic needs in institutional, social, infrastructural and human resource development. Petroleum and other non-renewable resource reserves are limited. Cameroon's long-term economic viability, therefore, rests on the development of agricultural production to ensure domestic food supplies, export products and raw materials for its agro-industries. This must be done, however, in con-

junction with development of the urban economy and the national infrastructure required to support and service the interdependent rural and economic areas.

The GURC's policies and plans have shown sensitivity to development priorities. The GURC Five-Year Development Plan for 1976-81 proposed an investment of \$3.1 billion, with 17% for agriculture production, 25% for transport infrastructure, 22% for manufacturing and mining, 11% for power generation and 7% each for urban development and social infrastructure.

The fifth Five-Year Development Plan for 1981-86 was approved in late 1981. A major change in the Fifth Plan is its greater emphasis on rural production (23% of total investment) which provides recognition to the critical role of the rural economy in Cameroon's long-term progress and prospects, and the requirement for increased emphasis on food production. The Plan, nevertheless, continues to promote balanced development of communication and transport infrastructure, industrial development, education and health, research, the urban sector, and the tertiary commercial and service sector. One major thrust of the new development plan is to ensure that small farmers are helped through improving or establishing cooperatives in each province. Financial requirements for this Plan are estimated at approximately \$9.2 billion. Of the total, 43.5% of these requirements are to be provided by Cameroon's own public sector funds, 16.5% by external public assistance, and 40% by the private sector (both domestic and foreign).

The GURC plans to develop Cameroon into a major food supplier for countries within the UDEAC Customs Union (Cameroon, Gabon, Chad, Congo, and Central African Republic) and to supply the eastern and northern parts of Nigeria. To encourage this production, food crops are sold at free market prices. The GURC has also taken steps to assure the continued production of Cameroon's main export crops of cocoa and coffee. Following serious production reverses in the mid-seventies, the GURC provided subsidies for the use of fertilizers, regeneration of old trees and planting of new ones, and improved

access roads to bring farm products to market. In addition, producer prices for these crops have been increased every year since 1976. Cocoa and coffee production rose significantly as a result, but earnings have been reduced due to declines in world prices.

In order to provide increased rural employment and markets for agriculture production, and to reduce Cameroon's dependence on the vagaries of international cocoa and coffee markets, a number of agro-industries have been developed. Foreign private investors have demonstrated interest in the agro-industrial sector, especially in processed fruit and vegetable projects. Private industrial investment is being encouraged by the availability of abundant hydro-electric power, the existence of the UDEAC Customs Union, and by a liberal tax and investment code.

Although Cameroon's overall policies are conducive to sound development progress, its human resource basis and institutional weaknesses constrain the effective implementation of these policies.

#### Total Resources

Cameroon has a rich resource endowment. The nation's most important, long-term economic resource is its agricultural potential. Cameroon is one of Africa's few food crop exporters.

Oil production in Cameroon - first begun in 1978 - expanded rapidly enough to make the country a net exporter the following year. In 1981/82, output is reported to have exceeded 4 million tons and, according to current projections, could reach 10 million tons by 1985. As a result of rising oil earnings, the current account of the balance of payments should erase its traditional deficit by 1983 and register a surplus thereafter. A refinery has been built at Victoria with an initial capacity of 1.5 million tons and the possibility of expansion to 2 million tons.

Natural gas has been found in the Kribi area in quan-

## Cameroon

titles estimated between 50-100 billion cubic meters and studies are underway to determine the feasibility of building a plant for the exportation of liquefied gas by 1987.

Cameroon has recently signed a contract, with U.S. private sector participation, to undertake feasibility studies on the exploitation of iron ore deposits near Kribi. Important bauxite deposits, estimated at over 1 billion tons, have been found north of Lake Tibati and near Nkongsamba, but these are not presently being exploited due to inability of the country's narrow gauge railroad to carry the minerals to port. Mineral surveys have also identified the presence of uranium, diamonds, gold, thorium, manganese, kyanite, rutile, and copper. Forest reserves cover about 33% of total land area, making forestry a promising sector of the economy which has yet to be fully exploited.

GDP grew at about 6% during the period 1978-80 - accelerating from a 3-4% annual rate during the first half of the decade - and is reported to have topped \$6.0 billion in 1981 with the sharpest growth registered in the service sector. The developing petroleum industry is expected to continue adding significantly to this growth over the next five years before leveling off in the late 1980's. Overall industrial activity has increased and now accounts for 24% of the GDP. Conversely, consumer price increases rose from single digits in 1979 to 15.3% in 1981.

The GURC's budget policy is characterized by fiscal prudence. It has traditionally kept strict control over recurrent expenses and has often ended the fiscal year with a slight surplus. The \$1.24 billion budget for FY 82 was 26% larger than that of the preceding fiscal year. The recurrent budget of \$796 million was increased by 22% while the investment budget of \$444 million showed a 35% increase.

Despite the favorable economic picture, Cameroon's development financing needs far exceed that which can be provided by its own investment resources. Spiraling

worldwide inflation causes development project costs to outstrip the growth in GDP. For example, construction of the required 230-kilometer road link between the port of Douala and the capital city of Yaounde has been estimated at approximately \$1.1 million per kilometer. All-weather, minimum standard dirt roads in the north are conservatively estimated at \$300,000 per kilometer and asphalt paving raises the cost to \$400,000. A difficult 30-kilometer link in the Trans-Cameroon Railroad, which is in critical need of reconstruction to realize full use of the line and reduce rail transport costs, has been estimated at \$140 million. The burgeoning growth of the urban areas will require heavy investments for the provision of high-cost public services such as streets, sewers, water mains, electricity, schools and hospitals. Without detailed analysis it is evident that continued donor assistance will be required during this critical stage in Cameroon's growth and development.

Official development assistance in 1980 amounted to approximately \$300 million of which about \$80 million was for grants and the balance of \$220 million was for soft and hard loans. France remains the leading donor with \$100 million, followed by the IBRD (\$63 million), West Germany (\$57 million), the EEC (\$45 million), Canada (\$22 million), and other donors, including Saudi Arabia and China. Through 1981, the Export-Import Bank had authorized over \$91 million in loans. The U.S. private sector has invested approximately \$600 million since 1977 - primarily in petroleum, fishing, and banking. About 35% of other donor assistance in 1980 went to agriculture, rural development, education, and health, and several donors contributed to infrastructure and heavy industry projects, including transportation..

### U.S. Interests and Objectives

Cameroon has long been regarded as one of Africa's moderate states and has an impressive record of political stability. Cameroon's human rights record, in comparison with most developing countries, has been noteworthy. Coupled with its record of moderation in international politics and support of many USG positions in inter-

national fora, this makes Cameroon a country of special interest. Recent strides in development, a concern for development with equity, and high development potential make it one of the countries where sustained assistance in conjunction with the judicious investment of Cameroon's own resources can produce significant development impact over the medium-term. The development climate in Cameroon is particularly responsive to the catalyst of external assistance and provides the USG with an opportunity to achieve exceptional results for its investment.

The recent impetus given to Cameroon's private industrial and commercial sectors by the discovery of petroleum and natural gas deposits, as well as the GURC's favorable attitude toward the private sector, provides an expanding opportunity for U.S. private investment. A large U.S. trade and investment mission headed by the Secretaries of Agriculture and Commerce made a highly successful visit to Cameroon in January 1982. The maintenance of strong USG assistance program, by supporting Cameroon's present stability and development progress, will lend encouragement to such investment.

A.I.D. Assistance Strategy. A.I.D. has been present in Cameroon for almost 20 years. Major programs aimed at the rural sector began in 1977. Following the initial start of small pilot and institutional development activities, the Cameroon program is now in a position to begin to consolidate its efforts into large-scale projects of major impact. Although the requirements of Cameroon's development program are immense throughout all sectors, A.I.D.'s development strategy is to concentrate the majority of its assistance on those sectors affecting sustained development of the rural economy: agriculture, basic education and health. The overall objective is to assure increased production in food crops, increase the market participation and income of small farm families, enhance the nutritional levels, and generally improve the quality of life, and hence productivity, of the rural population. This strategy requires effort at both the national and provincial levels.

A.I.D.'s overall strategy approach stresses the development of Cameroon's institutional capacity to conduct its own future program successfully. The underlying assumption behind this strategy is that by removing the serious constraints at the institutional level, the present inability to carry out successful programs at the grassroots level over the long-term will be overcome.

In the agriculture sector, A.I.D. will concentrate its efforts on increasing food crop production by providing access to improved inputs, technology, markets, and management skills. This will be accomplished by strengthening government institutions responsible for agricultural education, training, research and the extension of technology, as well as by developing skills in management, data-collection and planning. In addition, A.I.D. will encourage the complementary development of the agro-industrial sub-sector to enhance the market potential of food crops. Where possible, attractive investment opportunities for U.S. private sector resources, complementary to A.I.D.'s agricultural development programs, will be identified and the participation of indigenous private sector capital promoted.

A.I.D.'s focus in the health sector remains that of helping Cameroon improve the health environment in the rural areas. Although projects in health education and nutrition were completed in FY 1982, A.I.D. will continue its health strategy dialogue with the GURC. Depending on the availability of future financial resources, and an agreed upon approach between the GURC and A.I.D. new bilateral program initiatives in this sector will be considered beginning with FY 1986. In the meantime, A.I.D. will continue its involvement with regionally funded activities which provide training, technical assistance and research opportunities which enhance the ability of GURC health sector institutions to provide improved and increased manpower.

In the education/human resource sector, A.I.D. strategy will assist in the reform and expansion of primary education where long-range impact on the rural areas will be the greatest. Initial assistance will expand

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teacher-training colleges to enable them to graduate 680 new and better trained teachers annually. To assist the GURC improve utilization of its limited education resources, AID will support efforts to improve education planning and evaluation. An attempt will also be made to develop programs providing technical and management training opportunities for Cameroonians from the private business/industrial sector as well as development administration training for those in the public sector.

### AID Program (FY's 1982-1983)

In FY 1982 A.I.D. programmed all of Cameroon's limited assistance budget of \$15.3 million to the agricultural sector. The majority of this budget (\$12.5 million in grant and loan funds) was devoted to two major new starts and the remainder allocated for incremental funding of ongoing projects. One of these new starts was Agricultural Education (631-0031) which, with Title XII university assistance, will help Cameroon develop an agricultural university based on the U.S. land-grant system. This institution will produce high-level agricultural technicians who can effectively staff the government, parastatal and private sector organizations of Cameroon in the role of managers, researchers, planners and teachers. The second new start was Phase II of North Cameroon Seed Multiplication (631-0023). The second phase project was designed on the basis of evaluated experience and lessons learned during implementation of the completed Phase I activity which developed the institutional base for production and distribution of improved corn, peanut, sorghum and millet seed. Phase II will build on this base and provide an assured supply of improved seed throughout North Cameroon by the end of the project. A.I.D. is attempting to promote future private sector investment in this project activity.

Other ongoing agricultural projects, some of which received incremental funding in FY 82, include: Agriculture Management and Planning (631-0008) and National Cereals Research and Extension (631-0013) which are building an institutional capacity within GURC organi-

zations responsible for the planning, development and delivery of appropriate food production technology; and North Cameroon Livestock and Agricultural Development (631-0004) which recently underwent a reorganization to implement more effectively the project's pilot effort to improve the management, production, and marketing of livestock and the conservation of rangeland resources in northern Cameroon. Two 5,000 hectare grazing blocks have recently been developed and are in operation.

One ongoing, fully-funded project in the health sector is Margui-Wardala Water Supply (631-0025) which is providing dug wells and spring-boxes in the arid regions of the Mandara Mountains. Thus far 20 sites have been developed and an additional 5 are under construction. A second health project, Practical Training in Health Education (631-0009) helped develop a system of practical training in health education activities for Cameroon's rural population and was successfully terminated in FY 82 after the system was introduced into the primary school curriculum.

Private Voluntary Organizations (PVO) are implementing several projects in Cameroon including the Margui-Wardala Water Supply project mentioned above. Other PVO activities include Credit Union Development (631-0044) which is improving the management capability of Cameroon's Cooperative Credit Union, and Small Farmer Livestock and Poultry Development (631-0015) which provides a system through which small farmers can benefit from the development of improved breeds of livestock and poultry. PVO projects which reached conclusion in FY 1982 included: Centers for Training Farm Families (631-0002) which established four training/extension centers to provide training in agricultural production, health, nutrition and animal traction for rural farm families; and Training for Small Business (631-0034) which helped plan a Department of Small and Medium Enterprises within Cameroon's business university.

One ongoing project, Mandara Mountains Water Resources (631-0012), which was to provide small dams for village domestic water, is being terminated prior to commencing

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construction as the result of an AID evaluation and updated economic analysis which showed the economic infeasibility of such an approach. Another small P.L. 480 Title II feeding program operated by a PVO is being phased out in FY 1983 in accordance with an AID evaluation which was unable to identify any significant impact from the activity.

As no new project starts are planned for FY 1983, the complete \$17 million budget for that year is being devoted to incremental funding of the ongoing projects.

Requested Year Program (FY 1984)

A.I.D. is requesting \$20 million for Cameroon in FY 1984. Of this budget, \$16.8 million provides incremental funding for AID's portfolio of ongoing projects in the agricultural sector and \$3.2 million provides initial year funding for one new project in the education sector.

The new project start in education is Support to Primary Education (631-0033). Through the upgrading and expansion of teacher-training colleges in Cameroon's North and Northwest provinces, this project will assist the GURC to carry out its program of primary education reform and support GURC efforts to increase primary school enrollment and student retention. Increased levels of relevant primary school education have been proven to have significant impact on increased farmer productivity and income.

MISSION DIRECTOR: Ronald D. Levin



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

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PROGRAM: CAMEROON

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PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
NORTH CAMEROON SEED MULTIPLICATION	G 631-0001	76	81	1,549	1,498	1,498	1,373	---	125	---	---
NORTH CAMEROON LIVESTOCK AND AG DEV	G 631-0004	78	84	6,200	6,200	4,539	2,785	900	1,721	761	911
AGRICULTURAL MANAGEMENT AND PLANNING	G 631-0008	79	84	4,200	4,200	3,783	1,523	---	1,555	417	1,122
MANDARA MOUNTAINS WATER RESOURCES	G 631-0012	79	81	6,916	6,916	4,950	996	---	---	---	---
NATIONAL CEREALS RESEARCH AND EXTENSION	G 631-0013	79	85	7,697	7,697	3,150	2,069	1,770	1,788	1,650	1,920
SMALL FARMER LIVESTOCK/POULTRY DEV (PVO)	G 631-0015	80	83	1,285	1,285	972	672	313	320	---	203
NATIONAL PLANNING FOR COMMUNITY DEV	G 631-0017	79	79	475	475	475	371	---	104	---	---
SMALL FARMER FISH PRODUCTION	G 631-0022	80	83	258	358	600	226	255	218	---	332
NORTH CAMEROON SEED MULTIPLICATION II	G 631-0023	82	86	8,040	8,040	1,100	---	---	987	3,655	840
NORTH CAMEROON SEED MULTIPLICATION II	L 631-0023	82	84	5,600	5,600	1,100	---	4,230	600	270	2,340
NATIONAL FOOD CROP PROTECTION	G 631-0024	79	82	1,420	1,420	1,420	770	---	400	---	250
AGRICULTURAL EDUCATION	G 631-0031	82	87	16,670	16,670	2,300	6	---	2,524	4,870	2,495
AGRICULTURAL EDUCATION	L 631-0031	82	85	26,351	26,351	8,000	---	8,731	1,992	5,130	5,290
CREDIT UNION DEVELOPMENT (PVO)	G 631-0044	80	83	1,600	1,600	302	188	798	370	---	455
TOTAL FOR ACCOUNT				88,861	88,810	34,689	10,979	17,000	12,704	16,753	16,158
GRANTS				56,910	56,859	25,539	10,979	4,039	10,112	11,353	8,528
LOANS				31,951	31,951	9,100	---	12,961	2,592	5,400	7,630

HEALTH

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: CAMEROON

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
PRACTICAL TRAINING IN HEALTH EDUCATION	G 631-0009	77	79	2,040	2,040	1,883	---	152	---	---
MARGUI-WARDALA WATER SUPPLY(PVO)	G 631-0025	80	81	1,460	1,459	947	---	347	---	165
TOTAL FOR ACCOUNT GRANTS				3,500	3,499	2,835	---	499	---	165
LOANS				---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES										
SOCIAL SCIENCE RESEARCH AND TRAINING	G 631-0007	78	80	900	900	652	---	248	---	---
SUPPORT TO PRIMARY EDUCATION *	G 631-0033	84	88	---	---	---	---	---	1,847	1,466
SUPPORT TO PRIMARY EDUCATION *	L 631-0033	84	88	---	---	---	---	---	1,400	---
TOTAL FOR ACCOUNT GRANTS				900	900	652	---	248	3,247	1,466
LOANS				---	---	---	---	---	1,847	---
TOTAL FOR COUNTRY GRANTS				93,261	39,088	14,466	17,000	13,451	20,000	17,789
LOANS				61,310	29,968	14,466	4,039	10,859	13,200	10,159
				31,951	9,100	---	12,961	2,592	6,800	7,630

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Cameroon

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (6-82)

TITLE Support of Primary Education		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 1,847 Grant	LIFE OF PROJECT 16,110 Grant	
					1,400 Loan	FUNDING: 14,182 Loan	
NUMBER GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR: 30,292	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 91

Purpose: To increase the quantity and improve the quality of primary school teachers in the North and Northwest Provinces, and improve administrative and teaching skills of inspectors, normal school staff and faculty, and primary school directors.

Project Description: Primary school enrollment in Cameroon's rural areas is presently restricted by the limited availability of teachers. The education being received is of minimal quality due to both poorly trained teachers and student/teachers ratios as high as 70 to 1 in many areas. As a result, retention rates are very low and those students who do complete primary education are poorly prepared. In an attempt to improve this situation the project will develop and implement pre-service and in-service training programs for the staff and faculty of teacher-training colleges as well as for teachers, directors and inspectors of primary schools. The training sessions will be held annually and will serve to upgrade the personnel and train them in the new pedagogical methods being developed through Cameroon's primary education reform program. The Teacher Training Colleges will be greatly assisted by the provision of technical assistance, equipment and additional facilities for improving the training curriculum and doubling the number of teachers graduating annually. Facilities to be constructed or renovated include libraries, laboratories, workshops, classrooms, dormitories, dining halls, kitchens, teacher's rooms and administrative offices. A.U.S. technical assistance team will work with the Teacher Training College administrators to assist them with proper utilization and maintenance of the facilities and to develop the improved curriculum and in-service training programs.

Relationship of Project to A.I.D.'s Country Strategy: A.I.D.'s primary development objective is to increase the productivity of the rural agricultural sector which forms the long-term base of Cameroon's economy. To the extent that the population has increased access to high-quality primary education, the long-term productivity of the rural sector will be enhanced by enabling improved access and receptivity of the population to new ideas and technologies and by enabling them to take more effective advantage of the rural sector services available to them.

Host Country and Other Donors: The Government of Cameroon will contribute land, personnel, a portion of construction and training costs, support to technical advisors and commodities totalling approximately \$56 million. No other donors are contributing directly to this project although the IBRD is discussing a similar assistance program for the Center-South Province.

Beneficiaries: The immediate beneficiaries will be the more than 5,600 existing and new primary school teachers who will receive improved pre-service and in-service training. The indirect beneficiaries will be an approximate 280,000 future primary school students who will have an increased opportunity to attend school and obtain a more relevant and effective education. The ultimate beneficiary will be the socio-economic base of Cameroon which will receive catalytic impetus to its sustained development from a better educated and more productive population.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: CENTRAL AFRICAN REPUBLIC

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	2,471			MAJOR EXPORTS... (1981)	COTTON COFFEE DIAMONDS		
PER CAPITA GNP..... (DOLLARS,1981)	330			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	0.9%			(\$ MILLIONS, US. FOB) (1979)	7 (1980)	1 (1981)	5
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	4.2%	(1970-80)	9.7%	AS % OF TOTAL EXPORTS (1979)	9%	(1980)	N.A. (1981) N.A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	TEXTILES OIL PRODUCTS MACHINERY		
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL	44.6	MALE 42.5	FEMALE 46.8	(\$ MILLIONS, US. CIF) (1979)	3 (1980)	3 (1981)	2
(1968) TOTAL	39.0	MALE 37.5	FEMALE 40.6	AS % OF TOTAL IMPORTS (1979)	4%	(1980)	N.A. (1981) N.A.
ADULT LITERACY RATE (1980)	TOTAL 39%	MALE 59%	FEMALE 20%	TRADE BALANCE(\$ MILLIONS, U.S.)(1977)	17(78)	17(79)	10
(1962) TOTAL	7%	MALE 13%	FEMALE 2%	MAIN TRADING PARTNERS: FRANCE BELGIUM UNITED STATES			
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	21.3%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE	N.A.			SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	37%			(\$ MILLIONS, U.S.)..... (1980)	8		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	106			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)	4.5%		
MAJOR CROP(S)	ARABLE LAND YEAR			*SOCIAL DATA*			
SUBSISTENCE: CASSAVA GROUNDNUTS	7% (1981)			POPULATION GROWTH RATE...(1970)	2.0%	(1975)	2.1% (1982) 2.6%
CASH: COTTON COFFEE	3% (1981)			POPULATION IN URBAN AREAS..... (1960)	22%	(1976)	36%
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE COTTON				LIVE BIRTHS PER 1,000 POPULATION.....(1970)	44	(1982)	45
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	N.A.		
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	88%			POPULATION (1981) IN AGE GROUP:			
*CENTRAL GOVERNMENT FINANCES*				(0-14YRS) 41.1%	(15-64YRS) 55.1%	(65+ YRS)	3.9%
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	154		
(1978) 84 (79) 96 (80) 97				PEOPLE PER PHYSICIAN..... (1977)	19.557		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF DISEASE (1979)	MALARIA ENTERIC DISEASE ANCYLOSTOMIASIS		
(1978) 118 (79) 132 (80) 144				DEATH..	N.A.		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	92%		
(1978) -34 (79) -36 (80) -47				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)	16%		
DEFENSE EXPENDITURES.				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978) 10.4% (79) 8.9% (80) 8.9%				PRIMARY..... (1977) TOTAL	77.0%	MALE 100.0%	FFEMALE 54.0%
AS % OF GNP..... (1978) 2.2% (79) 1.8% (80) 1.7%				SECONDARY..... (1977) TOTAL	10.0%	MALE 16.0%	FFEMALE 4.0%
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POST SECONDARY.. (1978) TOTAL	.7%	MALE 1.3%	FFEMALE .1%
(\$MILLIONS, U.S.) (1979) 50 (80) 62 (81) 74				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	7%		
EQUIVALENT TO 9.0 MONTHS OF IMPORTS (1979)							

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

**ECONOMIC PROGRAMS OF ALL DDNDRS**  
(Millions of Dollars)

COUNTRY	CENTRAL AFRICAN REPUBLIC					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81	
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD							
		1977	1978	1979	1980				1981
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	2.0	1.9	1.3	1.5	1.6	17.5	-	7.5	
Loans	-	-	-	-	-	-	-	-	
Grants	2.0	1.9	1.3	1.5	1.6	17.5	-	7.5	
<b>a. A.I.D. and Predecessor Agencies</b>	1.0	0.6	0.1	-	-	6.5	-	6.5	
Loans	-	-	-	-	-	-	-	-	
Grants	1.0	0.6	0.1	-	-	6.5	-	6.5	
(Economic Support Fund)	-	-	-	-	-	-	-	-	
<b>b. Food for Peace (PL 480)</b>	0.2	0.3	0.2	0.3	0.4	4.3	-	4.3	
Loans	-	-	-	-	-	-	-	-	
Grants	0.2	0.3	0.2	0.3	0.4	4.3	-	4.3	
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-	
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	
Title II - Total Grants	0.2	0.3	0.2	0.3	0.4	4.3	-	4.3	
Emerg. Relief, Econ. Develop. & World Food Program	0.1	0.3	0.2	0.3	0.4	4.2	-	4.2	
Voluntary Relief Agencies	-	-	-	-	-	0.1	-	0.1	
<b>c. Other Economic Assistance</b>	0.9	1.0	1.0	1.0	1.4	0.7	-	0.7	
Loans	-	-	-	-	-	-	-	-	
Grants	0.9	1.0	1.0	1.0	1.4	0.7	-	0.7	
Peace Corps	0.9	1.0	1.0	1.0	1.4	0.7	-	0.7	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	-	-	-	-	
Credits or Loans	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-	
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-	
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-	
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-	
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-	
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	2.0	1.9	1.3	1.5	1.6	17.5	-	7.5	
Loans	-	-	-	-	-	-	-	-	
Grants	2.0	1.9	1.3	1.5	1.6	17.5	-	7.5	
<b>Other U.S. Government Loans and Grants</b>	0.3	-	-	-	0.3	3.4	0.4	3.0	
a. Export-Import Bank Loans	0.3	-	-	-	0.3	3.4	0.4	3.0	
b. All Other Loans	-	-	-	-	-	-	-	-	

\* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	1.4	7.2	8.7
IRRU	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	31.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	8.7	42.2
UNDP	1.3	5.1	0.0	23.8
OTHER-UN	0.1	2.1	0.0	5.7
EEC	0.0	0.0	0.0	74.4
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	1.0	1.0	3.0	
France	69.6	67.7	233.3	
Germany	3.2	3.6	19.1	
Other	1.4	2.2	8.7	
Total	75.2	74.5	264.1	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	2.1	-	9.4	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	5	
Eastern Europe	-	-	-	
China	-	-	15	
Total	-	-	20	

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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,200	1,200	-	-	-	-	-	-
Total ....	1,200	1,200	-	-	-	-	-	-

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**FY 84 PROGRAM HIGHLIGHTS**

- Continuation of a Peace Corps implemented project directly related to improving nutrition and augmenting small farmer incomes.
- \$1.2 million in incremental funding to continue an ongoing project begun in FY 1983.

Development Overview

Classified by the United Nations as one of the world's Relatively Least Developed Countries, the Central African Republic (CAR), with an estimated population of 2.5 million in 1982, is also one of those countries most severely affected by the inflationary consequences of increased oil prices. Although endowed with some basic natural resources, the CAR had mismanaged its development potential under the 14-year rule of Emperor Bokassa. The atrocities committed by Bokassa were in large measure responsible for his overthrow in September 1979. The succeeding government of the reestablished Central African Republic faced an ailing economy and crumbling administrative structure.

Despite the new Government's plans to restructure the economy, economic problems proved overwhelming in the short-term. As an indicator of the gravity of the situation, the balance of payments deteriorated from a sur-

plus of \$6.7 million in 1979 to a deficit of \$21 million in 1980. As a consequence of this difficult economic situation, an actively hostile political opposition, and the failure to attract sufficient domestic and international support, the new Government transferred power to the military in mid-1981. Although military, the Government is thus far providing the political stability necessary for the initiation and sustainment of recovery and development progress.

The CAR faces the classic problems which confront most landlocked countries in sub-Saharan Africa. Only 285 out of the CAR's 30,000 kilometers of poorly maintained roads and tracks are paved. This severely limits access to internal markets and further development of external markets, and greatly increases the costs of imported materials. The most accessible railhead is 675 miles away at Brazzaville and is linked to the capital city of Bangui by river boats which carry 90% of the CAR's foreign trade.

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans.....	-	-	-
Grants.....	-	556	755
<b>Total AID</b> .....	-	556	755
P.L. 480**			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	238	171	145
<b>Total P.L. 480</b> .....	238	171	145
<b>Total AID and P.L. 480</b> .....	238	727	900

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel <sup>a</sup>			
Direct Hire <sup>b</sup> .....	-	-	-
PASAC <sup>c</sup> .....	-	-	-
Contract.....	-	1	-
<b>Total</b> .....	-	1	-
Participants <sup>d</sup>			
Noncontract.....	2	-	-
Contract.....	-	-	-
<b>Total</b> .....	2	-	-

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 Program Summary (In 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total</b> .....		-		-		-
(of which Title III is)		( - )		( - )		( - )
<i>Title II</i>						
Voluntary Agencies.....		-		-		-
World Food Programs		238		171		145
Gov't-to-Gov't.....		-		-		-
<b>Title II Total</b> .....		238		171		145
<b>Total P.L. 480</b> .....		238		171		145

Agriculture is the most important sector of the economy accounting for about 85% of the economically active population. However, little effort has been made to develop food production for domestic consumption with past emphasis having been placed on export crops such as coffee, timber, cotton and tobacco. Although these cash crops are essential to the CAR's foreign trade position, few are the benefits from this trade accrue to the small producer. A disproportionate share of the 1979 per capita income of \$290 was received by major commercial interests. The diversion of labor into cash-crop production and the migration to urban centers has also contributed to the stagnation of food production.

The inadequacy of the national educational system is reflected in a teacher-student ratio of 70 to 1, with and less than one-third of the teachers having received adequate professional training. The adult literacy rate in 1980 was estimated at 39%. In the health sector, the majority of the population is anemic due to a combination of nutritional deficiencies, intestinal parasites and malaria; goiter is an acute problem in certain regions.



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The Government is attempting to redress many of these past problems. Under its announced recovery program for the 1983-85 period the CAR's highest priority will be given to crop production and animal husbandry to assure long-term self-sufficiency, growth in agricultural exports and rapid increases in rural income. While much of the emphasis continues to be put on cash crops (cotton, coffee, tobacco and timber) which are important foreign exchange earners for the CAR, the recovery plan recognizes that a fundamental priority must also be placed on food crop production to assure a sufficient domestic food supply as well as increase rural income.

The recovery program recognizes that the CAR's budgetary situation must be drastically altered and that structural and profound budgetary deficits have been responsible for the virtual collapse of the economy. The Government publicly stated that it, as a result of past mismanagement: (1) is unable to make productive investments and must use its total resources to pay the increasing costs of a growing but ineffective civil service; (2) has damaged its international reputation and compromised its attempt to obtain new loans; (3) has paralyzed the administration due to lack of funding for basic functions; and (4) has become more and more dependent upon foreign assistance. In an effort to combat these problems, the Government has targeted a balanced budget by 1985 through a vast reduction in the civil service rolls. Personnel expenses which now amount to 95% of domestic budgetary receipts will be reduced to 60% by 1985.

Of specific interest is the recovery program's approach to economic policy. It states that past overinvolvement by the Government in the economy has led to failure and, as a consequence, a very large part of the economic recovery program will be given to the private sector. In the future, the state will intervene only when the private sector is incapable of carrying out a particular development program alone or where it is essential for the state to exert control (energy, water, rural development, mineral exploitation). Recognizing that state and parastatal enterprises will continue to play an important role in the country, those enterprises which are viable

will be refinanced and put under competent management; those which are not will be liquidated. The same holds true for banks in which the state has majority participation, and which are on the verge of collapse. Those that have virtually ceased to fulfill their role should be liquidated and others will be examined to determine whether they can be refloated or should be replaced by a development bank concentrating on agriculture and small enterprises.

### Total Resources

The CAR is faced with difficult economic, fiscal and structural problems. The country has serious problems in both its budget and balance of payments. The chance of reducing these problems in the short-run is slight. At the end of 1979, foreign debt reached \$126 million, exceeding budget revenues by \$40 million and equivalent to 20% of the \$626 million GDP. Treasury arrears on the payment of this debt approached three-fourths of the budget revenues. Government salaries represented approximately 50% of the 1979 national budget of \$103 million.

Some progress has nevertheless been made. Customs revenues over the past year have increased by 25% -- primarily due to a conscientious campaign to improve collections and reduce corruption. A surtax of from 10% - 20% has been placed on wages of civil servants. The present budget deficit has been reduced by approximately 30%. Cotton production is expected to increase by approximately 50% over last year's harvest - primarily due to a 17% increase in producer prices. Although economic growth in 1982 has not offset the effects of inflation and population growth, the rate of decline in percapita GDP is lessening. The most immediate problem still facing the Government is an accelerated reduction in the vastly over-inflated rolls of the civil service, an extremely difficult problem in view of the Government's overriding concern for political stability.

Although the CAR has experienced recent economic setbacks, its potential export earnings from diamonds, coffee, timber, cotton, and tobacco provide it with a re-

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source base which can greatly assist the country in re-establishing its economic equilibrium. The CAR has proven uranium ore reserves, but development of this resource is still in the pilot stage due to problems surrounding the economic feasibility of exploitation. Satellite discovery of the "Bangui Anomaly" in 1975 suggests the existence of heavy metal deposits but additional geological research remains to be done. The existence of 8 million tons of limestone is sufficient to justify the installation of a cement plant which will feed the CAR's construction industry. Hydroelectric power provides the electricity needs of the capital city of Bangui, but the rest of the country receives its energy from thermal power plants which are totally dependent upon imported oil products.

Despite the short-term inability of the previous government to alter the course of economic deterioration, several improvements in the performance of the economy were achieved. The previously state controlled petroleum distribution system has become well managed under a joint state-private company and petroleum products are flowing evenly throughout the country. The River Transport Company has become an effective and efficient organization and has created a vital link to the sea through Pointe Noire in the Congo. The road surface between Bangui and the Cameroon border is almost finished and arrangements have been made for culvert construction and bridge repairs. The commodity support organization which handles the promotion, marketing, and export of cotton and coffee has greatly improved its performance.

The EEC and France are providing assistance to increase production of small-scale coffee growers. The IBRD, IFAD and ADF have authorized credits for the initiation of a long-term livestock development program with traditional herdsman. France, the EEC, ADF, IBRD, Japan and Kuwait are providing credits for improvement of the transport sector. The UNDP is active in all sectors and has taken the lead in providing development planning advisors and technicians for the implementation of projects. It is expected that levels of donor assistance will increase as the new government demonstrates its capacity and commit-

ment to manage effectively a rational development program and maintain political stability.

### U.S. Interests and Objectives

The despotic rule of Emperor Bokassa led to the termination of U.S. assistance in September 1979. This termination, which had been set in motion months earlier, ironically coincided with the overthrow of Bokassa and it was the succeeding government which was confronted with the disappearance of U.S. assistance. The government appeared to be solidly committed to redressing the evils of the Bokassa era but failed to achieve its own viability for reasons previously described.

The new military government is likewise committed to carrying out sound economic reforms and development policies. It has stated its intention to continue with the policy of attempting to restore the confidence of private investors through a reversal of the nationalization and expropriations which occurred during the Bokassa era, carrying out a program to pay arrearages to private investors, and strict applications of the liberal code which had previously only been arbitrarily observed. The President has stated his hope that achievement of definitive economic recovery over the next two years might allow the government to reintroduce a representative National Assembly by 1985.

In addition to promoting the development of a poor country, the resumption of assistance demonstrates U.S. willingness to support states which have acted to overthrow tyrannical governments and to attempt necessary policy reforms.

A.I.D. Assistance Strategy. Prior to the termination of the A.I.D. program in 1979, annual assistance levels were small. Assistance was provided for small projects in agriculture and population/health and there were modest levels of PL-480, Title II grants. Since A.I.D.'s reinvolvement in CAR is relatively recent, and projected levels of assistance remain small, A.I.D. has not formulated a comprehensive development strategy. However,

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the focus of activities developed under this modest assistance program will be improved agricultural production and rural development. Given the absence of a resident A.I.D. staff in the CAR, the implementation of projects will be through either the Peace Corps or private voluntary organizations.

A.I.D. Program (FY's 1982-1983)

In FY 1982 A.I.D. initiated a \$1 million rural development project to be implemented with Peace Corps assistance Rural Development (676-0015). The project aims at improving the diet of the rural population and augmenting the income of small subsistence farmers by increasing the production and marketing of fish, honey, beeswax and rice. The project will expand the CAR's inland fisheries program for the intensive cultivation of fish in six regions of the CAR; it will establish a marketing program in coordination with the agriculture extension service to increase the marketing of honey and beeswax in three regions of northwest CAR; and it extends rice cultivation at the Bozoum Rice Center. Project activities are just beginning to be initiated.

In FY 1983 A.I.D. anticipates developing a multi-year, rural development project totalling approximately \$5 million Rural Development II (676-0016)). Discussions and investigations are presently underway with officials of the CAR Government to determine the most appropriate activity, one which would have the greatest impact and would represent the most effective utilization of the limited funding being allocated to the CAR program. A.I.D. anticipates that an American private voluntary organization will be selected to implement the activity.

To augment these resources, A.I.D. further intends to utilize selected central and regional projects which can address problems pertinent to the CAR's development constraints. Examples of this include grants in FY 1982 from the Africa Bureau's Regional African Manpower Development Project 698-0433 which provided a training scholarship in the United States for one CAR participant in agricultural economics and related short-term training

for other participants.

Requested Year Program (FY 1984)

A.I.D. is requesting \$1.2 million in FY 1984 to provide incremental funding for the multi-year project to be started in FY 1983.

MISSION DIRECTOR: Ronald D. Levin  
(Resident in Cameroon)

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

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PROGRAM: CENTRAL AFR REPUBLIC

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
CAR - RURAL DEVELOPMENT	G 676-0015	82	82	1,000	1,000	1,000	---	---	556	---	255
RURAL DEVELOPMENT II	G 576-0016	83	84	---	2,200	---	---	1,000	---	1,200	500
TOTAL FOR ACCOUNT GRANTS				1,000	3,200	1,000	---	1,000	556	1,200	755
LOANS				1,000	3,200	1,000	---	1,000	556	1,200	755
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				1,000	3,200	1,000	---	1,000	556	1,200	755
LOANS				1,000	3,200	1,000	---	1,000	556	1,200	755
				---	---	---	---	---	---	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: CONGO, REP. OF

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982)				MAJOR EXPORTS... (1981)			
PER CAPITA GNP..... (DOLLARS,1981)				PETROLEUM WOOD TOBACCO			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)				EXPORTS TO U.S.			
AVERAGE ANNUAL RATE OF INFLATION (1960-70) 5.4% (1970-80) 10.9%				(\$ MILLIONS, US. FOB) (1978) 1 (1979) 7.3 (1980) 1.36			
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..				AS % OF TOTAL EXPORTS N.A.			
LIFE EXPECTANCY AT BIRTH, IN YEARS				MAJOR IMPORTS... (1981)			
(1981) TOTAL 58.9 MALE 58.0 FEMALE 61.7				MACHINERY TRANSPORT EQ MANUFACTURES			
(1968) TOTAL 41.0 MALE 39.4 FEMALE 42.6				IMPORTS FROM U.S.			
ADULT LITERACY RATE				(\$ MILLIONS, US. CIF) (1979) 16 (1980) 24 (1981) 27			
(1961) TOTAL 16% MALE 30% FEMALE 3%				AS % OF TOTAL IMPORTS N.A.			
*AGRICULTURE*				TRADE BALANCE(\$ MILLIONS. U.S.)(1975) -144(76) -113(77) -107			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				MAIN TRADING PARTNERS: FRANCE ITALY BRAZIL			
N.A.				EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 77.4%			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1981) 13%				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 28				(\$ MILLIONS, U.S.)..... (1981) 114			
MAJOR CROP(S)				AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO).... (1981) 11.1%			
SUBSISTENCE: CASSAVA				*SOCIAL DATA*			
CASH: COFFEE COCOA BEANS				POPULATION GROWTH RATE...(1970) 2.3% (1975) 2.6% (1982) 2.8%			
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE COCOA BEANS				POPULATION IN URBAN AREAS..... (1965) 26% (1974) 39%			
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT DAIRY PRODUCTS				LIVE BIRTHS PER 1,000 POPULATION....(1970) 45 (1982) 44			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 34%				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.			
*CENTRAL GOVERNMENT FINANCES*				POPULATION (1981) IN AGE GROUP:			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				(0-14YRS) 43.6% (15-64YRS) 53.2% (65+ YRS) 3.3%			
(1978) 284 (79) 262 (80) 279				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 135			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1976) 7,263			
(1978) 356 (79) 310 (80) 330				MAJOR CAUSES OF			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				DISEASE (1978)MALARIA FLU & PNEUMONIA ENTERIC DISEASF			
(1978) -72 (79) -48 (80) -51				DEATH.. N.A.			
DEFENSE EXPENDITURES.				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS (1977) 99%			
AS % OF TOTAL EXPENDITURES.. (1978) 13.3% (79) 14.4% (80) 14.4%				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1975) 38%			
AS % OF GNP..... (1978) 5.4% (79) 4.5% (80) 3.0%				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGF GROUP:			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				PRIMARY..... (1978) TOTAL 156.0% MALE 163.0% FEMALE 148.0%			
(\$MILLIONS, U.S.) (1979) 48 (80) 92 (81) 128				SECONDARY..... (1978) TOTAL 69.0% MALE 85.0% FEMALE 53.0%			
				POST SECONDARY... (1977) TOTAL 4.0% MALE 7.1% FEMALE 1.0%			
				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 3154%			

**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	CONGO					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81	
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD							
		1977	1978	1979	1980				1981
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	0.8	0.6	1.1	1.0	2.3	12.7	-	12.7	
Loans	-	-	-	-	-	-	-	-	
Grants	0.8	0.6	1.1	1.0	2.3	12.7	-	12.7	
<b>a. A.I.D. and Predecessor Agencies</b>	-	*	0.1	0.2	2.0	3.9	-	3.9	
Loans	-	-	-	-	-	-	-	-	
Grants	-	*	0.1	0.2	2.0	3.9	-	3.9	
(Economic Support Fund)	-	-	-	-	-	-	-	-	
<b>b. Food for Peace (PL 480)</b>	0.5	0.6	0.9	0.8	0.3	8.7	-	8.7	
Loans	-	-	-	-	-	-	-	-	
Grants	0.5	0.6	0.9	0.8	0.3	8.7	-	8.7	
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-	
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	
Title II - Total Grants	0.5	0.6	0.9	0.8	0.3	8.7	-	8.7	
Emerg. Relief, Econ. Develop. & World Food Program	0.5	0.6	0.9	0.8	0.3	8.4	-	8.4	
Voluntary Relief Agencies	-	-	-	-	-	0.3	-	0.3	
<b>c. Other Economic Assistance</b>	-	-	0.1	-	-	0.1	-	0.1	
Loans	-	-	-	-	-	-	-	-	
Grants	-	-	0.1	-	-	0.1	-	0.1	
Peace Corps	-	-	0.1	-	-	0.1	-	0.1	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	-	-	-	-	
Credits or Loans	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-	
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-	
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-	
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-	
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-	
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	0.8	0.6	1.1	1.0	2.3	12.7	-	12.7	
Loans	-	-	-	-	-	-	-	-	
Grants	0.8	0.6	1.1	1.0	2.3	12.7	-	12.7	
<b>Other U.S. Government Loans and Grants</b>	-	1.7	-	-	-	1.4	0.0	0.8	
a. Export-Import Bank Loans	-	1.7	-	-	-	1.4	0.0	0.8	
b. All Other Loans	-	-	-	-	-	-	-	-	

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	45.1	6.7	0.2	273.6
IBRD	0.0	0.0	0.0	76.0
IFC	0.0	3.5	0.2	3.7
IDA	35.0	0.0	0.0	57.2
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	9.7	0.0	0.0	33.7
UNDP	0.1	3.0	0.0	21.2
OTHER-UN	0.3	0.2	0.0	2.2
EEC	0.0	0.0	0.0	79.6

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	0.3	-	0.7
France	51.7	41.8	217.4
Canada	1.7	2.3	10.3
Germany	8.3	2.1	13.4
Netherlands	0.5	0.8	3.5
Other	1.3	0.8	3.5
<b>Total</b>	<b>63.8</b>	<b>47.8</b>	<b>248.8</b>

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

	CY 1980	CY 1981	CY 1976-81
	14.9	38.1	76.2

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	45
Eastern Europe	-	-	60
China	35	-	110
<b>Total</b>	<b>35</b>	<b>-</b>	<b>215</b>

Congo

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-

CP 84-13 (8-82)

FY 84 PROGRAM HIGHLIGHTS
Continue the Small Holder Agricultural Development effort (\$1,000,000) in the central Niari Valley, involving
-- Crop preservation and storage facilities;
-- Propagation and cultivation of improved seed varieties, and
-- Expansion of assistance elsewhere in the Niari Valley and in a contiguous agriculture area of the Congo.

Development Overview

The Congo's per capita GNP has doubled over the past three years, from \$500 in 1978 to approximately \$1,000 in 1981, largely as a result of increased oil production. However, this increase in per capita income is not an accurate indicator of the economic health of the Congo for several reasons.

First, the present oil boom has left the rural population, already among the poorest and least productive in Africa, virtually untouched (rural per capita income is roughly \$130). Rural output continues to decline, with rare exceptions, and the historic bias of the economy that favors the services sector continues to drain human resources from the countryside. In fact, the services sector accounts for 50% of the Congo's economic activity.

Second, the government's efforts in recent years to "socialize" production have further exacerbated the

production problems faced by the Congo. A cumbersome and costly system of state enterprises and farms has only served further to inhibit economic development. Non-market decision making, and governmental commitment to serve as employer of last resort, have led to an increasing misallocation of resources, substantial dislocations in the economy, and a counterproductive distribution of income.

Finally, the growth in per capita income is the result of the exports of a single product, petroleum. Oil production accounts for 65% of the GNP. However, all indications are that the current level of production cannot be maintained beyond 1990. After that time, the Congo is likely to be left with a larger population, with greatly increased economic expectations. The only way to meet such expectations will be to increase forestry output (to earn foreign exchange) and to augment agricultural production (to minimize the need for imports). Thus, the Congo's future depends on the rural sector. The



RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	-	-	-
Grants .....	475	1,660	2,327
<b>Total AID .....</b>	<b>475</b>	<b>1,660</b>	<b>2,327</b>
<b>P.L. 480**</b>			
Title I .....	2,000	-	2,000
(of which Title III is)	( 524 )	( 325 )	( 407 )
Title II .....			
<b>Total P.L. 480 .....</b>	<b>2,524</b>	<b>325</b>	<b>2,407</b>
<b>Total AID and P.L. 480 .....</b>	<b>2,999</b>	<b>1,985</b>	<b>4,734</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	-	-	-
PASA <sup>c</sup> .....	1	1	-
Contract .....	2	3	4
<b>Total .....</b>	<b>3</b>	<b>4</b>	<b>4</b>
<b>Participants <sup>d</sup></b>			
Noncontract .....	-	-	-
Contract .....	-	-	-
<b>Total .....</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (In 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	7,000	2,000	-	-	6,100	2,000
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>	<b>7,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>6,100</b>	<b>2,000</b>
(of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies .....		-		-		-
World Food Programs .....		524		325		407
Gov't-to-Gov't .....		-		-		-
<b>Title II Total .....</b>		<b>524</b>		<b>325</b>		<b>407</b>
<b>Total P.L. 480 .....</b>		<b>2,524</b>		<b>325</b>		<b>2,407</b>

government and the donor community generally hold this view, and efforts are underway as part of the national five-year development plan to reform the agricultural system and create an economic base of productive enterprises. Further investment in, and improvement of, agricultural methods and rural infrastructure are clearly and urgently needed. At present, the government is more open to new ideas and policies than it has been in the past, thus providing A.I.D. and like-minded donors with a favorable opportunity to help encourage and contribute to an expanding private agricultural sector in the Congolese economy.

#### Total Resources

The present government has set among its highest priorities investment in agricultural production and the creation of an adequate rural infrastructure. This commitment is evident in the current capital budget, in which the National Road Building Agency (RNTP) and the Ministry of Rural Economy receive the largest share. National food self-sufficiency also looms large a truly essential priority for the Congo's Five-Year Development Program (1982-1987).

## Congo

Other major donors, specifically France, the European Economic Community, and the UNDP also focus on problems of rural development and agriculture. However, their efforts tend to concentrate on large-scale ranches and state farms. The Chinese, who make a significant contribution, have used their resources primarily in the construction of a large hydroelectric dam on the Bouenza River and in the building, equipping and staffing of hospitals and clinics, often in remote rural areas. The Federal Republic of Germany's aid is devoted generally to small industrial projects. Assistance from the USSR has not been generous and has been of little development value. Before the initiation of an A.I.D. agriculture project in FY 1981, all donors overlooked the sector of private small holder farms, which have borne most of the burden of the unsuccessful rural policies of recent years and suffered the most from the lack of agricultural investment and infrastructure development. Nonetheless, it is from these small farms that the greatest gains in productivity, as well as the most dramatic contributions to agricultural improvement and growth, can be expected in the Congo.

### U.S. Interests and Objectives

The United States and the Congo reestablished diplomatic relations in 1977. This reflected the Government of the People's Republic of the Congo's (GPRC) growing desire for closer relations with the West, including the United States.

It is in the interests of the United States to pursue a relationship of reciprocal advantage. We should maintain access to the Congo's resources, including its minerals, and pursue other trade and investment opportunities. We also wish to encourage the Congo's moderating and stabilizing role in Central Africa, GPRC restraint and responsibility in international fora, and support for sound economic policies in the Congo itself. In development, the United States particularly encourages Congolese readiness to foster a greater role for the private sector

including private investment and trade as well as programs and strategies that aim at making the Congo, a predominantly rural country, self-sufficient in a number of areas including food production.

A.I.D. Assistance Strategy: A.I.D.'s basic strategy since the bilateral program began in FY 1981 is to introduce a U.S. presence in the Congo's growing development efforts, with special emphasis on agriculture. Such a strategy is consonant with the "food first" policy emphasized by A.I.D. in tropical Africa. This strategy also comports with the closely related goals of:

--providing assistance through well-established PVOs (in this case, CARE) and other non-governmental channels, and

--encouraging the GPRC to focus on supporting the food production efforts of its small private farmers, rather than on state farms and collectives.

A.I.D. believes that quick-impact projects in nutrition, preventive health and agricultural development will contribute to the attainment of U.S. objectives, specifically in those regions where the GPRC has indicated its priorities lie for rural development. Three modest A.I.D.-sponsored projects are underway in the first two areas. A larger project was initiated in FY 1981 through a cooperative agreement with CARE for small holder agricultural development. With appropriate modifications and additions, it has become A.I.D.'s major program effort in the Congo.

### A.I.D. Program (FYs 1982 1983)

In the agriculture sector, the CARE-managed Congo Small Holder Agriculture Development I Project (679-0001), which began in FY 1981, has activities centered in the northern part of the Niari Valley, an agriculturally-productive area of the western Congo. A follow-on project, Congo Small Holder Agriculture Development II (679-0002), will begin in FY 1983. Phase I focuses on crop preservation and storage as well assistance to small farmers' pre-cooperatives, while Phase II will assist in

Congo

seed improvement and multiplication. The objective of both projects is to increase small farmers' food production, chiefly rice, peanuts and corn, and the farmers' ability to effectively market their crops.

In the health sector, a Nutrition Education Development and Training Operational Program Grant (OPG) (679-0005), implemented through CARE, is underway. This three-year grant aims to introduce and institutionalize a national unit for nutrition education training, curriculum development, and research. Regional project funds are also being utilized to undertake small health initiatives in the Congo. Through the the regionally funded Accelerated Impact Program (AIP-698-0410), the Center for Disease Control is supporting the GPRC's extended program for immunization against six major childhood diseases. Chiefly centered in the high-density population areas of Brazzaville and Pointe Noire, this two-year project focuses on technology transfer and national institution building. Its purpose is to immunize at least 50% of the Congolese children against the major communicable diseases by the middle of 1983. This project is being phased into the new regionally-funded Control of Childhood Communicable Diseases Project (698-0421). In FY 1982, a three-year Primary Health Care activity was initiated under AIP. This CARE OPG complements the agricultural small holder activity by training and assisting rural Congolese village health workers to provide outreach programs in preventive health (vaccinations, nutrition education, sanitation, etc.) to rural families in the Niari Valley.

In FY 1982, a PL 480 Title I program was authorized under a supplemental allocation. This program is helping the Congo to meet urban demand for rice while at the same time generating counterpart funds for development efforts.

#### Requested Year Program (FY 1984)

In FY 1984, USAID will continue Congo Small Holder Agriculture Development II with an additional \$1 million grant.

With the assistance of the GPRC, this project will focus on expanding and extending the facilities for preserving, storing and improving the seed stock of private small farmers in a new rural area of the Congo (contiguous to the current Niari Valley focus). Within the new region, the feasibility of upgrading or building small bridges and improving farm-to-market roads will be considered as an additional element.

Also planned in FY 1984 is a continuation of modest, regionally-funded programs in preventive health, immunization and nutrition.

\$2 million is requested for the PL 480 Title I program begun in FY 1982 to continue and strengthen economic ties.

MISSION DIRECTOR: RICHARD L. POLOL  
(RESIDENT IN ZAIRE)

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

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02/10/83

PROGRAM: CONGO

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
SMALL HOLDER AGRICULTURE DEV. I	G 679-0001	81	82	3,000	3,000	3,000	361	---	1,200	---	1,200
SMALL HOLDER AGRICULTURE DEV. II	G 679-0002	83	85	---	3,000	---	---	1,000	400	1,000	1,100
TOTAL FOR ACCOUNT GRANTS				3,000	6,000	3,000	361	1,000	1,600	1,000	2,300
LOANS				---	---	---	---	---	---	---	---
HEALTH											
NUTRITION EDUCATION DEV AND TRNG (PVO)	G 679-0005	80	80	227	227	227	140	---	60	---	27
TOTAL FOR ACCOUNT GRANTS				227	227	227	140	---	60	---	27
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				3,227	6,227	3,227	501	1,000	1,660	1,000	2,327
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: EQUATORIAL GUINEA, REPUBLIC OF

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	260			MAJOR EXPORTS... (1981)	COCOA	COFFEE	WOOD
PER CAPITA GNP..... (DOLLARS, 1981)	180			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-76)	1.9%			(\$ MILLIONS, US. FOB) (1973)	5	(1975) 3	(1976) 1
AVERAGE ANNUAL RATE OF INFLATION	N.A.			AS % OF TOTAL EXPORTS (1973)	16%	(1975) 10%	(1976) 10%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	FOODSTUFFS	CHEMICALS	TEXTILES
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1980) TOTAL 40.0 MALE N.A. FEMALE N.A.				(\$ MILLIONS, US. CIF)	(1972) 4	(1981) 1	
(1968) TOTAL 41.0 MALE 39.4 FEMALE 42.6				AS % OF TOTAL IMPORTS	(1972) 13%	(1981) N.A.	
ADULT LITERACY RATE	N.A.			TRADE BALANCE(\$ MILLIONS, U.S.) (1976)	-3(77)	5(78)	5
				MAIN TRADING PARTNERS: SPAIN	NETHERLANDS	ITALY	
				EXTERNAL PUBLIC DEBT AS % OF GNP	N.A.		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE	N.A.			SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
				(\$ MILLIONS, U.S.).....			N.A.
AGRICULTURAL PRODUCTION AS % OF GDP.....	N.A.			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....			N.A.
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND	N.A.			*SOCIAL DATA*			
MAJOR CROP(S)	ARABLE LAND	YEAR		POPULATION GROWTH RATE... (1970)	1.7%	(1975) 1.9%	(1982) 2.3%
SUBSISTENCE: CASSAVA	10%	(1981)		POPULATION IN URBAN AREAS.....	N.A.		N.A.
CASH: COCOA BEANS COFFEE	9%	(1981)		LIVE BIRTHS PER 1,000 POPULATION.... (1970)	42	(1982)	42
MAJOR AGRICULTURAL EXPORTS:(1981) COCOA BEANS COFFEE				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.			N.A.
MAJOR AGRICULTURAL IMPORTS:(1981) RICE DAIRY PRODUCTS				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE.....	N.A.			(0-14YRS) 41.9%	(15-64YRS) 54.7%	(65+ YRS) 3.3%	
				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	149		
*CENTRAL GOVERNMENT FINANCES*				PEOPLE PER PHYSICIAN..... (1975)	62,000		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)	N.A.			MAJOR CAUSES OF			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)	N.A.			DISEASE	N.A.		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)	N.A.			DEATH..	N.A.		
DEFENSE EXPENDITURES,				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS .			N.A.
AS % OF TOTAL EXPENDITURES..	N.A.			POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY			N.A.
AS % OF GNP.....	N.A.			TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,	N.A.			PRIMARY..... (1975) TOTAL 81.0%	MALE 89.0%	FFEMALE 72.0%	
(\$MILLIONS, U.S.)	N.A.			SECONDARY..... (1975) TOTAL 11.0%	MALE 19.0%	FFEMALE 4.0%	
				POST SECONDARY..	TOTAL N.A.	MALE N.A.	FFEMALE N.A.
				ENERGY PRODUCTION AS % OF CONSUMPTION.....			N.A.

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

COUNTRY	EQUATORIAL GUINEA					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	FOREIGN ASSISTANCE ACT PERIOD							
	1977	1978	1979	1980	1981			
<b>PROGRAM</b>								
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	-	-	-	-	1.0	1.0	-	1.0
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	1.0	1.0	-	1.0
<b>a. A.I.G. and Predecessor Agencies</b>	-	-	-	-	1.0	1.0	-	1.0
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	1.0	1.0	-	1.0
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	-	-	-	-	-	-	-
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	-	-	-	-
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
<b>c. Other Economic Assistance</b>	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	-	-	-	-	1.0	1.0	-	1.0
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	1.0	1.0	-	1.0
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
a. Export-Import Bank Loans	-	-	-	-	-	-	-	-
b. All Other Loans	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL .....	0.4	0.8	8.2	11.4
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	0.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	8.2	8.2
UNDP	0.4	0.8	0.0	3.2
OTHER-UN	0.0	0.0	0.0	0.0
EEC	0.0	0.0	0.0	0.0

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	-	1.0	1.0
France	0.4	2.0	2.4
Germany	0.4	1.0	1.4
Other	0.3	0.2	0.5
<b>Total</b>	<b>1.1</b>	<b>4.2</b>	<b>5.3</b>

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

	CY 1980	CY 1981	CY 1976-81
	-	-	-

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	-
Eastern Europe	-	-	-
China	-	-	25
<b>Total</b>	<b>-</b>	<b>-</b>	<b>25</b>

Equatorial Guinea

PROGRAM SUMMARY								
(In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-

CP 84-13 (8-82)

**FY 84 PROGRAM HIGHLIGHTS**

- Emphasis on providing assistance to small farmers in the rehabilitation/development of the agriculture sector.
- \$1.0 million in incremental funding provided for an ongoing project begun in FY 1983.

Development Overview

At the time of independence from Spain in 1968, Equatorial Guinea (EG) had a self-sufficient economy. Exports of cocoa, coffee and hardwoods helped provide a per capita income of \$500 in 1979 prices. As EG had a comparative economic advantage in the production of cash crops, it was a net importer of the basic foodstuffs upon which the population depended. An artisanal and commercial fishing industry along with a small livestock sector provided protein. The country was second only to oil-rich Gabon in per capita income, had one doctor per 5,130 inhabitants, 5 hospital beds per 1,000 inhabitants, a literacy rate of 89%, and great potential for increased development.

Tragically, the despotic Macias regime reversed the bright economic prospects of EG and led the country to the depths of poverty, terror and hopelessness. Between 1968 and 1979, the population dropped by fully one-third,

from 300,000 to 200,000. While most of this drop was due to the emigration of exiles, many members of the intellectual, political and managerial classes were executed. Previously the mainstays of the economy, cocoa production dropped from 40,000 tons to 4,000 tons, and coffee and lumber exports dropped respectively from 16,000 and 100,000 tons to numbers too insignificant to record. Cattle dropped from 2,500 head to 100, sheep from 22,000 to 5,000 and the numbers of chickens were reduced by 50%. As a result of this strangulation of the economy and the society by the Macias regime, per capita income was reduced by three-quarters over this 11-year period.

Once a model of its kind, the health system has disintegrated with the departure of most of the doctors and nurses. As of January 1980, there were only 200 poorly attended hospital beds without mattresses, nine completely abandoned hospitals, no electrical or refrigeration facilities, and only one partially functioning la-



## Equatorial Guinea

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	-	-	-
Grants .....	264	1,012	680
<b>Total Aid .....</b>	<b>264</b>	<b>1,012</b>	<b>680</b>
<b>P.L. 480**</b>			
Title I .....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II .....	304	319	241
<b>Total P.L. 480 .....</b>	<b>304</b>	<b>319</b>	<b>241</b>
<b>Total Aid and P.L. 480 .....</b>	<b>568</b>	<b>1,331</b>	<b>921</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	-	-	-
PASA <sup>c</sup> .....	1	1	1
Contract .....	-	-	-
<b>Total .....</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Participants<sup>d</sup></b>			
Noncontract .....	-	-	-
Contract .....	-	-	-
<b>Total .....</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 Program Summary (In 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	-	-	-	-	-	-
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>		-		-		-
(of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies .....		-		-		-
World Food Programs .....		304		319		241
Gov't-to-Gov't .....		-		-		-
<b>Title II Total .....</b>		<b>304</b>		<b>319</b>		<b>241</b>
<b>Total P.L. 480 .....</b>		<b>304</b>		<b>319</b>		<b>241</b>

boratory. Although exact figures are unavailable, it is estimated that with the degradation of the diet of the Equatorial Guinean population and the lack of basic health care, fertility rates have declined, mortality and morbidity have increased, and life expectancy has dropped from 48 to 40. The last complete vaccination campaign against childhood and tropical diseases was conducted in 1970.

At the time of the coup d'etat which deposed Macias in August 1979, Equatorial Guinea was in social, political and administrative chaos, with severely debilitated health, education and infrastructure systems and an economy in total collapse. Essential utilities are still in disarray with only sporadic service for electricity and water. This is due to the death of technical and administrative talent available to the government following the mass exodus and executions under the Macias regime. Nonetheless, it appears clear on the basis of administrative decrees and on-the-spot observation, that the new government intends to revitalize its market economy and redress the excesses of the 11 years under Macias.

## Equatorial Guinea

Assuming that the new government will be successful in providing political stability and urgently needed economic reforms, the potential of Equatorial Guinea presents excellent prospects for development over the next decade. Merely achieving the 1968 levels of cocoa production would make EG the seventh largest producer in the world and add an estimated \$320 in per capita income to the economy. Rejuvenating coffee production and re-establishing 1968 export levels would add another \$80 in per capita income, and the development of lumber exports to the goal of 200,000 tons within the next 5-7 years would add another \$80. Petroleum reserves are also reputed to exist. Re-establishment of the commercial role that EG had historically played in the Central African region would add additional impetus to the development of the overall economy.

In June 1980, the Government of the Republic of Equatorial Guinea (GREG) entered into an economic recovery agreement with the IMF which provided measures for budgetary balance, liberalized imports, regularized custom duties, expanded private sector credit, a 50% devaluation and a 20% increase in agricultural wages. At the same time, the GREG attempted to create attractive conditions for private foreign investment and a return to a market economy.

The GREG has since taken further steps, including closer control over fiscal policies and the supervision of budget implementation, a reduction of the cocoa export tax, and the granting of autonomy to state enterprises with an obligation to operate profitably.

Nevertheless, problems such as a continued reluctance of former plantation owners to return and resume commercial operations, difficulties in mobilizing the large labor force required for plantation production of cocoa, and the continued decline of world market prices for cocoa and coffee have constrained short-term progress.

### Total Resources

At present, Equatorial Guinea has almost no liquid assets

and is completely dependent upon foreign technical and financial assistance in order to recover from the socio-economic and political reversals experienced over the past years. Although EG has the natural resource potential to make recovery possible, its economy is in such disarray, and its human resource base so decimated, that expatriate technicians and financial assistance will be required to exploit that potential.

With the assistance of various donors and international organizations, the government has been able to put together a program for rehabilitation and development which provides an initial basis for concerted action by the donor community. In April 1982, a donors conference was convened in Geneva to review this program. The conference was attended by nearly 30 potential bilateral and international donors, many of whom made firm pledges of support for specific sector assistance.

As EG's former colonial power, Spain has taken the lead in marshalling the participation of other donors in the reconstruction of this devastated country. Spain has committed \$38 million in loans and grants to assist in rehabilitation. The African Development Bank has committed \$18 million for the rehabilitation of cocoa plantations and the EEC, \$20 million for infrastructure. The EEC is providing assistance in food production development and both West Germany and France are planning assistance programs. A United Nations assistance mission has drafted a program totalling \$59 million over a 5 to 6 year period.

Although there is a potential development role for U.S. private sector trade and investment in EG, this is not likely to become significant until such time as the GREG has proven itself capable of providing the long-term stability necessary to encourage this outside investment. A.I.D. will remain alert to possibilities for the utilization of Trade and Development Program and other incentive sources for the private sector which would encourage initiatives in the forestry, fishery and food-processing fields. U.S. companies have already shown interest in the exploration of EG's off-- short

## Equatorial Guinea

petroleum potential.

### U.S. Interests and Objectives

Consistent with its own policy on international human rights, the U.S. Government has a political interest in providing tangible support to those countries which have shown themselves prepared to throw over repressive regimes and embark on progressive efforts towards political and economic reform and equitable development. It is fortunate that Equatorial Guinea's development potential is such that coordinated assistance between members of the international donor community can produce a remarkable impact within a decade.

The new Government urgently requested the U.S. Government to establish a diplomatic presence in EG in order to reinforce a western counterbalance to the formerly preponderant but still significant and menacing Soviet influence. Hence, diplomatic relations have been established and an embassy was opened during 1981. Spain has specifically requested the United States to participate with other donors in EG's economic recovery and development program.

A.I.D. Assistance Strategy. Given the limited assistance levels and absence of a resident A.I.D. presence in EG, it is clear that A.I.D. strategy should be concentrated in one sector in order to achieve maximum impact from its development input. Agricultural production (including small livestock) is basic to both the national economy and the health and well-being of the population, and A.I.D. will concentrate its efforts on the rehabilitation and development of small farmer production. To the extent possible, the assistance of Private Voluntary Organizations (PVOs) will be solicited to undertake implementation of the A.I.D.-- sponsored projects.

### A.I.D. Program (FY's 1982-1983)

A.I.D.'s program began in FY 1981 with the approval of a \$1 million project which provided assistance in urgently needed transportation equipment to EG's cocoa coopera-

tives and assistance in re-establishing a supply of protein on the local market through rehabilitation of a poultry production station and small farmer training center. The initial impact of the transportation equipment on the ability of the cooperative members to market their production has been remarkable. As the requirement for rapid rehabilitation of cocoa and coffee production remains critical for EG during this period of economic recovery, A.I.D. capitalized on the initial success by expanding the project in FY 1982 by an additional \$1 million to provide additional vehicular support and other mechanized equipment such as small tractors, wagons, cocoa-pod busters and cocoa-- bean dryers to the cooperatives as well as an extension of technical, commodity and training support to the poultry production station.

A PVO is implementing the poultry component of the project and a technical advisor is resident in Malabo to coordinate the activities of the central station.

In FY 1983, A.I.D. will begin the design and implementation of activities which will assist the longer-term development goals of EG's agricultural sector. A.I.D. anticipates the development, in conjunction with a U.S. cooperative PVO, of a multi-year \$5 million project of long-- term assistance to the cocoa and coffee cooperatives which will provide them with technical assistance in organization, management, agronomy and marketing. Recent discussions on the feasibility of establishing a Peace Corps presence in EG present possibilities for the execution of such a project over a much larger geographic area.

In addition to the assistance available through bilateral resources, A.I.D. is augmenting the impact of the U.S. assistance program through the use of selected centrally-funded projects. Chief among these is the African Manpower Development Project (AMDP) project, which will provide critically needed training to increase the skills level of the GREG administrative structure. A total of \$260,000 has thus far been provided through these regional funds.

## Equatorial Guinea

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A PVO is implementing the poultry component of the project and a technical advisor is resident in Malabo to coordinate the activities of the central station.

In FY 1983, A.I.D. will begin the design and implementation of Agricultural Production II (653-0002) which will assist the longer-term development goals of EG's agricultural sector. A.I.D. anticipates the development, in conjunction with a U.S. cooperative PVO, of a multi-year \$5 million project of long -- term assistance to the cocoa and coffee cooperatives which will provide them with technical assistance in organization, management, agronomy and marketing. Recent discussions on the feasibility of establishing a Peace Corps presence in EG present possibilities for the execution of such a project over a much larger geographic area.

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Equatorial Guinea

Requested Year Program (FY 84)

In FY 84, A.I.D. is requesting \$1 million as second year incremental funding for the multi-year project starting in FY 1983.

\*MISSION DIRECTOR: Ronald D. Levin  
(Resident in Cameroon)

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

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02/10/83

PROGRAM: EQUATORIAL GUINEA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHC PLANNED	-THROUGH FY82-		-ESTIMATED FY83-		-PROPOSED FY84-		
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
AGRICULTURAL PRODUCTION	G 553-0001	81	82	2,000	2,000	2,000	857	---	1,012	---	90
AGRICULTURAL PRODUCTION II	G 553-0002	83	84	---	2,000	---	---	1,000	---	1,000	500
TOTAL FOR ACCOUNT GRANTS				2,000	4,000	2,000	857	1,000	1,012	1,000	680
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				2,000	4,000	2,000	857	1,000	1,012	1,000	680
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: GHANA

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	12,943			MAJOR EXPORTS... (1981)	COCOA	WOOD	MINERALS
PER CAPITA GNP..... (DOLLARS, 1981)	400			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	-1.0%			(\$ MILLIONS, US. FOB) (1979)	211	(1980)	195 (1981) 232
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	7.6%	(1970-80)	34.8%	AS % OF TOTAL EXPORTS	N.A.		
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	TEXTILES	MANUFACTURES	FOODSTUFFS
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL	49.9	MALE 48.3	FEMALE 51.6	(\$ MILLIONS, US. CIF) (1979)	100	(1980)	139 (1981) 169
(1968) TOTAL	41.5	MALE 39.9	FEMALE 43.1	AS % OF TOTAL IMPORTS	N.A.		
ADULT LITERACY RATE (1970)	TOTAL 30%	MALE 43%	FEMALE 18%	TRADE BALANCE (\$ MILLIONS, U.S.) (1976)	-15(77)	-6(78)	-4
(1962)	TOTAL 19%	MALE 29%	FEMALE 10%	MAIN TRADING PARTNERS: UNITED KINGDOM	UNITED STATES	GERMANY	FED
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	8.0%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
(1970-1981)	-3.8%			(\$ MILLIONS, U.S.)..... (1980)	76		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	66%			AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO).... (1980)	6.0%		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	251			*SOCIAL DATA*			
MAJOR CROP(S)		ARABLE LAND	YEAR	POPULATION GROWTH RATE... (1970)	3.1%	(1975)	3.3% (1982) 3.2%
SUBSISTENCE: CASSAVA COCOYAMS		38%	(1981)	POPULATION IN URBAN AREAS..... (1960)	23%	(1974)	31%
CASH: COCOA BEANS		50%	(1981)	LIVE BIRTHS PER 1,000 POPULATION.... (1970)	49	(1982)	48
MAJOR AGRICULTURAL EXPORTS: (1981) COCOA BEANS				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	(1978)	4%	
MAJOR AGRICULTURAL IMPORTS: (1980) WHEAT RICE MEATS				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	53%			(0-14YRS) 46.8%	(15-64YRS) 50.5%	(65+ YRS) 2.7%	
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	107		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1977)	9,720		
(1978)	506 (79)	946 (80)	1,396	MAJOR CAUSES OF			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DISEASE (1978) MALARIA MEASLES CHILDHOOD DIS.			
(1978)	1,196 (79)	1,600 (80)	1,730	DEATH.. (1975) HEPATITIS MEASLES TYPHOID FEVER			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS	(1977)	85%	
(1978)	-690 (79)	-654 (80)	-334	POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975)	35%		
DEFENSE EXPENDITURES,				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978)	4.8%	(79) 3.6%	(80) 3.7%	PRIMARY..... (1978) TOTAL	71.0%	MALE 80.0%	FFEMALE 62.0%
AS % OF GNP..... (1978)	0.8%	(79) 0.6%	(80) 0.5%	SECONDARY..... (1978) TOTAL	36.0%	MALE 45.0%	FFEMALE 28.0%
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POST SECONDARY.. (1975) TOTAL	1.1%	MALE 1.8%	FFEMALE .3%
(\$ MILLIONS, U.S.) (1979)	300 (80)	216 (81)	196	ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	68%		
EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1978)							



**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	GHANA					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	PROGRAM							
	FOREIGN ASSISTANCE ACT PERIOD							
	1977	1978	1979	1980	1981			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	13.4	12.2	24.2	21.3	23.3	413.4	121.3	288.1
Loans	-	-	4.3	19.1	22.1	267.7	127.3	140.4
Grants	13.4	12.2	19.9	2.2	1.2	145.7	-	147.7
<b>a. A.I.D. and Predecessor Agencies</b>	3.1	6.9	1.0	10.0	3.0	230.1	104.4	133.7
Loans	-	-	-	7.0	-	174.3	104.4	70.1
Grants	3.1	6.9	1.0	3.0	3.0	55.8	-	63.6
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	0.3	3.0	14.0	15.1	19.0	144.1	22.9	120.2
Loans	-	-	4.5	12.1	12.1	93.2	22.9	70.3
Grants	0.3	3.0	9.5	3.0	6.9	50.9	-	55.9
Title I - Total Sales Agreements	-	-	4.5	12.1	12.1	94.9	22.9	72.0
Repayable in U.S. Dollars - Loans	-	-	-	12.1	12.1	64.4	4.2	55.2
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	30.5	13.7	16.8
Title II - Total Grants	0.3	3.0	3.1	3.0	0.3	34.2	-	34.2
Emerg. Relief, Econ. Develop. & World Food Program	2.3	0.0	1.2	0.4	0.4	13.3	-	13.0
Voluntary Relief Agencies	4.0	2.2	3.4	2.1	0.0	40.6	-	40.0
<b>c. Other Economic Assistance</b>	1.0	2.3	2.0	1.8	1.0	28.2	-	28.2
Loans	-	-	-	-	-	-	-	-
Grants	1.0	2.3	2.0	1.8	1.0	28.2	-	28.2
Peace Corps	1.0	2.3	2.0	1.8	1.0	28.2	-	28.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE - TOTAL</b>	0.1	0.2	0.2	0.2	0.2	1.3	-	1.3
Credits or Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.2	0.2	0.2	0.2	1.3	-	1.3
<b>a. MAP Grants</b>	-	-	-	-	-	*	-	*
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	0.1	0.2	0.2	0.2	0.2	1.3	-	1.3
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	13.5	12.4	24.4	21.7	23.5	414.7	121.3	289.4
Loans	-	-	4.3	19.1	22.1	267.7	127.3	140.4
Grants	13.5	12.4	20.1	2.6	1.4	147.0	-	149.0
<b>Other U.S. Government Loans and Grants</b>	1.2	-	-	-	-	129.9	165.6	35.7
<b>a. Export-Import Bank Loans</b>	7.2	-	-	-	-	127.4	164.4	37.3
<b>b. All Other Loans</b>	-	-	-	-	-	2.5	0.7	1.8

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL.....	74.7	2.3	2.5	469.7
IBRD	0.0	0.0	0.0	190.5
IFC	0.0	0.0	0.0	0.0
IDA	54.5	0.0	0.0	180.9
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	9.7	0.0	0.0	29.5
UNDP	2.3	1.5	0.0	39.8
OTHER-UN	2.2	0.8	2.5	13.0
EEC	6.0	0.0	0.0	16.0

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	26.0	28.0	111.0
U.K.	36.3	15.3	88.9
Germany	31.0	37.8	110.8
Canada	14.1	8.0	66.7
Netherlands	4.8	2.3	23.8
Other	9.0	9.4	48.1
<b>Total</b>	<b>121.2</b>	<b>100.8</b>	<b>449.3</b>

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

	CY 1980	CY 1981	CY 1976-81
	25.2	-	60.2

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	95
Eastern Europe	-	-	145
China	-	-	40
<b>Total</b>	<b>-</b>	<b>-</b>	<b>280</b>

## Ghana

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,368	-	-	-	-	1,368	-	-
Total ....	1,368	-	-	-	-	1,368	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	3,000	500	2,000	500	-	-	-	-
Total ....	3,000	500	2,000	500	-	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	2,000	2,000	-	-	-	-	-	-
Total ....	2,000	2,000	-	-	-	-	-	-

CP 84-13 (8-82)

## FY 84 PROGRAM HIGHLIGHTS

To help the Government of Ghana in its efforts to reduce the currently increasing imbalance between domestic food production and consumption, A.I.D. will provide:

- \$2.0 million in Development Assistance for projects designed to increase food crop production; and
- \$4.5 million in PL 480 assistance for maternal'child health feeding.

Development Overview

Ghana, the nation once regarded as having the brightest prospects for rapid economic growth among the newly independent black African nations, reached its Silver Jubilee Year -- 1982 -- at the lowest state of economic decay since its independence in 1957.

Despite its plentiful natural resources, including fertile land for agricultural production, timber, minerals, hydroelectric power and small but growing potential for fossil fuel supplies, and highly developed human resources, Ghana has not been able to improve significantly the standard of living of its citizens. Moreover, the well-developed physical and institutional infrastructure that was in place at the time of independence has deteriorated drastically, further constraining the ability of Ghana to capitalize on its resources and return to a pattern of economic growth.

While the reasons for this singular failure to achieve growth and development are complex, in broad outline they can be summarized as follows. After independence, Ghana adopted a "big push" development strategy, carried out through a largely centralized state planning mechanism. The policy sought rapid modernization through large-scale industrialization (for import substitution) and vast expansion of the social service infrastructure (particularly education) as the surest way to achieve economic independence. The backbone of the colonial economy, composed of small scale cocoa and food-producing farmers, was largely neglected, or worse, over-taxed and under-compensated for labor.

Largely state-controlled industrial projects, dependent on imported raw materials, were undertaken without adequate feasibility studies or consideration of Ghana's relative factor endowments. The foreign exchange position was weakened as a result of these efforts and stringent exchange controls increasingly starved the pri-

RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-06 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	376	2,500	5,222
Grants .....	3,332	5,718	3,000
<b>Total AID .....</b>	<b>3,708</b>	<b>8,218</b>	<b>8,222</b>
<b>P.L. 480**</b>			
Title I .....	7,000	5,000	-
(of which Title III is)	( - )	( - )	( - )
Title II .....	6,342	4,320	4,524
<b>Total P.L. 480 .....</b>	<b>13,342</b>	<b>9,785</b>	<b>4,524</b>
<b>Total AID and P.L. 480 .....</b>	<b>17,050</b>	<b>18,003</b>	<b>12,746</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	CP 84-17 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	11	8	7
PASA <sup>c</sup> .....	-	-	-
Contract .....	5	6	5
<b>Total .....</b>	<b>16</b>	<b>14</b>	<b>12</b>
<b>Participants <sup>d</sup></b>			
Noncontract .....	15	15	12
Contract .....	-	-	-
<b>Total .....</b>	<b>15</b>	<b>15</b>	<b>12</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

PL 480 Program Summary						
(in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	18.0	5,000	16.0	5,000	-	-
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	6.0	2,000	-	-	-	-
<b>Title I Total .....</b>	<b>24.0</b>	<b>7,000</b>	<b>16.0</b>	<b>5,000</b>	<b>-</b>	<b>-</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies .....	-	4,511	-	4,311	-	3,945
World Food Programs .....	-	1,831	-	474	-	579
Gov't-to-Gov't .....	-	-	-	-	-	-
<b>Title II Total .....</b>	<b>-</b>	<b>6,342</b>	<b>-</b>	<b>4,785</b>	<b>-</b>	<b>4,524</b>
<b>Total P.L. 480 .....</b>	<b>24.0</b>	<b>13,342</b>	<b>16.0</b>	<b>9,785</b>	<b>4.0</b>	<b>4,524</b>

vate sector.

By the end of the first decade of independence (1966), the over \$500 million of foreign exchange reserves which existed at independence were completely depleted. Foreign exchange problems have continued to plague successive governments. The economy is saddled with a large number of state enterprises operating at low rates of capacity utilization and a centralized entrenched Government bureaucracy to administer a bewildering plethora of controls and regulations.

While the huge oil price increases of the past decade and the volatile prices of Ghana's principal exports have negatively affected Ghana's foreign exchange position, the fundamental cause of its deterioration is the fact that the volume of exports has fallen significantly.

The Government budget is structurally imbalanced. As the productive sector of the economy has shrunk, the tax base has been eroded. The cocoa sector, traditionally the largest source of Government revenue, now yields no revenue and requires massive loans from the Central

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Bank. In FY 1980-81 the budgeted deficit was \$1.7 billion or 59% of total expenditures. This deficit, largely financed through borrowing from the Central Bank, when viewed in the context of a shrinking productive sector, explains why Ghana has been suffering from triple digit inflation for the past several years. With these distortions, GNP has been stagnant at best. Real living standards have eroded sharply with population growth rate exceeding 3%. In the past decade the real minimum wage has been cut by two-thirds.

Successive Governments since 1966 have either been unwilling or remained in power for too short a time to address the fundamental structural constraints facing such an economy. The key to revitalizing the economy will be to establish an incentive structure based on a realistic exchange rate that rewards production. That means much greater reliance on market forces than in the past, or a substantially strengthened capacity to plan the direction in which the economy should go, or, more likely, a combination of the two.

The current Government is attempting to develop economic policies to address these problems. It has initiated talks with the International Monetary Fund (IMF) and the World Bank (IBRD). The U.S. Government has encouraged Ghana's contacts with these institutions, and has carried out a policy dialogue with officials of the Government aimed at persuading it to adopt economic reforms.

### Total Resources

Ghana's gross domestic investment rate of about five % of GDP ranks it last among 14 reference countries with similar income levels and probably indicates a negative net investment rate. Public saving is negative with government revenues covering only about 60 % of recurrent expenditures. The recurrent budget accounts for well over 80 % of total government outlays. The Government has begun an effort to curtail the rapidly increasing budget deficit but progress is slow.

Raising savings and investment rates to levels needed to

sustain economic recovery will be possible only if Ghana proceeds to stabilize its economy. This will require substantial increases in interest rates to encourage savings, rationalization of fiscal policy to improve the Government's saving and investment performance and the establishment of sounder exchange rate and foreign private investment policies to attract private foreign capital.

On the official level only, the IMF and IBRD have sufficient funds to make a significant contribution to stabilization. Most of the bilateral donors can also be expected to increase assistance to Ghana if more rational economic development policies are adopted.

Among the current international aid donors, the United States is but one of many, and, discounting P.L. 480 Title I assistance, not one of the major donors. The IBRD was the largest donor, with the Federal Republic of Germany, the European Community, the United Kingdom, Canada, the Netherlands, the U.S. and the various U.N. agencies all providing substantial amounts. Lesser donors include France, Australia, Italy, Japan, China (PRC), Libya, Cuba, Saudi Arabia, Kuwait, Bulgaria and the African Development Bank.

The bulk of Ghana's foreign assistance is aimed at the agricultural/rural development, transportation/communications, industry and health sectors. Donor coordination is informal but frequent. If Ghana moves to stabilize the economy, much closer donor coordination, will be required to ensure optimal use of the expected increase in official foreign capital flows to Ghana.

### U.S. Interests and Objectives

U.S. interests in Ghana continue to be political, economic, humanitarian and developmental. It is in the U.S. interest to help reverse the trend of economic decline and political instability in Ghana which has caused human rights problems and has aroused concern among Ghana's moderate West African neighbors. The economic and developmental potential of Ghana remains consider-

able, however, and justifies continued U.S. support for the country, assuming Ghana follows reasonable economic policies and the political and human rights environment is conducive to the participation of all sectors of the society in its development. Under such circumstances, an assistance program would be important in that it would: (1) demonstrate the continued U.S. concern for the development welfare of Ghana and, indeed, other emerging African nations; (2) keep the U.S. presence and influence alive, thus affording an opportunity to affect policy changes including those needed to begin a reversal of economic deterioration; (3) enable the U.S. through selected, if modest, development activities to promote its broader development assistance objectives by promoting private sector development; and (4) strengthen our influence on human rights issues.

A.I.D. Assistance Strategy: The A.I.D. program objective is to help make Ghana self-sufficient in food production through increases in small farmer output. Despite substantial donor efforts over the past decade, overall food production in Ghana has declined since 1970 and the population has grown by about 40 percent. It is clear that the distortions and disincentives caused by the deteriorating macroeconomic environment and the lack of Government policies to improve it have overwhelmed attempts to increase the supply of inputs and agricultural services to farmers. As a result of economic deterioration, the two most binding constraints to increased agricultural production now appear to be a lack of producer incentives and an inadequate transportation network, rather than technical agricultural constraints.

These incentive and transportation constraints can be meaningfully addressed only in the context of addressing the macroeconomic policies and issues which caused them. With a substantial stabilization effort by the Government, the A.I.D. strategy would anticipate quick disbursing non-project assistance to improve transportation and to provide cotton (through PL 480 Title I) to increase the supply of cloth, a major incentive good. On the policy side, A.I.D. would support budgetary reform with assistance to rationalize the revenue generation

system and provide a PL 480 Title II food-for-work program in support of redeploying redundant government employees to the private sector. Counterpart funds generated by the Title I program would support both this redeployment effort and the transportation assistance package.

The political obstacles to the adoption of a stabilization effort are considerable, however. Without stabilization, there is little chance for the above strategy to work and a more modest approach to addressing the food self-sufficiency problem will be pursued. It contains two basic elements which would also be included in the more comprehensive strategy outlined above.

The first element is to support long-run increases in food production through the creation of a viable seed industry in Ghana. The reasons for this are threefold. (1) The Government has divested itself of the Seed Multiplication Unit within the Ministry of Agriculture and created an equity company which no longer obtains subventions from the Government for its operating capital and which is increasingly market responsive in its operations. Thus, A.I.D. not only is supporting the development of a key input in agriculture but it also supports a Government policy decision that is in line with the overall restructuring that the Ghanaian economy so badly needs. (2) The institutional development of a viable seed company is a long-run effort and one with which A.I.D. has already had success, despite the unfavorable economic milieu. By the time the Seed Company becomes fully operational stabilization of the economy could be well underway. (3) The seeds produced, while providing better yields using fertilizer and other inputs which continue to be scarce in Ghana, can produce substantially increased yields over traditional seeds, even without these other inputs. Thus the usefulness of improved seed is not wholly dependent on economic stabilization to be effective.

The second element of the food self-sufficiency strategy is to focus on reducing the rate of increase in the demand for food by reducing the rate of population

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growth. Evaluation of the results of an A.I.D. project designed to investigate the most effective approach to deliver family planning services indicated that it should be in conjunction with delivery of better maternal and child health services. Thus, as part of this element, A.I.D. will broaden its support of family planning activities and more fully integrate the ongoing Title II program into this element.

### A.I.D. Program (FYs 1982-1983)

FY 1982 was a transitional year as A.I.D. concentrated on assessing its development strategy and its project portfolio in light of the accelerating economic deterioration in the country. The changing mix of constraints to increased food production brought about by this deterioration and the attendant changes in the development strategy that were made necessary, have led to an intensive critical review of the Mission's core agricultural/rural development project, Managed Inputs and Delivery of Agricultural Services (MIDAS II 641-0102), in preparation for a major redesign effort in early FY 1983. During FY 1982 the Mission reduced its project portfolio from 23 active projects (including 7 regionally or centrally funded projects) to 11. This reduction occurred because of the Government's declining absorptive capacity, lack of local cost support, and the increasingly distorted development environment. Without a serious stabilization effort, this process will continue in FY 1983. The total number of active projects will decline from 11 to 8 and the Mission will complete revisions of MIDAS and of the Community Health Training Support (CHETS) projects (641-0088.)

During FY 1983 funding will be required for the new Contraceptive Supplies Project (641-0109) -- \$2.0 million; the Development and Application of Appropriate Technology (DAPIT) Project (641-0084) -- \$0.5 million; and Community Health Team Support (641-0088) -- \$0.5 million.

During FY 1982 under the MIDAS II Project (641-0102), the Ghana Seed Company made significant progress in establishing its institutional and financial viability.

Specifically, it has expanded its distribution network to include a number of private distributors and it has adopted a much more flexible pricing policy for the purchase of seed from contract growers and for the selling price of its product. In FY 1983 this institutional strengthening process will continue and the seed company's physical processing capability will expand.

The project will also continue efforts to improve the institutional capacity of the Agricultural Development Bank, but in view of the extremely adverse economic and policy constraints currently existing, will not press forward for the substantial expansion of small farmer credit facilities and loan amounts originally targeted by the project. Active support for the research, extension, fertilizer and marketing components will be suspended.

Appropriate technologies for the rural sector will be developed, produced and delivered under the DAPIT project through the encouragement of private sector initiatives. This project contributes to the A.I.D. strategy in that a major focus is on reducing food losses through poor on-farm storage and by developing appropriate agricultural production implements. In FY 1982 most of the workshop equipment for producing prototypes was put in place. Development of soap-making prototypes suitable for small scale production in rural areas using locally produced inputs commenced. Other potential activities such as improved bullock plow production and establishment of a maintenance capability for hand-operated water pumps installed through German and Canadian aid projects are in the design stage. During FY 1983, the workshop facilities will be completed and a functioning management system will be in place to rationalize and systematize the development and dissemination of appropriate technology devices.

The Economic and Rural Development Management (ERDM) project (641-0077) in FY 82 completed the establishment of a training and institutional development system for planning, budgeting and revenue generation at the local level. Almost 3,000 local government officials have been trained. In FY 1983 the ERDM project supported master's

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degree program in Regional Planning at the University of Science and Technology will be completed. Additionally the third and final phase (641-0108) of the 10-year effort by Opportunities Industrialization Centers, International to establish a viable, community-based occupational training program for school leavers and drop-outs will be initiated. This last phase will concentrate on establishing OIC/Ghana's financial viability by improving its financial management capacity and its domestic fund-raising ability. During FY 1982 OICI/Ghana demonstrated its technical viability by training over 400 people in 11 skill areas without outside technical assistance.

The one new project in FY 83 will be in the Population sector, Contraceptive Supplies (641-0109), which will receive \$2.0 million for a two year continuation of contraceptive supplies previously provided under a now-terminated project. The Community Health Team Support project (641-0088), will receive additional funding of \$0.5 million and will be redesigned to include more emphasis on family planning.

During FY 1982 the P.L. 480 Title II program run by Catholic Relief Services (CRS) made substantial progress in delivering food aid to the most nutritionally needy. Based on the findings of A.I.D. evaluation and audit reports, CRS established a priority feeding system for those distribution points with the largest number of nutritionally vulnerable recipients. In all, 260,000 recipients benefited directly from this program. During FY 1983 the targeting process will continue and the Title II program will to be more closely integrated into the family planning/primary health care element of the program strategy.

In line with the A.I.D. strategy, the FY 1982 P.L. 480 Title I program included \$2 million of cotton to increase the availability of incentive goods for farmers to stimulate production. Substantial progress also occurred in the programming of counterpart funds with large sums going to support small farmer credit programs and infrastructure development of both the Ghana Seed Company and

a major irrigation project in the Upper Region which perennially suffers the largest food deficits. The FY 1983 program will again include cotton and will see the continued use of counterpart funds for the major agricultural programs supported in FY 1982.

The Mission's major Private Voluntary Organization (PVO) activities during FY's 1982-1983 include the seven Operational Program Grants (OPGs) under the Farmers Association and Agribusiness Development project (641-0072), which were completed at the end of FY 1982, and the Opportunities Industrialization Centers, International, Phase II and III (641-0101 and 641-0108) projects.

### Requested Year Program (FY 1984):

\$20 million is requested for the Agriculture, Rural Development and Nutrition sector. The continuation of the Ghana Seed Company project (641-0110), which will supersede MIDAS II (641-0084), and funding to finish DAPIT (641-0084).

These levels will enable the Mission to maintain a minimal program effort consistent with the overall strategy without placing an undue budgetary demand on the Ghanaian Government. PL 480 Title II Assistance in FY 1984 will include \$4.5 million in Title II assistance to achieve minimal nutritional standards for malnourished Ghanaian children and lactating mothers.

Acting Mission Director: Larry Saires

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

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PROGRAM: GHANA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY32- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
FARMERS ASSOC/AGRI-BUSINESS (PVO)	G 641-0072	77	81	3,600	3,473	3,473	3,346	---	127	---	---
DEV APPLICATIONS OF INTERMEDIATE TECH	G 641-0034	79	84	4,760	4,760	3,756	826	500	1,000	500	1,500
MANAGED INPUT DELIVERY/AG SERVICES II	G 641-0102	80	80	5,450	5,450	5,450	1,751	---	2,500	---	1,199
MANAGED INPUT DELIVERY/AG SERVICES II	L 641-0102	80	80	7,000	7,000	7,000	369	---	2,500	---	3,000
GHANA SEED COMPANY	* G 641-0110	84	87	---	4,000	---	---	---	---	1,500	650
TOTAL FOR ACCOUNT				20,810	24,683	19,679	6,292	500	6,127	2,000	6,349
GRANTS				13,810	17,883	12,679	5,923	500	3,627	2,000	3,349
LOANS				7,000	7,000	7,000	369	---	2,500	---	3,000
POPULATION PLANNING											
CONTRACEPTIVE SUPPLIES	G 641-0109	83	83	---	2,000	---	---	2,000	700	---	600
TOTAL FOR ACCOUNT				---	2,000	---	---	2,000	700	---	600
GRANTS				---	2,000	---	---	2,000	700	---	600
LOANS				---	---	---	---	---	---	---	---
HEALTH											
COMMUNITY HEALTH TEAM SUPPORT	G 641-0032	79	83	660	1,160	660	92	500	400	---	600
TOTAL FOR ACCOUNT				660	1,160	660	92	500	400	---	600
GRANTS				660	1,160	660	92	500	400	---	600
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
ECONOMIC AND RUR DEVELOPMENT MANAGEMENT	G 641-0077	77	81	3,096	3,096	2,832	2,536	---	296	---	---
OPPORT INDUST CENTER INTL/GHANA (PVO)	G 641-0105	82	82	1,372	1,368	1,368	---	---	695	---	673

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



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

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02/10/83

PROGRAM: GHANA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82-		-ESTIMATED FY83-		-PROPOSED FY84-		
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
TOTAL FOR ACCOUNT				4,468	4,464	4,200	2,536	---	991	---	673
GRANTS				4,468	4,464	4,200	2,536	---	991	---	673
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				25,933	32,307	24,539	8,920	3,000	8,218	2,000	8,222
GRANTS				15,938	25,307	17,539	3,551	3,000	5,718	2,000	5,222
LOANS				7,000	7,000	7,000	369	---	2,500	---	3,000

\* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE GHANA SEED COMPANY		FUNDING SOURCE:	AG. RD & N: \$1,500	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 641-0110 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	LIFE OF PROJECT FUNDING: \$4,000 (G)
						\$1,500		

Purpose: To provide a domestic source of high quality improved seeds that can be sold and distributed to small farmers in Ghana.

Project Description: One of the major constraints facing small farmers in Ghana is the lack of a reliable source of high quality improved seeds. Under the Managed Inputs and Delivery of Agricultural Services Phase I and II projects (641-0067 and 641-0102), the Ghana Seed Company (GSC) was established as a parastatal company organized along commercial lines and mandated to produce improved certified seeds for sale to Ghanaian farmers. These projects focused on the GSC's institutional development and on the construction of the physical plant needed to efficiently produce, process, store and distribute high quality seeds (mainly maize and rice) to farmers.

This new project will provide the additional technical assistance, farm machinery, processing equipment and staff training needed to complete the development of a solid production infrastructure, managerial capacity and organizational structure that will enable the GSC to function as a financially and institutionally viable, independent enterprise.

The emphasis of the GSC under this project will be diversification of seed production to include legumes, soybeans and vegetable seeds, which are in heavy demand, refinement and improvements of sale and distribution activities, and to educate farmers on the benefits of improved seeds.

Relationship of Project to A.I.D. Country Strategy: The continuing, steady and pervasive decline in the Ghanaian economy renders any strategy that directly focuses on modernization of traditional agriculture ineffective because of the inability of the economy to provide and sustain sufficient incentives to food producers. However, a viable seed production capability is central to improving food production because conservative estimates indicate that the use of improved seeds could increase yields by 30 to 50 percent, even without the use of other inputs that continue in extremely short supply. Moreover, the Seed Company's full institutional development is a relatively long run proposition and it is assumed that by the time the expanded operational capacity is fully utilized, serious efforts to stabilize the economy will be in process.

Host Country and Other Donors: The seed program under MIDAS I and II projects was solely funded by A.I.D. and Government of Ghana with the latter providing local cost of construction, counterpart staff and contributions to logistic support of technical assistance specialists, while the former provided technical assistance, machinery/equipment, vehicles and training. No changes are anticipated nor are any other major external donor contributions envisaged.

Beneficiaries: The direct beneficiaries will be the Ghanaian small farmers and rural population who will have a reliable source of high quality seeds through which they can increase their food crop production, incomes and standard of living.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: GUINEA

-----				-----			
*BASIC DATA*				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	5.278			MAJOR EXPORTS... (1981)	BAUXITE	COFFEE	FRUITS & VFG
PER CAPITA GNP..... (DOLLARS, 1981)	300			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	0.3%			(\$ MILLIONS, US. FOB) (1979)	87	(1980) 110	(1981) 119
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.7%	(1970-80)	4.4%	AS % OF TOTAL EXPORTS (1979)	27%	(1980) N.A.	(1981) N.A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	OIL PRODUCTS	MACHINERY AN	FOODSTUFF
LIFE EXPECTANCY AT BIRTH. IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 45.0 MALE 43.4 FEMALE 46.6				(\$ MILLIONS, US. CIF) (1979)	25	(1980) 37	(1981) 58
(1968) TOTAL 38.5 MALE 36.9 FEMALE 40.1				AS % OF TOTAL IMPORTS (1979)	11%	(1980) N.A.	(1981) N.A.
ADULT LITERACY RATE (1977) TOTAL 20% MALE N.A. FEMALE N.A.				TRADE BALANCE(\$ MILLIONS, U.S.) (1977)	162	(78)	39
(1965) TOTAL 9% MALE 14% FEMALE 4%				MAIN TRADING PARTNERS: FRANCE UNITED STATES GERMANY, FED			
-----				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	68.6%		
*AGRICULTURE*				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				(\$ MILLIONS, U.S.)..... (1980)	95		
(1970-1981) -0.5%				AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO) ... (1979)	22.2%		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	37%			-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	189			*SOCIAL DATA*			
MAJOR CROP(S)		ARABLE LAND	YEAR	POPULATION GROWTH RATE... (1970)	3.0%	(1975) 2.8%	(1982) 2.6%
SUBSISTENCE: RICE		10%	(1981)	POPULATION IN URBAN AREAS..... (1960)	10%	(1980)	22%
CASH: PALM OIL		N.A.	(1981)	LIVE BIRTHS PER 1,000 POPULATION.... (1970)	47	(1982)	46
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE PINEAPPLES				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)	1%		
MAJOR AGRICULTURAL IMPORTS:(1981) RICE WHEAT				POPULATION (1981) IN AGE GROUP			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	82%			(0-14YRS) 43 9% (15-64YRS) 53.1% (65+ YRS) 2.9%			
-----				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	172		
*CENTRAL GOVERNMENT FINANCES*				PEOPLE PER PHYSICIAN..... (1977)	16.627		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF			
(1977) 484 (78)	532	(79)	512	DISEASE (1976) MALARIA FLU & PNEUMONIA MEASLES			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DEATH.. N.A.			
(1977) 330 (78)	343	(79)	412	PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS (1977)	78%		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1978)	10%		
(1977) 154 (78)	189	(79)	100	TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFENSE EXPENDITURES.				PRIMARY..... (1978) TOTAL 34.0% MALE 45.0% FEMALE 24.0%			
AS % OF TOTAL EXPENDITURES.. N.A.				SECONDARY..... (1978) TOTAL 15.0% MALE 22.0% FEMALE 8.0%			
AS % OF GNP..... N.A.				POST SECONDARY.. (1977) TOTAL 5.0% MALE 8.2% FEMALE 1.9%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	2%		
(\$ MILLIONS, U.S.) (1976) 53 (77) 51 (78) 29							
EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1978)							

**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 GUINEA

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS**

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY. MENTS AND INTEREST 1946-81	TOTAL LESS REPAY. MENTS AND INTEREST 1946-81
	1977	1978	1979	1980	1981			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	1.9	13.6	8.4	11.4	10.5	171.6	20.6	145.0
Loans	0.7	5.2	5.7	5.7	6.0	90.3	20.6	69.7
Grants	1.2	8.4	2.7	5.7	3.9	75.3	-	75.3
<b>a. A.I.D. and Predecessor Agencies</b>	0.8	1.8	2.7	5.2	2.8	60.4	2.8	57.6
Loans	-	-	-	-	-	7.6	2.8	4.8
Grants	0.8	1.8	2.7	5.2	2.8	52.8	-	52.8
(Economic Support Fund)	-	-	-	-	-	22.4	-	-
<b>b. Food for Peace (PL 480)</b>	1.1	11.8	5.7	6.2	7.7	106.7	23.8	82.9
Loans	0.7	5.2	5.7	5.7	6.0	88.7	23.8	64.9
Grants	0.4	6.6	-	0.5	1.1	*	-	18.0
Title I - Total Sales Agreements	0.7	5.2	5.7	5.7	6.0	88.7	23.8	64.9
Repayable in U.S. Dollars - Loans	0.7	5.2	5.7	5.7	6.0	67.5	11.5	56.0
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	21.2	12.3	8.9
Title II - Total Grants	0.4	6.6	-	0.5	1.1	18.0	-	18.0
Emerg. Relief, Econ. Develop. & World Food Program	0.4	6.6	-	0.5	1.1	18.0	-	16.0
Voluntary Relief Agencies	-	-	-	-	-	*	-	*
<b>c. Other Economic Assistance</b>	-	-	-	-	-	4.5	-	4.5
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	4.5	-	4.5
Peace Corps	-	-	-	-	-	4.5	-	4.5
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE - TOTAL</b>	-	-	-	-	-	1.0	-	1.0
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	1.0	-	1.0
<b>a. MAP Grants</b>	-	-	-	-	-	0.8	-	0.8
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	0.1	-	0.1
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	0.1	-	0.1
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	1.9	13.6	8.4	11.4	10.5	172.0	20.6	146.0
Loans	0.7	5.2	5.7	5.7	6.0	90.3	20.6	69.7
Grants	1.2	8.4	2.7	5.7	3.9	76.3	-	76.3
<b>Other U.S. Government Loans and Grants</b>	-	-	-	6.0	-	28.4	24.2	4.2
<b>a. Export-Import Bank Loans</b>	-	-	-	6.0	-	28.4	24.2	4.2
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	10.4	17.2	40.0	270.1
IBRD	0.0	0.0	0.0	73.5
IFC	0.0	0.0	0.0	0.0
IDA	0.0	0.0	0.0	65.9
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	5.1	11.5	0.0	30.4
UNDP	5.3	1.3	0.0	46.8
OTHER-UN	0.0	0.0	0.0	9.1
EEC	0.0	4.4	40.0	44.4

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	9.0	12.0	42.0
Germany	12.9	3.6	55.7
France	10.2	18.1	32.8
Japan	2.1	3.1	10.2
Netherlands	0.3	-	5.4
Other	0.3	4.0	6.3
<b>Total</b>	<b>34.8</b>	<b>40.8</b>	<b>152.4</b>

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

	CY 1980	CY 1981	CY 1976-81
	0.8	-	13.7

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	5	-	215
Eastern Europe	-	-	110
China	35	-	135
<b>Total</b>	<b>40</b>	<b>-</b>	<b>460</b>

Guinea

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,102	1,102	-	-	-	-	-	-
Total ....	1,102	1,102	-	-	-	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	2,000	2,000	-	-	-	-	-	-
Total ....	2,000	2,000	-	-	-	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	2,300	2,300	-	-	-	-	-	-
Total ....	2,300	2,300	-	-	-	-	-	-

CP 84-13 (8-82)

FY 84 PROGRAM HIGHLIGHTS
<p>Program will emphasize improved rural productivity through:</p> <ul style="list-style-type: none"> <li>-- agricultural research, training and extension aimed at farmers with limited resources \$2.3 million; and</li> <li>-- PL 480 Title I assistance which will help meet current food production deficits - \$2.0 million.</li> </ul>

Development Overview:

Guinea is one of the world's least developed countries with a per capita GNP of about \$300. Most of the population, particularly in rural areas, live at the margin of poverty. It has, however, significant economic potential because of its vast mineral and agricultural resources. The country accounts for one third of the world's bauxite reserves. These produce 96% of the country's export earnings.

Other minerals also show promising potential. Exploitation of an iron ore deposit estimated to contain 3 billion tons is scheduled to begin within the next few years. A large diamond mining operation was recently inaugurated, and prospecting for uranium and petroleum is underway. Mining enterprises function reasonably well as enclaves with few linkages with the rest of the Guinean economy.

Agriculture is the sector offering the greatest scope for expansion and the sector which must be vitalized if Guinea is to realize meaningful economic growth. Soil, water, and climatic conditions are such that with incentives to producers and proper resource utilization, production of rice, corn, peanuts, tropical fruit, oil and coconut palm, and livestock could rise to levels which would not only make Guinea self-sufficient in food but also permit significant exports. Prior to independence, Guinea was one of West Africa's largest food exporters. Recent production remains far below potential, however, providing only about 40% of GDP and less than 4% of export income. Average per capita agricultural production declined at the rate of about one half of 1% per annum between 1970 and 1981.

The reasons for this stagnation revolve around inappropriate Government of Guinea (GOG) policies. About 83% of the Guinean people are engaged in small-scale private farming. The major constraint to increasing their

Guinea

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	-	-	-
Grants .....	4,015	2,278	2,300
<b>Total AID .....</b>	<b>4,015</b>	<b>2,278</b>	<b>2,300</b>
<b>P.L. 480**</b>			
Title I .....	5,000	2,500	2,000
(of which Title III is)	( - )	( - )	( - )
Title II .....	75	172	206
<b>Total P.L. 480 .....</b>	<b>5,075</b>	<b>2,672</b>	<b>2,206</b>
<b>Total AID and P.L. 480 .....</b>	<b>9,090</b>	<b>4,950</b>	<b>4,506</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	3	3	3
PASAC <sup>c</sup> .....	-	-	-
Contract .....	6	13	13
<b>Total .....</b>	<b>9</b>	<b>16</b>	<b>16</b>
<b>Participants <sup>d</sup></b>			
Noncontract .....	-	15	15
Contract .....	-	-	-
<b>Total .....</b>	<b>-</b>	<b>15</b>	<b>15</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

PL-480 Program Summary (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	18.0	5,000	8.0	2,500	6.1	2,000
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>2,500</b>	<b>-</b>	<b>2,000</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies .....	-	-	-	-	-	-
World Food Programs	-	75	-	172	-	206
Gov't-to-Gov't .....	-	-	-	-	-	-
<b>Title II Total .....</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>172</b>	<b>-</b>	<b>206</b>
<b>Total P.L. 480 .....</b>	<b>-</b>	<b>5,075</b>	<b>-</b>	<b>2,672</b>	<b>-</b>	<b>2,206</b>

production is lack of economic incentives. Farmers meet their subsistence requirements and produce a certain amount of surplus. However, they sell only small quantities of food on the official market. The prices offered are held below production cost in order to control inflation and benefit urban consumers whose wages also are generally quite low. In addition to lack of incentives, the Guinean farmer is hampered by lack of access to improved seed varieties, practical agricultural research, relevant extension services and sufficient irrigation works to permit year-round production. Lacking the incentives and assistance needed to apply improved farming methods, Guinean peasants have continued their traditional practices which require more extensive acreage than modern, higher-yield agriculture. The result has been growing pressure on the country's soil and forest resources.

In recognition of these severe problems, the GOG has made revitalization of the agricultural sector the central objective of its development policy. Beginning in 1979, the GOG concentrated on state-supported farming systems as the most rapid means of attaining this objective, and

## Guinea

created over 250 large scale state-supported farms called FAPA's. Since their inception the FAPA's have experienced high overhead costs and face the same problems as the small farmer, including the lack of incentives. In order to correct this steady drain on resources and reverse the decline in production, the GOG recently announced that two-thirds of the FAPA's will become self-supporting cooperatives by May 1983, and the remaining third by May 1984. This is a clear indication of a shift in GOG policy vis-a-vis state-run farms as they will be required to support themselves or go out of business.

These changes together with the GOG's active cooperation with various bilateral donors and the World Bank on policy dialogue aimed at enhancing the role of the private sector in Guinea, demonstrate a definite policy shift for the better.

### Total Resources

The GOG and major donors active in Guinea are giving priority to agriculture and rural development. The total budget of the Guinea five-year plan for 1981-85 is set at about \$1.6 billion at the official exchange rate. 21% of the budget is devoted to agriculture. Emphasis is on agricultural production projects with large amounts budgeted for FAPAS rather than the support of small holder farming. Self-sufficiency in foodstuffs, particularly in cereals, is a declared goal. The next largest budget category is industry at 11%, followed by mining at 8%.

Execution of the plan depends in part on securing about \$600 million in foreign exchange through an increase in mineral revenues, foreign assistance and foreign private investment. The financing of the plan or specific investments are not completely documented, and it is unlikely that the annual growth target of 3% for agriculture will be realized.

Donor interest in Guinea is active. During the early 1970's, the principal donors to Guinea were the communist countries and the people's Republic of China. Today, a greater share of the total assistance package is being

provided by the European Economic Community (EEC), United Nation's Development Program, World Bank, France, West Germany, Canada, Japan, the United States and some Arab states. The total annual amount of economic assistance to Guinea has increased from an average of \$40.0 million between 1960 and 1976, to an estimated level of at least \$70.0 million for 1981. Coordination among international and western bilateral donors is good.

The UNDP budget for 1981-85 is \$44 million of which 11% is devoted to rural development. The EEC grant for the period 1981-1985 is \$84 million, one-third of which is for the agricultural sector. The International Development Association (IDA) of the World Bank is financing projects in pineapple production, rice production and research, livestock development, energy and road rehabilitation and maintenance. The total value of IDA development loans is about \$150 million. The World Bank is involved in a study to help the GOG rationalize its economy and expand production incentives. The International Fund for Agricultural Development and the African Development Fund are contributing about \$2.0 million to a regional rice project. UNICEF is furnishing approximately \$16.0 million in assistance to health and education over the period 1979-83. West Germany, France and several Arab countries are contributing significant amounts for infra structure.

### U.S. Interests and Objectives

The United States has interrelated interests and objectives in Guinea in the political, development and commercial spheres.

Politically, Guinea has veered from the isolated, proeastern bloc orientation it held until 1976 toward a more active and moderate role in African and third world affairs. In 1982, President Sekou Toure made several significant visits to major western industrial countries, including West Germany, the United States and Canada. The purpose of these visits was to expand economic ties and open opportunities for investment. President Toure's recent visit to France was significant as a political



## Guinea

"reapproachment" after 20 years of cool relations between Guinea and France.

U.S. policy seeks to sustain this positive trend, in part through development and food assistance. With Guinea's potential to provide for its own food needs as well as to help meet those of food deficit neighbors, it is in the interest of the international donor community to help Guinea realize its agricultural potential.

In the commercial sphere, U.S. firms hold a \$175 million share in a \$454 million foreign direct private investment in bauxite and alumina production. A U.S. firm will provide technical direction for an international consortium investing one billion dollars in iron ore mining in Southeastern Guinea. Two diamond-mining firms are investing in Guinea. One U.S. financed joint venture has completed prospecting and signed a financial convention with the Government of Guinea. Mining should begin within a year and is expected to produce 500,000 carats by 1985. The second diamond-mining firm is prospecting. There is also a gold mining firm performing explorations on Guinea's northern frontier. Foreign firms are prospecting for uranium in southeastern Guinea and making seismic tests for petroleum off Guinea's coast.

In June 1982, one hundred U.S. firms attended an investment seminar on Guinea sponsored by the Chase Manhattan Bank in New York. In November-December 1982, the World Bank sent an interagency agricultural mission to Guinea to perform sectoral studies of Guinean Agriculture. Following the World Bank Mission, AID plans to send its own agricultural task force to Guinea to discuss policy reform and to encourage private sector involvement as a means of increasing agricultural production.

A.I.D. Assistance Strategy: A.I.D. strategy in Guinea is based on the premise that the key to broadly based development lies in the revitalization of the agricultural sector. The two major constraints facing the agricultural sector are the lack of production incentives and lack of an appropriate and tested technical package of inputs available to small farmers.

A.I.D. intends to attack the input constraint through a major effort in institutional development, research, and extension which is directed at small farmers, initially in a defined geographical zone in Central Guinea. The incentives constraint will be approached in concert with other influential donors via an informal dialogue with high level GOG policy makers. U.S. assistance will be employed to encourage the GOG to continue and expand policy reforms. Our major instrument of leverage is the PL 480 Title I program, which will also help cover production shortfalls until agricultural production can take hold.

### A.I.D. Program (FYs 1982-1983)

Current Status: The major element in the current program is the \$14.4 million Agricultural Production Capacity and Training project (675-0201), which began in 1976. Nearing completion is the construction of a research laboratory building at Foulaya; classrooms, related buildings and a training farm at Faranah; and a new demonstration farm and research station at Tindo, near Faranah. Six specialists have returned from masters degree training in the United States in agricultural and livestock research, and are now serving as faculty members of Foulaya and Faranah. An evaluation of this project in 1980, recommended a follow-on activity in agriculture training and extension that would link the Foulaya, Faranah and Tindo complexes with participating farmers.

Two small regionally funded pilot activities also are underway. The Community Forestry project seeks to introduce agro-forestry techniques and fastgrowing local and imported species which will provide fuelwood and forage and help prevent soil erosion. The Maternal Child Health project aims to strengthen mother-child health services in Central Guinea and thus reduce mortality and improve the health of young children and women of child-bearing age.

FY 1983 Program: The Agricultural Research, Training and Extension project (675-0204) will be the centerpiece of

Guinea

the AID program in Guinea. Beginning in FY 1983 \$1,500,000 is requested for the project which will emphasize technical assistance, utilizing the facilities, equipment and trained personnel produced under the predecessor project. Further phases of the five to seven year project will develop agricultural research and extension through training and institutional development. During the initial phase the project will concentrate its efforts on a pilot zone around Tindo, near Faranah, where an AID and GOG funded demonstration and applied research center is being completed. Training and research support will be furnished by the Faranah Agricultural Training Institute and the Foulaya National Agronomic Research Institute which also have new facilities being completed with AID assistance. A pilot extension system will be created at Tindo to work with the small farmers in the area. Basic farm-level information will be collected and applied and adaptive research will be carried out at the Tindo center and on nearby farms. Those results found to be appropriate to small farm needs will be promoted through the extension system.

\$500,000 is requested in FY 83 for the Renewable Energy Technology project (675-0208) which is designed to assist the GOG in establishing a basis for the adoption of a variety of technologies, to reduce the use of fossil fuels and reduce the rate of deforestation in Guinea. This multi-faceted two-year pilot project will field test and evaluate the use of biogas, cinva ram brick and improved wood and charcoal stoves. The project will also provide support to an appropriate technology documentation center in an effort to upgrade research facilities and to increase access to information on alternative sources of energy and technology.

Activities will continue on the Maternal-Child Health and Community Forestry projects. Under PL 480 I \$2.5 million is planned to provide food to a growing urban population, which is 22% of the total population. The rural population is largely self-sufficient in food production.

Requested Year Program (FY 1984)

For FY 1984 \$2,300,000 is requested in the Agriculture, Rural Development and Nutrition sector to continue the Agricultural Research, Extension Training project (675-0204). The goal of the project is to contribute to raising the farm production and incomes of Guinea's peasant cultivators. The related sub-goal is to contribute to the creation of an effective linked system of agricultural research, technology adaptation, farmer field testing, and small scale private farm producers.

PL 480 Title I, \$2,000,000 is requested to continue the provision of essential foodstuffs while efforts to increase food production are stepped up. Proceeds from the sales of Title I Food are being used primarily to support development programs to increase agricultural production. A small PL 480 Title II Food Assistance Program is being continued through the World Food Program.

A.I.D. Affairs Officer: Edward Costello

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

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PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
AG PRODUCTION CAPACITY AND TRAINING	G 675-0201	76	82	14,400	14,400	12,872	---	1,528	---	---	
AG RESEARCH/TRAINING/EXTENSION	G 675-0204	93	88	---	10,000	---	---	1,500	750	2,300	
RENEWABLE ENERGY TECHNOLOGY (OPG)	G 675-0208	83	83	---	500	---	---	500	---	300	
TOTAL FOR ACCOUNT GRANTS				14,400	24,900	14,400	12,872	2,000	2,278	2,300	
LOANS				---	---	---	---	---	---	---	
TOTAL FOR COUNTRY GRANTS				14,400	24,900	14,400	12,872	2,000	2,278	2,300	
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



FYB4 CP ECONOMIC AND SOCIAL DATA

COUNTRY: GUINEA-BISSAU

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID. 1982)	823			MAJOR EXPORTS... (1981)	SHELLFISH	GROUNDNUTS	PALM PRODUCT
PER CAPITA GNP..... (DOLLARS,1981)	190			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE..	N.A.			(\$ MILLIONS, US. FOB)	N.A.		
AVERAGE ANNUAL RATE OF INFLATION	N.A.			AS % OF TOTAL EXPORTS	N.A.		
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	FOODSTUFFS	MANUFACTURES	FUELS
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1979) TOTAL 35.0 MALE N.A. FEMALE N.A.				(\$ MILLIONS, US. CIF) (1978)	5 (1979)	1 (1981)	4
(1968) TOTAL 36.5 MALE 35.0 FEMALE 38.1				AS % OF TOTAL IMPORTS (1978)	10% (1979)	2% (1981)	N.A.
ADULT LITERACY RATE (1979) TOTAL 9% MALE N.A. FEMALE N.A.				TRADE BALANCE(\$ MILLIONS, U.S.)(1977)	-24(78)	-37(79)	-48
(1962) TOTAL 5% MALE 7% FEMALE 3%				MAIN TRADING PARTNERS: PORTUGAL SWEDEN FRANCE			
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP	N.A.		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE	N.A.			SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1977)	84%			(\$ MILLIONS, U.S.).....			N.A.
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	132			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....			N.A.
MAJOR CROP(S)		ARABLE LAND YEAR		*SOCIAL DATA*			
SUBSISTENCE: ROOTS & TUBERS RICE		20% (1981)		POPULATION GROWTH RATE... (1970)	1.0% (1975)	1.7% (1982)	1.8%
CASH: GROUNDNUTS		30% (1981)		POPULATION IN URBAN AREAS..... (1960)	14%	(1978)	23%
MAJOR AGRICULTURAL EXPORTS:(1981) GROUNDNUTS PALM KERNELS				LIVE BIRTHS PER 1,000 POPULATION.... (1970)	40	(1982)	39
MAJOR AGRICULTURAL IMPORTS:(1981) RICE WHEAT				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)			1%
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977)	84%			POPULATION (1981) IN AGE GROUP:			
*CENTRAL GOVERNMENT FINANCES*				(0-14YRS) 39 7% (15-64YRS) 56.1% (65+ YRS) 4.2%			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1979)	250		
(1978) 15 (79) 24 (80) 23				PEOPLE PER PHYSICIAN..... (1977)	7,638		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF			
(1978) 78 (79) 97 (80) 129				DISEASE (1979)MALARIA ENTERIC DISEASE GONORRHEA			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				DEATH.. (1970)MALARIA TUBERCUIOSIS			
(1978) -63 (79) -73 (80) -106				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	101%		
DEFENSE EXPENDITURES.				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1978)	11%		
AS % OF TOTAL EXPENDITURES.. (1978) 7.5% (79) 7.0% (80) 6.6%				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF GNP..... (1978) 5.9% (79) 5.3% (80) 6.2%				PRIMARY..... (1979) TOTAL 96.0% MALE 133.0% FEMALE 60.0%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				SECONDARY..... (1979) TOTAL 8.0% MALE 13.0% FEMALE 3.0%			
(\$MILLIONS, U.S.) (1976) 17 (77) 14 (78) 11				POST SECONDARY.. TOTAL N.A. MALE N.A. FEMALE N.A.			
EQUIVALENT TO 3.0 MONTHS OF IMPORTS (1978)				ENERGY PRODUCTION AS % OF CONSUMPTION.....			N.A.



GUINEA-BISSAU

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	2,380	2,380	-	-	-	-	-	-
Total ....	2,380	2,380	-	-	-	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	2,000	2,000	-	-	-	-	-	-
Total ....	2,000	2,000	-	-	-	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-

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**FY 84 PROGRAM HIGHLIGHTS**

Within the overall Development Program:

- Continued program emphasis on increased staple cereals production by small farmers of the Geba Basin and the South Coast areas. (\$1.0 million)
- Specialized training in selected fields directly supportive of food production.
- Initiation of a Title II Section 206 Program to assist in meeting basic food requirements and to promote agricultural sector policy reforms.

Development Overview

Guinea-Bissau is among the 31 listed by the United Nations as Relatively Least Developed Countries (RLDC) in the world. Most socio-economic indicators show a situation in Guinea-Bissau which is much worse than the average for the other RLDCs. Life expectancy is 42 years. The infant mortality rate is 154 per thousand births, one of the highest in the world. The adult literacy rate is 28%. Less than 12% of the population has access to safe potable water and there is a high incidence of endemic diseases. Poverty in Guinea-Bissau is characterized by very low incomes (\$190 per capita), and general lack of access to formal education and health services. Only about 4% of the population has electricity for domestic use. Electrification is virtually non-existent in rural areas. Guinea-Bissau is also one of the most disadvantaged countries in Africa from the standpoint of institutional and infrastructural development. The lack of trained manpower has been, and remains, one of the major

obstacles to the country's economic development. There are critical shortages of trained persons in most skills categories and for most middle as well as higher technical and administrative positions.

Agriculture is the mainstay of Guinea-Bissau's economy. Small farm families comprise 85% of the population and are the most important element in the private sector. The country's soil and water endowment, as well as a large rural labor force, provide it with potential to increase agricultural production substantially. Prior to the beginning of the war for independence in 1962, Guinea-Bissau was self-sufficient in rice, the national food staple. From that time forward, rice production began to decrease for a number of reasons. During the 13 year struggle for independence rice fields and supporting dikes and dams were destroyed, reducing total land under cultivation by more than 50%. Today almost half of these lands have yet to be put back into production. Traditional private sector marketing arrangements were also

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	-	-
Grants.....	1,729	3,319	2,335
<b>Total AID.....</b>	<b>1,729</b>	<b>3,319</b>	<b>2,335</b>
<b>P.L. 480**</b>			
Title I..... (of which Title III is)	( - )	( - )	( - )
Title II.....	1,665	480	518
<b>Total P.L. 480.....</b>	<b>1,665</b>	<b>480</b>	<b>518</b>
<b>Total AID and P.L. 480.....</b>	<b>3,394</b>	<b>3,799</b>	<b>2,853</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	4	6	6
PASAC <sup>c</sup> .....	1	1	1
Contract.....	6	8	7
<b>Total.....</b>	<b>11</b>	<b>15</b>	<b>14</b>
<b>Participants<sup>d</sup></b>			
Noncontract.....	2	7	6
Contract.....	-	-	-
<b>Total.....</b>	<b>2</b>	<b>7</b>	<b>6</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b> (of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies.....		470		480		518
World Food Programs Gov't-to-Gov't.....		1,195		-		-
<b>Title II Total.....</b>		<b>1,665</b>		<b>480</b>		<b>518</b>
<b>Total P.L. 480.....</b>		<b>1,665</b>		<b>480</b>		<b>518</b>

disrupted during the war. The current state-dominated marketing system which the Government installed at independence in 1974 has proved to be disorganized and inefficient. It has not responded to the farmers' demands for agricultural inputs and basic consumer goods. The system has been hampered further by poorly conceived agricultural pricing policies which have provided little incentive for farmers to produce and sell surpluses. The net result of this situation is that Guinea-Bissau has had chronic and growing deficits of rice which in 1982 reached 47,000 tons, approximately one-half the country's rice consumption requirements. Drought conditions in recent years have further hurt agricultural production, increasing the need for food security through increased imports and/or foreign donations.

Total Resources

Guinea-Bissau is faced with difficult financial problems. With the rising cost of imports and a drop in the value of traditional exports (peanuts), Guinea-Bissau in recent years has suffered from chronic and large balance of payments deficits. For example, fuel import bills,



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despite strict local rationing, now account for almost 15% of imports. The Government, which has exhausted its foreign exchange, has been hard pressed to pay for emergency food imports not met by donor contributions in order to prevent famine as a result of the two severe droughts which struck in the last five years. Domestic resources cannot cover current expenditures. Almost 50% of the Government's recurrent costs are financed by foreign assistance. While much of Guinea-Bissau's external assistance is in the form of grants, the debt service burden has been growing, and now represents approximately half of 1980 export earnings.

External aid plays a major role in Guinea-Bissau's development. The Government relies almost totally on foreign assistance to finance development investment. Total external aid, including emergency food assistance, has amounted to about \$75 million annually in recent years, representing roughly \$90 per capita. Most of this aid has been in the form of grants. Approximately one-fifth consists of food aid; much of the remainder was allocated to investment in infrastructure, primarily transport and energy, and some industrial development. The lack of trained manpower and general administrative capabilities constrains Guinea-Bissau's ability to absorb foreign assistance. In 1980, only about 30% of foreign donor commitments for project investment were actually expended. The Government is finalizing its first draft Four Year Development Plan (1983-1986) which it hopes will better channel foreign assistance to priority needs and to where it can be more effectively utilized.

Guinea-Bissau's increasingly pragmatic foreign policy has promoted economic relations with and attracted aid from a very wide range of countries. No one donor dominates any particular sector. Almost one-half of all bilateral assistance has come from Sweden and the Netherlands. The Swedish Government is the largest donor, providing about \$14 million in grants annually, a large portion of which is used for budget support and commodity imports. The Dutch provide assistance to the transport sector and in agriculture. China provides assistance in public health through contingents of doctors and nurses in the in-

terior. The Soviet Union is likewise involved in health services as well as in developing deep sea commercial fisheries and providing scholarships for technical training. East Germany is very actively involved in high school technical curriculum development. Other important bilateral donors include Portugal, France, Brazil, Cuba, Italy, and Denmark. U.S. assistance is relatively small, representing less than one-tenth of Guinea-Bissau's total bilateral grant assistance. Multilateral donors include the European Economic Community which recently became involved in artisanal fisheries development; the African Development Bank in school construction and public health infrastructure development; the World Bank in road construction and maintenance and oil exploration. The UNDP and other UN agencies provide a vast array of technical assistance activities. FAO is providing technical assistance in agriculture with emphasis on improved seed multiplication and food security planning. Arab sources have provided soft loans to finance airport rehabilitation, physical infrastructure development and imports of fuel and basic consumer goods.

### U.S. Interests and Objectives

U.S. interests in Guinea-Bissau are primarily developmental and humanitarian, reflecting our commitment to assist one of the world's poorest nations to develop its human and physical resources. The establishment of A.I.D.'s program in 1975, shortly following independence, is tangible evidence of U.S. long-term interest in promoting economic development. Continued A.I.D. assistance reinforces the Government of Guinea-Bissau's determination to broaden its relations with the international community and diminish its close ties to former patrons.

The World Bank is funding Guinea-Bissau's present basic geological surveys for oil exploration off the country's coast. Numerous U.S. companies have expressed an interest in bidding on off-shore concessions.

The present Government, which assumed power in 1980, assigns high priority to development with equity and increased participation of all Guineans in the national

## GUINEA-BISSAU

development process. The Government's most immediate priority is food self-sufficiency. The objective of the A.I.D. program is to increase the production of basic cereals by small farmers, thereby reducing the country's long-term reliance on donor food aid. It is in the U.S. interest to promote stability in Guinea-Bissau through national food security.

### A.I.D. Assistance Strategy

The A.I.D. program has progressed from a solely humanitarian effort following independence, when emergency assistance was provided. While A.I.D. continues to be a relatively modest donor in Guinea-Bissau, its resources are now concentrated towards helping the country to attain food self-sufficiency. A.I.D. assistance is helping to increase agricultural production and basic food availabilities through activities in land reclamation, improved seed technology, transfer of improved technology in rice and other cereal grain production, and food crop protection measures. To deal with Guinea-Bissau's food problems, A.I.D. is also investing in human resource development to provide indigenous management and technical capabilities for crucial activities and institutions needed to assure increased agricultural production. This objective is achieved through providing training under the bilateral projects as well as a regionally-funded project with special provision for certain Portuguese-speaking African countries.

The Government of Guinea-Bissau is aware of the gross inefficiencies of the State-run commercialization system with respect to supplying farmers with basic needs and marketing surplus production. However, there is much confusion and debate within the Government as to how to proceed to bring about needed reform. A.I.D. has offered to provide the GOGB with technical and food security assistance in order to identify and induce necessary agricultural marketing policy reform, with particular emphasis on a role for the private sector.

### A.I.D. Program (FYs 1982 - 1983)

Positive accomplishments have already been achieved through the on-going A.I.D.-financed Agriculture Development (657-0002) and Food Crop Protection (657-0007) projects. In the former, seed production and storage capacity have been significantly improved, and a national seed testing laboratory has been constructed, equipped and put into operation. Under the land reclamation component of the project over 5,000 hectares of mangrove swamp have been reclaimed for paddy rice production. The Food Crop Protection project is helping set up, equip and train the National Crop Protection Service. With spraying equipment and vehicles provided under the project, the Crop Protection Service has evolved from a paper organization in 1977 to an increasingly operational unit.

The Rice Production Project (657-0009), is introducing improved technologies in rice and other staple cereal grains production to approximately 1,200 small farm families of the food deficient Geba River Basin area. This project is an expansion of a successful A.I.D. pilot project in the area which yielded four-fold increases in rice production. The Small Scale Fisheries Project (657-0006) has helped create an artisanal fisheries industry at the port town of Cacheu. The European Economic Community has programmed continuation and expansion of this project for which A.I.D. assistance terminates in early 1983.

In early FY 1983, A.I.D. initiated an in-depth study of the private sector in Guinea-Bissau with a view towards providing the GOGB with options for private sector involvement to make the agricultural marketing system more efficient and responsive to the needs of the country.

The FY 1983 program initiates a major new project, South Coast Rice Production (657-0010) aimed at producing surpluses to assist Guinea-Bissau become self-sufficient in rice production. The project is heavily involved in developing within the Department of Agricultural Hydrology and Soils the necessary decentralized infrastructure and

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technical capability to undertake more cost effective land reclamation in the South Coast rice producing area of Guinea-Bissau.

Maternal/Child Health and School Lunch feeding activities of the World Food Program are being supported through PL 480 Title II food donations. During FY 1982, under the regionally-funded African Manpower Development Program five Guineans began academic degree training in the United States in specialized technical fields directly linked to agricultural production. Six more scholarships are scheduled for FY 1983.

Requested Year Program (FY 1984)

A.I.D. is requesting \$1 million for use in the agriculture, rural development and nutrition sector. Emphasis will be placed on increased food production. To continue assistance to the small farmer producers of basic cereal grains in the Geba River Basin, \$550,000 is requested to complete funding for the Rice Production Project (657-0009); \$450,000 is requested to finance the continuation of land reclamation activities and transfer of improved production technologies to the rice producers of the South Coast Rice Production Project (657-0010) area.

In FY 1984 we will be considering the initiation of a P.L. 480 Title II Section 206 Program aimed at providing needed food security to Guinea-Bissau in the short-term and to encourage policy and institutional changes in support of increased food production. This food assistance is directly linked to A.I.D.'s strategy of attainment of food self-sufficiency.

Activities will also continue under the Food Crop Protection (657-0007) and Agriculture Development (657-0002) projects. Overseas specialized training for Guineans at the B.S. and M.S. degree levels in areas directly related to food production will continue under the regionally-funded African Manpower Development Program.

P.L. 480 Title II commodities will continue to be provided through the World Food Program for Maternal/Child Health and School Lunch feeding programs.

COUNTRY DEVELOPMENT OFFICER: James Anderson

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

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PROGRAM: GUINEA-BISSAU

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG ACTIONS	FY82- EXPENDITURES	-ESTIMATED FY83- OBLIG ACTIONS	FY83- EXPENDITURES	-PROPOSED FY84- OBLIG ACTIONS	FY84- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION											
AGRICULTURE DEVELOPMENT	G 657-0002	77	80	2,353	2,353	1,853	1,313	---	540	---	---
SMALL SCALE FISHERIES	G 657-0006	79	79	500	500	500	413	---	62	---	---
FOOD CROP PROTECTION	G 657-0007	78	83	1,239	1,839	1,569	631	270	451	---	---
RICE PRODUCTION	G 657-0009	80	84	4,500	4,500	3,950	761	---	1,500	550	550
SOUTH COAST RICE PRODUCTION	G 657-0010	83	87	---	5,500	---	---	1,730	---	450	1,085
TOTAL FOR ACCOUNT				8,592	14,692	7,872	3,118	2,000	2,553	1,000	1,635
GRANTS				8,592	14,692	7,872	3,118	2,000	2,553	1,000	1,635
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
PRIMARY TEACHER TRAINING	G 657-0003	77	80	2,010	2,010	2,010	456	---	692	---	700
TOTAL FOR ACCOUNT				2,010	2,010	2,010	456	---	692	---	700
GRANTS				2,010	2,010	2,010	456	---	692	---	700
LOANS				---	---	---	---	---	---	---	---
ASSISANCE TO PORTUGAL											
AGRICULTURE DEVELOPMENT	G 657-0002	77	79	500	500	500	426	---	74	---	---
TOTAL FOR ACCOUNT				500	500	500	426	---	74	---	---
GRANTS				500	500	500	426	---	74	---	---
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				11,102	17,202	10,382	4,000	2,000	3,319	1,000	2,335
GRANTS				11,102	17,202	10,382	4,000	2,000	3,319	1,000	2,335
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: LIBERIA

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	2,024			MAJOR EXPORTS... (1981)	IRON ORE	NAT RUBBER	WOOD
PER CAPITA GNP..... (DOLLARS,1981)	540			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	1.5%			(\$ MILLIONS, US. FOB) (1979)	106	(1980) 126	(1981) 124
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.9%	(1970-80)	9.6%	AS % OF TOTAL EXPORTS (1979)	20%	(1980) 21%	(1981) N.A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	MACHINERY	TRANSPORT EQ	OIL PRODUCTS
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 52.9 MALE 51.8 FEMALE 54.1				(\$ MILLIONS, US. CIF) (1979)	120	(1980) 122	(1981) 141
(1968) TOTAL 41.0 MALE 39.5 FEMALE 42.6				AS % OF TOTAL IMPORTS (1979)	24%	(1980) 23%	(1981) N.A.
ADULT LITERACY RATE (1980) TOTAL 25% MALE 42% FEMALE 9%				TRADE BALANCE(\$ MILLIONS, U.S.) (1978)	5(79)	31(80)	66
(1962) TOTAL 9% MALE 14% FEMALE 4%				MAIN TRADING PARTNERS: UNITED STATES	GERMANY, FFD	JAPAN	
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1981)	53.2%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981)	-0.8%			SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... (1982)	78		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	30%			AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO).... (1979)	13.8%		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	872			*SOCIAL DATA*			
MAJOR CROP(S)	ARABLE LAND	YEAR		POPULATION GROWTH RATE... (1970)	3.1%	(1975) 3.0%	(1982) 3.2%
SUBSISTENCE: RICE	56%	(1981)		POPULATION IN URBAN AREAS..... (1960)	13%	(1971) 28%	
CASH: COFFEE COCOA BEANS	9%	(1981)		LIVE BIRTHS PER 1,000 POPULATION.... (1970)	50	(1982) 48	
MAJOR AGRICULTURAL EXPORTS:(1981) RUBBER				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)	1%		
MAJOR AGRICULTURAL IMPORTS:(1981) RICE WHEAT SUGAR				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LAEOR FORCE IN AGRICULTURE..... (1980)	70%			(0-14YRS) 47.8% (15-64YRS) 49.8%	(65+ YRS) 2.4%		
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	159		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1975)	9,218		
(1978) 186 (79) 202 (80) 203				MAJOR CAUSES OF DISEASE (1975) DYSENTERY	MALARIA	MEASLES	
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DEATH.. (1982) ENTERIC DISEASE	DYSENTERY	DEFICIENT DIET	
(1978) 274 (79) 366 (80) 314				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS (1977)	101%		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1975)	20%		
(1978) -88 (79) -164 (80) -111				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFENSE EXPENDITURES,				PRIMARY..... (1978) TOTAL 64.0%	MALE 83.0%	FFEMALE 48.0%	
AS % OF TOTAL EXPENDITURES.. (1978) 3.3% (79) 2.7% (80) 5.1%				SECONDARY... (1979) TOTAL 22.0%	MALE 31.0%	FFEMALE 12.0%	
AS % OF GNP..... (1978) 1.3% (79) 1.2% (80) 1.9%				POST SECONDARY.. (1975) TOTAL 1.9%	MALE 2.9%	FFEMALE .9%	
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$MILLIONS, U.S.)	(1979) 55 (80) 4 (81) 7			ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	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	LIBERIA					TOTAL LOANS AND GRANTS 1948-81	REPAY- MENTS AND INTEREST 1948-81	TOTAL LESS REPAY- MENTS AND INTEREST 1948-81
	PROGRAM							
	FOREIGN ASSISTANCE ACT PERIOD							
	1977	1978	1979	1980	1981			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	21.4	7.2	17.6	23.5	55.1	363.6	20.7	343.1
Loans	11.6	-	-	10.0	15.0	133.5	20.7	112.8
Grants	9.8	7.2	17.6	13.5	40.1	230.3	-	230.3
<b>a. A.I.D. and Predecessor Agencies</b>	18.7	5.5	14.9	16.0	37.3	278.0	16.4	261.6
Loans	11.6	-	-	5.0	-	101.4	16.4	85.0
Grants	7.1	5.5	14.9	11.0	37.3	176.6	-	176.6
(Economic Support Fund)	-	-	5.0	5.2	32.0	42.2	-	-
<b>b. Food for Peace (PL 480)</b>	0.1	0.1	0.1	5.2	15.1	34.0	3.5	30.5
Loans	-	-	-	5.0	15.0	24.4	3.5	20.9
Grants	0.1	0.1	0.1	0.2	0.1	9.6	-	9.6
Title I - Total Sales Agreements	-	-	-	5.0	15.0	24.4	3.5	20.9
Repayable in U.S. Dollars - Loans	-	-	-	5.0	15.0	24.4	3.5	20.9
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.1	0.1	0.1	0.2	0.1	9.6	-	9.6
Emerg. Relief, Econ. Develop. & World Food Program	0.1	0.1	0.1	0.2	0.1	4.5	-	4.5
Voluntary Relief Agencies	-	-	-	-	-	5.0	-	5.0
<b>c. Other Economic Assistance</b>	2.4	1.6	2.6	2.3	2.7	51.4	0.6	51.0
Loans	-	-	-	-	-	1.7	0.6	6.9
Grants	2.4	1.6	2.6	2.3	2.7	44.1	-	44.1
Peace Corps	2.4	1.6	2.6	2.3	2.7	43.2	-	43.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.9	-	0.9
<b>II. MILITARY ASSISTANCE - TOTAL</b>	0.0	0.1	1.5	2.7	6.3	27.3	7.1	20.2
Credits or Loans	0.0	0.0	1.2	2.5	4.7	15.9	7.1	8.8
Grants	0.1	0.1	0.3	0.2	1.6	11.4	-	11.4
<b>a. MAP Grants</b>	*	-	-	-	1.0	6.3	-	6.3
b. Credit Financing - FMS	0.0	0.0	1.2	2.5	4.7	15.9	7.1	8.8
c. Military Assistance Service-Funded (MASF) Grants	3.1	0.2	0.3	0.2	0.6	4.7	-	4.7
d. Transfers from Excess Stocks	-	-	-	-	-	0.4	-	0.4
e. Other Grants	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	22.0	7.9	19.1	26.2	61.4	391.1	27.8	363.3
Loans	12.6	0.0	1.2	12.5	19.7	149.4	27.8	121.6
Grants	9.4	7.9	17.9	13.7	41.7	241.7	-	241.7
<b>Other U.S. Government Loans and Grants</b>	5.0	0.4	-	2.1	-	120.9	175.2	52.3
a. Export-Import Bank Loans	5.0	-	-	2.1	-	120.5	173.1	52.6
b. All Other Loans	-	0.4	-	-	-	0.4	0.1	0.3

\* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS	FY 1988	FY 1981	FY 1982	FY 1948-82
	TOTAL	13.5	7.4	30.3
IBRD	12.0	5.0	20.0	155.7
IFC	0.0	0.0	0.0	0.6
IDA	0.0	0.0	0.0	44.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AfDB	0.0	0.0	9.1	27.4
UNDP	1.5	1.8	0.0	24.1
OTHER-UN	0.0	0.6	1.2	7.5
EEC	0.0	0.0	0.0	7.4
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. O.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	33.0	66.0	135.0	
Germany	13.3	17.0	64.4	
Japan	13.9	2.4	24.6	
Netherlands	1.0	1.9	6.8	
U.K.	0.8	3.4	5.8	
Other	1.1	2.3	4.3	
Total	63.1	93.0	240.9	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	9.2	-	36.0	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	-	
Eastern Europe	-	-	-	
China	-	-	25	
Total	-	-	25	

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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	47,041	6,561	-	-	4,813	667	35,000	-
Total ....	47,041	6,561	-	-	4,813	-	35,000	-
1983								
Loans ....	1,700	1,700	-	-	-	-	-	-
Grants ....	42,300	1,500	300	3,500	2,000	3,000	32,000	-
Total ....	44,000	3,200	300	3,500	2,000	3,000	32,000	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	48,000	3,134	407	5,459	2,000	2,000	35,000	-
Total ....	48,000	3,134	407	5,459	2,000	2,000	35,000	-

FY 84 PROGRAM HIGHLIGHTS

To continue assisting the Government of Liberia to restore economic stability while at the same time maintaining some development momentum, A.I.D. proposes

- \$35.0 million of Economic Support Fund assistance to meet urgent financial needs;
- \$13.0 million in Development Assistance for technical assistance projects; and
- \$13.0 million in PL 480 Title I assistance to offset rice production shortages.

Development Overview

Liberia has experienced an increasingly severe economic and financial crisis which has been exacerbated by the 1980 coup and its aftermath. The crisis is characterized by relative political instability and a reduced level of business confidence and activity, a decline in demand and extremely low prices for Liberia's major exports, sizeable and persisting budget deficits, costly oil imports (\$156 million annually), a stagnating agriculture sector, and a widening gap in the public sector balance of payments. Prospects for improvement remain unclear due to uncertainties over the timing and pace of recovery in export prices and difficulties experienced in restraining growth in public expenditures, especially for wages. Real GDP registered negative growth rates of minus 5% in 1980 and 1981 compared to the annual 1% growth in the previous five years. Agriculture accounts for 35% of GDP; mining, 22%; services (including Government), 38%; and manufacturing, only 7%.

Per Capita GNP for Liberia's 2 million people is estimated at \$540 annually, but for about 75% of the population it is less than \$250. Urban unemployment, concentrated in Monrovia, approximates 50% of the labor force, while incomes in the traditional, subsistence agriculture sector, on which 70% of the population depends, are low. Moreover, the economy is not growing fast enough to absorb the annual 2.6% increase in the work force. Compared to other countries with similar per capita income levels, Liberia has a very low literacy rate (25% nation-wide) with the rural rate estimated at 12%. Liberia's health status, as indicated by life expectancy (53.9 yrs.), infant mortality (159 per 1000 live births) and access to safe water (20%), is below average for Africa, and the country has one of the highest population growth rates (3.2 percent) in Africa.

Resumption of growth and the development process are affected by these key constraints: (a) the narrow productive base of the economy, much of which is dependent on



RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-08 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	2,734	4,447	2,500
Grants.....	43,206	48,087	48,814
<b>Total AID.....</b>	<b>45,940</b>	<b>52,534</b>	<b>51,314</b>
<b>P.L. 480**</b>			
Title I..... (of which Title III is)	15,251 ( - )	15,083 ( - )	13,151 ( - )
Title II.....			
<b>Total P.L. 480.....</b>	<b>15,251</b>	<b>15,083</b>	<b>13,151</b>
<b>Total AID and P.L. 480.....</b>	<b>61,191</b>	<b>67,617</b>	<b>64,465</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	CP 84-17 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	21	18	17
PASA <sup>c</sup> .....	3	8	7
Contract.....	22	22	24
<b>Total.....</b>	<b>46</b>	<b>48</b>	<b>48</b>
<b>Participants<sup>d</sup></b>			
Noncontract.....	12	110	64
Contract.....	-	21	13
<b>Total.....</b>	<b>12</b>	<b>131</b>	<b>77</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

PL 480 Program Summary (in 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	50,000	15,000	45,000	15,000	39,400	13,000
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b> (of which Title III is)		15,000 ( - )		15,000 ( - )		13,000 ( - )
<b>Title II</b>						
Voluntary Agencies.....		- 251		- 83		- 151
World Food Programs.....		-		-		-
Gov't-to-Gov't.....		-		-		-
<b>Title II Total.....</b>		251		83		151
<b>Total P.L. 480.....</b>		15,251		15,083		13,151

international markets; (b) insufficient private investment due to a world-wide recession, fiscal instability and lack of confidence; (c) low agricultural productivity, especially in food crops; (d) high population growth; (e) heavy dependence on imported energy; and (f) a severe liquidity squeeze arising from budget deficits which are complicated by restricted foreign exchange (FX) availabilities. FX availabilities are also related to financing the Government of Liberia (GOL) deficit and derive from Liberia's use of the U.S. dollar. Key socio-economic constraints include: low literacy; lack of skilled persons at all levels; school curricula insufficiently oriented toward education-for-employment; limited and deteriorating physical and institutional infrastructure; overly centralized government operations and lack of popular participation in decision-making; and high unemployment in urban areas with few alternatives to agricultural employment in rural areas.

About 70% of Liberia's workforce is engaged in agriculture. Agriculture productivity is quite low. This is attributable to poor soils and topography; inadequate adaptive research to develop financially attractive, im-

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proved technological packages for small farmers (in spite of Liberian membership in some regional organizations); lack of an effective extension service; inadequate marketing access and facilities; and poorly defined agriculture priorities and policies. Low productivity is also attributable to the illiteracy and poor health of the rural populace. This results from a concentration of services in urban areas, shortages in quantity and quality of education and health personnel, inadequate planning and administrative capabilities at the national, country and local levels, and serious shortfalls in government funds to operate, improve and expand services.

Liberia's fiscal and economic recovery program is supported by the International Monetary Fund (IMF) and it has a good record of meeting IMF stabilization targets.

### Total Resources

Liberia has a relative abundance of natural resources, including iron ore and other minerals, rubber, timber, and to a lesser extent, diamonds. Exports of these represent an equivalent of 64% of GDP. There is considerable potential for hydro-electric energy from the numerous swift-flowing rivers. Liberia is also encouraging foreign companies to explore off-shore oil possibilities although there is no evidence to date of exploitable oil reserves.

The United States and the IMF are Liberia's major sources of external economic financing. In addition to A.I.D. budget support, food aid and development assistance (\$35 million, \$15 million, and \$12 million, respectively, in FY 1982), the United States also provides about 170 Peace Corps volunteers who work mainly in health education, agriculture and rural development, and teaching. A.I.D. and the Peace Corps collaborate in agriculture, health education and energy activities, and such joint efforts will continue through FY 1983 and beyond. The World Bank and International Development Agency provide about \$30 million annually in the areas of agriculture, education, urban development, infrastructure and energy. The European Economic Community, the UNDP, the Federal

Republic of Germany, and France are also large donors.

### U.S. Interests and Objectives

The United States has long been identified as Liberia's closest friend with unique cultural and historical ties, dating back to the arrival in present-day Liberia of ex-slaves from the U.S. and the country's founding in 1847. Equally important are special interests which include strategic rights at the airfield and port, and the most important concentration of U. S. Government communications facilities in Africa, and black Africa's second largest bloc of U.S. private investment. U.S. objectives in the short-to-medium term are to help establish economic and financial stability and investor confidence and to support return to stable, democratic civilian rule by 1985, as announced by the present military government. Over the longer term A.I.D. seeks to promote sustainable economic and social development and to encourage greater participation of rural Liberians in the development process.

A.I.D. Assistance Strategy: A.I.D.'s strategy is directed toward helping Liberia create an economic, social and political framework which will enable the country to define and implement a self-sustaining, effective, and equitable economic stabilization, recovery and development program.

In the short term A.I.D. seeks to restore economic stability utilizing Economic Support Fund (ESF), PL 480 Title I (rice) sales, and technical assistance in a coordinated fashion to improve economic/fiscal management.

ESF grants provided as budget support enable Liberia to finance oil imports, debt service and budget deficits, while PL 480 Title I provides foreign exchange for importing rice, the main staple, needed to feed the urban population. Counterpart funds generated by both forms of assistance represent a major portion of the Government's development budget financing and thereby support continuation of its contribution to development activities. Complementing these two efforts are technical assistance

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activities directed to increasing revenue and improving budgeting and expenditure controls.

The longer-term development strategy is being redefined and more sharply focused. The revised strategy will give primary emphasis to increasing food production and agriculture productivity, especially by small farmers. This effort will rest heavily on the recommendations of a joint IBRD/A.I.D. agriculture sector assessment and a Presidential Task Force on Agriculture which visited Liberia in 1982. It will also take into account an education sector assessment and a private sector survey completed that year.

### A.I.D. Program (FYs 1982-1983)

Current Status: Maintaining economic stability and restoring confidence continued to be the primary concern in FY 1982. A.I.D. provided ESF grants to help bridge Liberia's budget deficit and meet payments for oil imports and external debt service. The PL 480 Title I program financed rice imports. Counterpart funds generated by both programs supported on-going development activities.

Development Assistance: In the Agriculture and Rural Development, A.I.D. continued to support institutional development through the Agricultural Analysis and Planning Project (669-0137), the Agricultural Research and Extension Project (669-0135) and the Rural Development Training project (669-0153). Three integrated area development projects in three counties continued efforts to increase agriculture income through diversified production and increased productivity and to carry out supporting activities such as feeder roads construction and small enterprise development. To promote more broadly based rural development the Rural Information System project (669-0134) is developing a radio system to disseminate information on improved farming and health practices and educational programs to Liberia's rural population, 80% of whom live in relative physical isolation. The project technical assistance team arrived in January 1982 and has initiated partici-

pant training, planning for in-country training, and design of seven rural radio stations.

In the Education and Human Resources sector, the Improved Efficiency of Learning project (669-0130) continues to develop innovative, low-cost programmed teaching and learning materials for use in primary schools. The Liberian Opportunities Industrialization Center (LOIC) project (669-0168) continues its vocational training programs in carpentry, masonry, plumbing, electricity, air conditioning and refrigeration, and auto mechanics. Of the 305 trainees completing training, 70% have been placed in jobs. The Youth-On-The-Job Training project (669-0160), which trains unemployed youth with little or no education for semi-skilled jobs, concludes in early 1983. The Economic and Financial Management and Training project (669-0184), to improve budget and expenditure control procedures, was approved in FY 1982. A short-term advisor in public finance was sent to Liberia in 1983 and the long-term contract team will arrive in January 1983.

In the Health sector, A.I.D. is concentrating on primary health care and on reducing the incidence of communicable diseases. The Health Management Planning project (669-0126) assists the Ministry of Health and Social Welfare to improve its planning capabilities, with the training and studies component continuing to FY 1983.

Under the Selected Development Activities category, A.I.D. has continued its assistance to the Ministry of Finance under the Increased Revenue for Development project (669-0132) to enhance its tax administration and collection capabilities in order to generate increased domestic revenues. During FY 1982 the project was extended to FY 1985 and revised to add assistance in customs and tax administration. The Low-Income Housing project (669-0146) continued to upgrade the planning and administrative abilities of the National Housing Authority to enable Liberia to implement low-cost housing programs.

ESF: In response to Liberia's severe financial crisis, A.I.D. provided a \$35 million ESF program grant in FY

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1982 in addition to previous grants in FY 1980 of \$5 million and in FY 1981 of \$32 million.

PL-480: A \$15 million PL 480 (Title I) program provided rice for local consumption. This program was in addition to prior year programs of \$5 million in FY 1980 and \$15 million in FY 1981 which also financed rice imports. Revenues generated by the rice sales helped support agriculture development activities aimed at increasing food production.

A.I.D. is utilizing the resources of three Private Voluntary Organizations (PVO's) in increasing the productive base of the economy through the transfer of appropriate technology to small farmers (Partnership for Productivity and the Protestant Episcopal Church of the United States); and providing applied vocational training programs and job placement for unemployed urban youth with limited educational background (Opportunities Industrialization Center International). The continued utilization of PVO's will be an important part of the implementation of the A.I.D. Development Assistance program.

FY 1983 Program: The A.I.D. program in FY 1983 will continue the assistance provided during the previous year. Given the seriousness of the economic crisis, priority will continue to be placed on economic recovery through the provision of additional ESF program grants and PL 480 Title I assistance. In addition Development Assistance funds will be provided for on-going projects and two new activities, the Primary Health Care project and Phase II assistance to the Rural Development Training project. The total FY 1983 assistance level is \$59 million.

Development Assistance: \$3.2 million will be used for projects in Agriculture and Rural Development which address the needs for increased food production and greater involvement of the rural population in Liberia's development. The Rural Development Training II project (669-0185) will focus on ensuring the long-term technical, economic and managerial ability of the Rural Development Institute \$975,000 in FY 1983. The on-going

Rural Information System project (669-0134) will receive incremental funding \$2,225,000 in FY 1983.

\$3.8 million in Health and Population funds will be made available to initiate the Primary Health Care project (669-0165). This project will provide technical assistance, training, and commodity support to the Ministry of Health in implementing a nationwide program for expanded health services.

\$2.0 million in Education and Human Resources Development funds will provide additional funding for the Economic and Financial Management and Training project (669-0184).

\$3.0 million will be used for a project under Selected Development Activities, the on-going Increased Revenue for Development project (669-0132).

ESF: \$32.0 million in economic support funds will provide cash resources to meet critical offshore payments and provide budgetary support for priority development activities of the government through counterpart funds.

PL 480: \$15.0 million in PL 480 Title I assistance will continue to provide foreign exchange resources to bridge the gap between local rice production and domestic consumption and provide local resources for agriculture development from rice sales.

### Requested Year Program (FY 1984)

Development Assistance: \$3,134,000 is proposed for projects in Agriculture and Rural Development. These funds will enable the continuation of radio station construction and the programming of development information in rural areas under the Rural Information System Project (669-0134). Funds will also be provided to continue the Nimba County Rural Technology Project (669-0163) and the Rural Development Training, (Phase II) Project (669-0185).

\$5,459,000 in Health and \$407,000 in Population are proposed to fund technical assistance, participant training, and commodity support for the Primary Health Care program

Liberia

(669-0165).

\$2,000,000 is proposed in Education and Human Resources Development for Phase II of the Improved Efficiency of Learning project (669-0166).

\$2,000,000 is proposed under Selected Development Activities for the Increased Revenue for Development project (669-0132).

ESF: \$35,000,000 in Economic Support Funds is proposed to continued to provide budget resources to meet essential external obligations and support economic development activities of the Government through counterpart funds.

PL 480: \$15,000,000 is proposed in PL 480 Title I assistance to finance rice imports which will help keep sufficient rice on the market to avoid shortages and the likely political instability which may ensue, and will provide local resources for agriculture development and related activities from rice sales.

Mission Director:Lois Richards

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

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PROGRAM: LIBERIA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHG PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
RURAL INFORMATION SERVICES	G 669-0134	80	84	5,000	5,000	2,574	843	525	860	901	1,000
RURAL INFORMATION SERVICES	L 669-0134	80	84	6,700	6,700	5,000	146	1,700	2,500	---	2,500
AGRICULTURAL RESEARCH AND EXTENSION	G 669-0135	80	82	4,997	4,997	4,997	1,338	---	3,659	---	---
AGRICULTURAL ANALYSIS AND PLANNING	G 669-0137	77	80	1,550	1,550	1,550	1,324	---	226	---	---
RURAL ROADS PHASE III	L 669-0138	77	77	5,200	5,200	5,200	1,505	---	---	---	---
UPPER BONG COUNTY RURAL DEV.	L 669-0139	77	77	6,600	6,600	6,600	3,502	---	1,947	---	---
UPPER-LOFA COUNTY RURAL DEVELOPMENT	L 669-0142	76	76	5,000	5,000	5,000	4,408	---	---	---	---
RURAL DEV TRAINING - CUTTINGTON (PVO)	G 669-0153	77	82	3,905	3,905	3,905	3,750	---	155	---	---
NIMBA CO RURAL TECHNOLOGY (PVO)	G 669-0163	80	84	3,195	3,554	2,121	1,772	---	349	1,433	585
RURAL DEVELOPMENT TRAINING II	G 669-0185	83	87	---	3,875	---	---	975	480	800	710
TOTAL FOR ACCOUNT				42,147	46,391	36,947	18,588	3,200	10,176	3,134	4,795
GRANTS				18,647	22,881	15,147	9,027	1,500	5,729	3,134	2,295
LOANS				23,500	23,500	21,800	9,561	1,700	4,447	---	2,500
POPULATION PLANNING											
PRIMARY HEALTH CARE	G 669-0165	83	87	---	907	---	---	300	195	407	256
TOTAL FOR ACCOUNT				---	907	---	---	300	195	407	256
GRANTS				---	907	---	---	300	195	407	256
LOANS				---	---	---	---	---	---	---	---
HEALTH											
HEALTH MANAGEMENT AND PLANNING	G 669-0126	76	80	---	---	1,335	614	---	108	---	---
PRIMARY HEALTH CARE	G 669-0165	83	86	---	14,071	---	---	3,500	2,978	5,459	3,804

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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02/10/83

PROGRAM: LIBERIA

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
TOTAL FOR ACCOUNT GRANTS				---	14,071	1,335	614	3,500	3,086	5,459	3,804
LOANS				---	14,071	1,335	614	3,500	3,086	5,459	3,804
EDUCATION AND HUMAN RESOURCES											
IMPROVED EFFICIENCY OF LEARNING	G 669-0130	78	84	5,500	7,500	5,500	4,361	1,000	1,000	1,000	1,500
YOUTH ON-THE-JOB TRAINING	G 669-0160	79	79	495	495	495	349	---	131	---	15
IMPROVED EFFICIENCY LEARNING II	* G 669-0166	84	88	---	7,000	---	---	---	---	1,000	300
OPPOR INDUST CNT INTL-LIBERIA (PVO)	G 669-0168	79	82	3,654	3,654	3,654	1,975	---	1,167	---	243
ECONOMIC MANAGEMENT AND TRAINING	G 669-0184	82	83	3,000	3,000	2,000	2	1,000	1,500	---	1,498
TOTAL FOR ACCOUNT GRANTS				12,649	21,649	11,649	6,687	2,000	3,798	2,000	3,556
LOANS				12,649	21,649	11,649	6,687	2,000	3,798	2,000	3,556
SELECTED DEVELOPMENT ACTIVITIES											
INCREASED REVENUES FOR DEVELOPMENT	G 669-0132	78	85	8,283	8,283	2,300	1,636	3,000	2,000	2,000	2,500
LOW INCOME HOUSING PHASE I	G 669-0146	78	81	1,672	1,348	1,348	990	---	179	---	703
TOTAL FOR ACCOUNT GRANTS				9,955	9,631	3,648	2,626	3,000	2,179	2,000	3,203
LOANS				9,955	9,631	3,648	2,626	3,000	2,179	2,000	3,203
ECONOMIC SUPPORT FUND											
LOW INCOME HOUSING PHASE II	G 669-0167	79	80	5,000	5,000	5,000	2,307	---	1,100	---	700
PROGRAM GRANT V	G 669-0179	83	83	8,000	32,000	---	---	32,000	32,000	---	---
PROGRAM GRANT VI	* G 669-0189	84	84	---	35,000	---	---	---	---	35,000	35,000

\* Refers to the planned project summary sheet

C Level of effort activity

341

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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02/10/83

PROGRAM: LISERIA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
TOTAL FOR ACCOUNT GRANTS				13,000	72,000	5,000	2,307	32,000	33,100	35,000	35,700
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				77,751	164,639	58,579	30,822	44,000	52,534	48,000	51,314
LOANS				54,251	141,139	36,779	21,261	42,300	48,087	48,000	48,814
				23,500	23,500	21,800	9,561	1,700	4,447	---	2,500

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



TITLE Improved Efficiency of Learning II		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
NUMBER 669-0166		POPULATION:	ED. & HR: x	SEL. ACT.:	FY 84	LIFE OF PROJECT FUNDING:	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>				1,000	7,000	
					INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 91

Purpose: To increase the effectiveness of instruction by elementary teachers.

Project Description: Phase I of this project encompasses the experimental development of a programmed instruction approach to elementary education using the existing Liberian curriculum. Although this phase is not projected to be completed until late 1984 or early 1985, three independent evaluations of progress-to-date have unanimously agreed that this approach could make a significant contribution toward the resolution of Liberia's elementary education problems. The current experimental program, however, will involve only 25-35 schools. The others will remain as before--less than 50% of the elementary aged children enrolled, at least 70% of the teachers either untrained or undertrained, very uneven attendance by both teachers and children, and almost no instructional materials.

Phase II of the project plans to extend the experimentally validated program by stages to 1000 additional Ministry of Education schools--estimated to include over 4000 classes, grades 1-6, and approximately 140,000 students. Although data on the number of existing schools, teachers and students is limited, it is estimated that more than 60% of the public elementary education sector will be affected by the project. Additionally, a GOL capacity to produce and distribute large numbers of instructional materials will be institutionalized. Early project activities will be centered around teacher training as elementary education is an almost totally teacher-mediated process. Another early activity will be the training of personnel responsible for materials production and distribution. The training for both of these project elements will be largely short-term. A relatively unique feature of the project is that the effectiveness of the teacher-training process, the ability to produce and distribute materials, and pupil growth are all factors that can be measured with relative ease and at frequent intervals.

Relationship of the Project to AID Country Strategy: This project supports the USAID Country Strategy by extending improved education

services to rural areas and assisting in increasing the productive base of the economy.

Host Country and Other Donors: The project will be managed by the Ministry of Education. The World Bank's Fourth Education Project will provide significant support in printing and distributing materials and teacher training. The G.O.L. will provide for recurrent project costs.

Beneficiaries: The direct beneficiaries will be an estimated 3,000 teachers (perhaps 75% of the G.O.L./M.O.E. elementary school staff), and an estimated 90,000 students who will be in their classrooms. The ultimate beneficiaries, however, will be the rural Liberian population who will receive the benefits of a sharp increase in the ability of their children to read, write, calculate mathematically and understand modern technology.

## PLANNED PROGRAM SUMMARY SHEET

TITLE Program Grant VI		FUNDING SOURCE: E.S.P.	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
					FY 84 35,000	LIFE OF PROJECT FUNDING: 35,000		
NUMBER GRANT <input checked="" type="checkbox"/>	LOAN <input type="checkbox"/>	NEW CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 84

Purpose: To assist the Government of Liberia through the current economic and financial crisis.

Project Description: Liberia's development over the last seven years or so has slowed to a virtual halt for a combination of domestic and international reasons. There has been little meaningful private investment since the late 1970's because of a perceived deterioration in the investment climate. Public investment in development oriented activities, which rose from \$19.3 million in 1973 to \$210.8 million in 1978/79, dropped to \$120 million in 1980/81 and to \$97 million in 1981/82. During 1975-1981, real Gross Domestic Product in the monetary economy (as distinct from the non-monetary, or traditional, rural subsistence economy) grew on the average at less than one percent annually, a rate well below population growth rate of 3.4 percent per annum. In terms of real income, the average Liberian is a little worse off each year. During 1980 and 1981, the monetary economy registered a negative growth rate of minus five percent compared to one percent annually over the previous five years. There are no reliable similar data on the non-monetary economy, but knowledgeable observers agree that subsistence agricultural production -- the main element of the non-monetary economy -- has, at best, stagnated in recent years.

These developments contributed to large budget deficits in the past three years, and resulted in the government being unable to meet its debt obligation and to finance recurrent costs of development projects. Infrastructure, such as roads, education and health facilities, are in need of repair because of inadequate maintenance and normal depreciation. Whereas the proposed grant will largely go to cover external payments, counterpart funds generated by this grant will help Liberia meet its development costs and other budgetary expenditures. The grant, together with the IMF loan under the Stand-by Agreement signed in 1982, will help Liberia get through this difficult period.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s overall strategy is to promote economic growth and development for the poor majority a great proportion whom live in the rural areas. In order that any economic gains which have been achieved in the past will not be sacrificed and further long-term development can proceed, it is important that the short-run economic and financial crisis be

contained. The proposed grant will help provide the necessary economic and political stability required for long-term development to proceed.

Furthermore, the United States has economic, political, and strategic interests in helping maintain stability and protecting considerable private and public investment. Important communications facilities and military access points supporting the United States interests in Africa are located in Liberia. The provision of this grant demonstrates United States support for Liberia in a time of great need.

Host Country and Other Donors: Aside from the United States, the World Bank, the Federal Republic of Germany and the European Community have been the largest source of financing of Liberia's development program and have continued this relationship since the coup negotiating additional commitments. The IMF provided a \$60.5 million standby agreement for the period 9/82 to 7/83 as well as \$30.5 million in compensatory financing facility funds.

Beneficiaries: The immediate and direct impact of the grant will be to increase the financial resources of government to meet its urgent needs, including agricultural and rural development programs. It is essential to stabilizing the economy so that development efforts, which are directed to improving the lot of the poor in rural areas and urban centers, can be continued.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: RWANDA

\*BASIC DATA\*

TOTAL POPULATION.. (THOUSANDS,MID 1982) 5,451  
 PER CAPITA GNP..... (DOLLARS,1981) 250  
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 1.5%  
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 13.1% (1970-80) 14.2%  
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.  
 LIFE EXPECTANCY AT BIRTH, IN YEARS  
 (1981) TOTAL 45.6 MALE 44.0 FEMALE 47.3  
 (1968) TOTAL 41.0 MALE 39.4 FEMALE 42.6  
 ADULT LITERACY RATE (1980) TOTAL 50% MALE 62% FEMALE 37%  
 (1962) TOTAL 16% MALE 24% FEMALE 9%

\*AGRICULTURE\*

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE  
 (1970-1981) 1.2%  
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 48%  
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 940

MAJOR CROP(S) ARABLE LAND YEAR  
 SUBSISTENCE: PULSES PLANTAINS 59% (1981)  
 CASH: COFFEE 3% (1981)

MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE TEA PYRETHRUM FLOWER  
 MAJOR AGRICULTURAL IMPORTS:(1981) DAIRY PRODUCTS WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 91%

\*CENTRAL GOVERNMENT FINANCES\*

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)  
 (1978) 94 (79) 132 (80) 143  
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)  
 (1978) 87 (79) 110 (80) 136  
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)  
 (1978) 7 (79) 22 (80) 7

DEFENSE EXPENDITURES,  
 AS % OF TOTAL EXPENDITURES.. (1978) 17.6% (79) 16.8% (80) 15.3%  
 AS % OF GNP..... (1978) 1.7% (79) 1.8% (80) 1.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,  
 (\$MILLIONS, U.S.) (1979) 152 (80) 187 (81) 173  
 EQUIVALENT TO 10.0 MONTHS OF IMPORTS (1979)

\*FOREIGN TRADE\*

MAJOR EXPORTS... (1981) COFFEE TEA MINERALS  
 EXPORTS TO U.S.  
 (\$ MILLIONS, US. FOB) (1979) 1 (1980) 1 (1981) 39  
 AS % OF TOTAL EXPORTS (1979) 1% (1980) 1% (1981) N.A.  
 MAJOR IMPORTS... (1981) TEXTILES FOODSTUFFS MACHINERY  
 IMPORTS FROM U.S.  
 (\$ MILLIONS, US. CIF) (1979) 7 (1980) 11 (1981) 7  
 AS % OF TOTAL IMPORTS (1979) 4% (1980) N.A. (1981) N.A.  
 TRADE BALANCE(\$ MILLIONS, U.S.)(1977) -31(78) -89(79) -73  
 MAIN TRADING PARTNERS: TANZANIA KENYA BELGIUM  
 EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 15.1%  
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.  
 (\$ MILLIONS, U.S.)..... (1980) 2  
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980) 1.1%

\*SOCIAL DATA\*

POPULATION GROWTH RATE...(1970) 2.8% (1975) 3.0% (1982) 3.2%  
 POPULATION IN URBAN AREAS..... (1960) 2% (1974) 4%  
 LIVE BIRTHS PER 1,000 POPULATION....(1970) 50 (1982) 49  
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.  
 POPULATION (1981) IN AGE GROUP:  
 (0-14YRS) 46.8% (15-64YRS) 50.4% (65+ YRS) 2.7%  
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 127  
 PEOPLE PER PHYSICIAN..... (1977) 38,942

MAJOR CAUSES OF  
 DISEASE (1979)MALARIA MEASLES DYSENTERY  
 DEATH.. N.A.

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 94%  
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 68%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:  
 PRIMARY..... (1979) TOTAL 70.0% MALE 74.0% FEMALE 67.0%  
 SECONDARY..... (1979) TOTAL 2.0% MALE 3.0% FEMALE 1.0%  
 POST SECONDARY.. (1977) TOTAL .3% MALE .6% FEMALE .1%  
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 21%

**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	RWANDA					TOTAL LOANS AND GRANTS 1948-81	REPAY- MENTS AND INTEREST 1948-81	TOTAL LESS REPAY- MENTS AND INTEREST 1948-81	
	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD							
		1977	1978	1979	1980				1981
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	1.0	3.5	0.4	4.1	7.4	37.1	-	37.1	
Loans	-	-	-	-	-	-	-	-	
Grants	1.0	3.5	0.4	4.1	7.4	37.1	-	37.1	
<b>a. A.I.D. and Predecessor Agencies</b>	0.2	1.7	5.3	1.9	3.4	17.1	-	17.1	
Loans	-	-	-	-	-	-	-	-	
Grants	0.2	1.7	5.3	1.9	3.4	17.1	-	17.1	
(Economic Support Fund)	-	-	-	-	-	1.1	-	1.1	
<b>b. Food for Peace (PL 480)</b>	1.0	1.0	1.0	2.2	3.9	19.0	-	19.0	
Loans	-	-	-	-	-	-	-	-	
Grants	1.0	1.0	1.0	2.2	3.9	19.0	-	19.0	
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-	
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-	
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-	
Title II - Total Grants	1.0	1.0	1.0	2.2	3.9	19.0	-	19.0	
Emerg. Relief, Econ. Develop. & World Food Program	0.7	0.1	-	0.3	0.0	3.3	-	3.3	
Voluntary Relief Agencies	0.3	0.9	1.0	1.9	3.9	14.3	-	14.3	
<b>c. Other Economic Assistance</b>	0.2	0.2	0.1	*	0.1	0.4	-	0.4	
Loans	-	-	-	-	-	-	-	-	
Grants	0.2	0.2	0.1	*	0.1	0.4	-	0.4	
Peace Corps	0.1	0.2	0.1	*	0.1	0.4	-	0.4	
Narcotics	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	0.1	1.0	1.0	-	1.0	
Credits or Loans	-	-	-	-	1.0	1.0	-	1.0	
Grants	-	-	-	0.1	*	0.1	-	0.1	
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-	
<b>b. Credit Financing - FMS</b>	-	-	-	-	1.0	1.0	-	1.0	
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	0.1	*	0.1	-	0.1	
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-	
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-	
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	1.0	3.5	0.4	4.2	8.4	38.1	-	38.1	
Loans	-	-	-	-	1.0	1.0	-	1.0	
Grants	1.0	3.5	0.4	4.2	7.4	37.1	-	37.1	
<b>Other U.S. Government Loans and Grants</b>	-	0.3	-	-	-	0.4	0.2	0.7	
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-	
<b>b. All Other Loans</b>	-	0.3	-	-	-	0.4	0.2	0.7	

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	38.5	38.0	10.4	279.7
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.8
IDA	28.5	0.0	0.0	115.7
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AfDB	4.1	33.9	10.4	68.1
UNDP	3.5	4.1	0.0	26.8
OTHER-UN	2.4	3.0	0.0	8.1
EEC	0.0	0.0	0.0	60.2

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	7.0	10.0	28.0
Belgium	36.2	28.9	165.5
Germany	16.8	20.7	94.4
France	15.8	21.5	65.1
Canada	5.7	5.4	29.6
Other	15.1	17.7	62.4
<b>Total</b>	<b>96.6</b>	<b>104.2</b>	<b>445.0</b>

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

	CY 1980	CY 1981	CY 1976-81
	1.3	-	7.6

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	-
Eastern Europe	-	-	-
China	-	-	55
<b>Total</b>	<b>-</b>	<b>-</b>	<b>55</b>

Rwanda

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	6,477	5,977	500	-	-	-	-	-
Total ....	6,477	5,977	500	-	-	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	5,315	3,615	1,700	-	-	-	-	-
Total ....	5,315	3,615	1,700	-	-	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	5,500	2,000	1,800	-	-	1,700	-	-
Total ....	5,500	2,000	1,800	-	-	1,700	-	-

FY 84 PROGRAM HIGHLIGHTS
-- Continued emphasis on strengthening the agricultural sector (\$2,000,000).
-- Rural health and family planning programs to receive continuing attention (\$1,800,000).
-- Efforts to expand Rwandan private enterprise in the agro-industrial sector initiated (\$1,700,000).

Development Overview

The principal causes of poverty and the leading constraints to accelerating development in Rwanda are (1) a low level of agricultural technology and inability to extend known technology; (2) low absorptive capacity due to limited trained manpower and physical infrastructure; (3) high population pressure on productive land and lack of off-farm employment opportunities; and (4) geographic isolation.

The Government of Rwanda's (GOR) development strategy, generally supported by external donors, addresses the two principal problems of (1) food availability for a growing population and (2) underutilization of human resource potential. If over the medium term production increases are to be achieved through crop intensification, strengthening of the agricultural research and extension services will be required. A major factor in the long-term solution must be a reduction in the population growth rate.

Rwanda is among the poorest countries of the world, with a per capita GNP of \$200 in 1979. It is also the most densely populated country in Africa and will probably be using 100% of its arable land before the end of the century, with farms becoming even smaller than the present average of less than one hectare.

Rwanda does, however, possess certain resources which have enabled it to stave off massive food imports. Soils are relatively fertile, rainfall is sufficient for two crops per year, variations in elevation and climate allow a wide range of crops, and there is a strong work ethic among the people. These resources are not used to full advantage, however, largely due to the deficiencies in research and extension. Yields remain stagnant with production increases realized only by diminishing fallowing practices and bringing marginal land under cultivation. Because of growing population pressure on limited land,

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	-	-	-
Grants .....	1,965	4,394	6,630
<b>Total AID .....</b>	<b>1,965</b>	<b>4,394</b>	<b>6,630</b>
<b>P.L. 480**</b>			
Title I .....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II .....	2,442	3,283	2,738
<b>Total P.L. 480 .....</b>	<b>2,442</b>	<b>3,283</b>	<b>2,738</b>
<b>Total AID and P.L. 480 .....</b>	<b>4,407</b>	<b>7,677</b>	<b>9,368</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel #</b>			
Direct Hire <sup>b</sup> .....	5	6	6
PASA <sup>c</sup> .....	-	-	-
Contract .....	2	12	17
<b>Total .....</b>	<b>7</b>	<b>18</b>	<b>23</b>
<b>Participants <sup>d</sup></b>			
Noncontract .....	15	43	50
Contract .....	14	20	19
<b>Total .....</b>	<b>19</b>	<b>63</b>	<b>69</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 Program Summary (In 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	-	-	-	-	-	-
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b> (of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies .....		2,142		2,940		2,353
World Food Programs .....		300		343		385
Gov't-to-Gov't .....		-		-		-
<b>Title II Total .....</b>		<b>2,442</b>		<b>3,283</b>		<b>2,738</b>
<b>Total P.L. 480 .....</b>		<b>2,442</b>		<b>3,283</b>		<b>2,738</b>

future increases in production will have to come from crop intensification. This will include new cultivation methods, improved seed and fertilizer usage, mixed farming and fish culture, and reforestation and soil conservation practices.

In this regard, the ability of the Government of Rwanda to absorb external funding, especially in agriculture, and to use its internal resources effectively, is constrained by a significant shortage of trained personnel. Less than 25% of the population is literate; less than 2% has a secondary education. While the need for trained manpower is pervasive throughout the government system, it is at the middle and lower technical levels that the need is greatest.

The cooperative movement is strong and strengthening of cooperatives to permit them to provide many of the services normally offered by government extension agencies seems promising. Cooperatives are already beginning to give farmers institutional access to means of production, markets, agricultural knowledge, and the financial system.

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Rwanda's development is greatly affected by its geographic isolation. The impact of distance -- over 1,000 miles to the nearest port at Mombasa, Kenya, through Uganda -- on prices and delivery delays is further aggravated by the imbalance in the nature of the cargo transported. Incoming is heavy and bulky, while outgoing is lighter agricultural goods, with no cost-effective return hauls. Internal isolation and inadequate lines of communication, primarily rural roads, form a serious impediment to access to health, education, extension, and other government services and to markets. The willingness of local populations to contribute labor to maintain rural roads, however, has prevented a deterioration of conditions.

Both the population growth rate (3.6%) and the delivery of rural health services are receiving increased attention on the part of the government. To implement the government's demographic policy to reduce the population growth rate, a national office of population has been established and staffed. The government has also requested and received financial assistance from A.I.D. to implement a maternal/child health and family planning program.

Employment generation presents a difficult challenge. More than 30,000 youths enter the job market every year. With an urban economy able to absorb less than a fifth of them, rural employment, through the opening of new lands to agriculture, labor-intensive rural works, cooperative formation, and rural artisanry, must be generated. Government policy for the private sector focuses on the development of small and medium-sized labor intensive enterprises, an increasing number of which are to be located outside of the capital city. A job creation target of 30-35,000 new jobs between 1982-1986 has been set. To encourage a more balanced regional development, industrial parks, similar to that in Kigali, are to be set up in Butare and other secondary centers. To improve the supply of skilled labor to the private sector, the Ministry of Economy and Commerce plans to establish a technical training school, and new industries will be encouraged to engage in apprenticeship schemes. Measures to

increase the efficiency of financial, technical and advisory services to businesses include the expansion and reorganization of institutions providing these services, such as the Chamber of Commerce and the Office of Industrial Promotion.

### Total Resources

Rwanda's GDP in 1981 was estimated at over \$1.3 billion, an increase of 5.2% over 1980. The rate of growth in GDP from 1980 to 1981 was slightly greater than the average annual GDP growth rate from 1977-1981. Although agriculture's share of GDP has fallen from 76% in 1964 to 45% in 1981, agriculture plays a dominant role in the Rwandan economy. The agricultural sector provides a livelihood for 91% of the labor force. Agricultural exports provided 65% of Rwanda's foreign exchange earnings in 1981 with coffee being the largest single exchange earner. Coffee also provides the primary source of monetary income for a large proportion of the population.

In 1982, Rwanda recorded increases in both its ordinary and development budgets. The 1982 ordinary budget, covering recurring government expenses, will total an estimated \$177 million, an increase of 12% over the corresponding 1981 figure. This increase will be less than the 21% average annual growth in the ordinary budget since 1975.

The 1982 development budget (\$39 million), providing for investment in infrastructure and expanded production, grew by 20% over 1981. Although this budgetary increase was less than the corresponding increase of 34% from 1980 to 1981, the prior increase compensated for a sharp decline in the development budget (16%) from 1979 to 1980. Rwandan counterpart contributions to foreign assistance projects increased by 31% in 1982 over the preceding year, and this remained the most important category of the development budget, representing some 45% of the total.

Donor resource commitments for 1981 slightly exceeded the 1980 \$145 million. Belgium remains Rwanda's principal



## Rwanda

bilateral donor (21.3% of total donor contributions) and finances a range of programs including agriculture, health, tourism, education, and general social-economic planning. Germany is the next largest bilateral donor (13.7%), followed by France (10%). The European Economic Community, the World Bank and the U.N. agencies finance a range of programs primarily in agricultural development. Canada, the United States, Switzerland, China, Japan and the Arab and African development banks have programs which are at about the same financial level per year.

### U.S. Interests and Objectives

Regional stability forms the basis for U.S. interests in Rwanda and our interests are promoted through economic development. The poverty of the region, the extreme population pressure on the land, and the present lack of alternatives converge to create a potential tinderbox of social and economic unrest that threatens to engulf Rwanda and her neighbors.

There are additional reasons for supporting Rwanda's economic development. American/Rwandan relations are excellent. The country is Western-oriented and follows a moderate, non-aligned foreign policy, usually supporting U.S. and free world interests at international fora.

Over the past several years, the government has actively pursued a process of decentralization and local representation that culminated in legislative elections in December 1981. Under pragmatic leadership, Rwanda pursues realistic, rurally-oriented development policies that are slowly having a positive impact.

U.S. economic interests in Rwanda remain limited. The only private American investment of note is \$3 million in tea production. Exports to the United States are of a non-critical nature, but the principal export, coffee, is vitally important to the Rwandan economy.

A.I.D. Assistance Strategy: The objectives of the A.I.D. program in Rwanda are (a) to increase food availability, and (b) to reduce the high rate of infant mortality and,

at the same time, the exceedingly high population growth. To achieve these objectives, the A.I.D. strategy is to use project funding and PL 480 assistance to:

-- Build the institutional capacity and provide the human resources to carry out rural economic and agronomic research in three areas: (a) farm systems, (b) food crop storage and marketing, and (c) selected crop varieties.

-- Reinforce local participatory organizations, such as cooperatives, to enable them to make and implement the vital decisions relative to rural production, particularly storage and marketing of their farm crops.

-- Provide information, education and services for mother and child care and for child spacing.

To this strategy will be added another element -- assistance to small Rwandan entrepreneurs, such as those small businesses and cooperatives which are engaged in foodcrop marketing and food processing. This program will build on A.I.D. support to the private trader and grain storage and marketing cooperatives (more fully described in the Planned Program Summary Sheet).

These sectors of concentration have been chosen for the following reasons:

A. The marketing and storage sector is one where, with limited resources and within a reasonably short time, a significant impact could be had on improving food availability. A.I.D. has been a major donor in this sector since 1975. Our program has been successful as confirmed by a FY 1981 evaluation and has built a substantial base for future collaboration, particularly with the strong cooperative movement in Rwanda.

B. It has become apparent that years of stagnation in agricultural research and extension in Rwanda must be reversed if the country is to maintain the relative food self-sufficiency it now enjoys. A.I.D. will foster a change in approach to research and extension, one that gives the farmer vital participation in research

## Rwanda

orientation and that assures effective delivery of research results to the farmer.

C. Population pressure on limited agricultural land is intense. Our program to reduce infant mortality and improve the health of mothers is combined with an effort to reduce the population growth rate.

The United States has particular expertise to offer in these sectors--an expertise built both at home and in the developing world. A.I.D. resources have already induced policy changes in Rwanda, the most notable being a shift away from a five-year experiment with fixed prices for basic food crops to free market pricing policies. A.I.D. programs in family health care have assisted the government in formulating a national demographic policy. With continued support to these areas, A.I.D. will be able to influence needed policy changes in other areas, such as a different focus to agricultural research and the dissemination of research findings to the farmer, more resources to rural health care delivery, incentive prices for basic food crops and a stronger role for cooperatives. The product of the A.I.D. program will be several viable institutions which, as A.I.D. assistance is phased out, will have the human resources, experience, and physical infrastructure to go forward.

### A.I.D. Program (FYs 1982 - 1983)

In 1975, A.I.D. began a long-range effort in Rwanda to increase food availability, starting with the Food Storage and Marketing Project (FSM - 696-0100), with storage centers located in strategic areas of the country. Currently eight warehouses are in operation, with a maximum capacity of 10,000 metric tons. A joint A.I.D./-Government of Rwanda evaluation of this project in June 1981 found that the project was successful in establishing a national agency for storing and marketing food grains and pulses, in meeting the need to transfer food supplies to deficit production regions, and in contributing to a degree of price stability and reduction of regional food shortages. Following the recommendations of the evaluation, a second phase of the program received

initial funding in FY 1982 to provide continued technical assistance and to do research into the feasibility of establishing a food security stock comprised of sorghum and beans (FSM II - 696-0116).

Complementing the national focus of the FSM projects is a program of assistance in developing local grain storage and marketing entities, primarily cooperatives. Pilot efforts with both Catholic Relief Services (CRS) and the Cooperative League of the United States of America (CLUSA) led to the Local Crop Storage Project (LCS - 696-0107). Begun in 1979 and being implemented by CLUSA, it is constructing a network of 40 cooperative storage facilities and training cooperative personnel. To date, 21 cooperative silos are in operation.

The development of the cooperative movement is a GOR priority strongly supported by A.I.D. To reinforce present programs in cooperative development, A.I.D. is financing, in collaboration with the Swiss Government, a cooperative training center in Kigali. CLUSA is providing technical assistance to the center. FSM II and LCS project research components have been coordinated into one research effort to examine long-term storage and marketing problems. This effort ties closely to other major agricultural research efforts being undertaken by A.I.D. such as the Agricultural Survey and Analysis Project (696-0115), begun in FY 1981, to establish an office in the Ministry of Agriculture with the capacity to collect and analyze essential agricultural data and to use the results as a tool for agricultural planning.

Consistent with the A.I.D. strategy of improving the maternal-child health and family planning (MCH/FP) services, a pilot project was financed in 1979 under an Africa regional project (Family Health Initiatives - 698-0662), to provide planning, training and commodity support to assist the government in developing the infrastructure required for the availability of MCH/FP services. This project succeeded in providing a basic MCH/FP planning document, transportation support, U.S. and third country training for over 60 Rwandans, and support for a national population and development conference.

Other planned activities include a national fertility survey and training programs for government leaders and traditional midwives. Follow-on for major support in this sector is being provided under the bilateral MCH/FP project (696-0113) which was started in FY 1981.

This project assists the GOR to implement a national MCH/FP program and includes technical and financial assistance in developing family planning information and services within the existing health and social service system. Another element of the A.I.D. program in this sector is an activity begun in 1980 under the regional Expanded Program for Immunization project (698-0410), developed in conjunction with the World Health Organization and UNICEF. It assists the Ministry of Public Health in improving its national immunization program in order to reduce morbidity and mortality due to preventable childhood diseases. Before this project began, the availability of vaccines was minimal. By 1981, vaccines provided by this project were available to 40% of the population. In addition, measles morbidity and mortality has decreased by 33% and 23% respectively during the 1980-81 period. Finally, through CRS and the Seventh Day Adventists World Service (SAWS), A.I.D. is providing Title II food imports to support nutrition education and child feeding programs. CRS reports significant improvements in nutrition levels of 65%-70% of all the families enrolled in the child-feeding program. Children enrolled in the SAWS school feeding program are showing noticeable improvements in basic nutrition habits.

The FY 1983 program will concentrate on institutional development, particularly those institutions which develop and transfer appropriate technology to Rwanda's rural population. Funds will be allocated to complete funding for four agricultural projects. Under the Agricultural Education Project (696-0109) the technical assistance team will be funded through mid-1986, at which time A.I.D. will phase out assistance to this sector. The team will develop a curriculum for the 30 rural post-primary schools constructed and equipped under the project. The project has also enlarged the only women's agricultural school in Rwanda, enabling the school almost to double its student enrollment. FY 1983 funds will

also fully fund the Agricultural Survey and Analysis Project, the Cooperative Training Center Project, and the FSM II Project. Most of the funding made available in FY 1983 will fund U.S. technical assistance teams already in place.

One agricultural project will receive initial funding toward the end of FY 1983. The Cropping Systems Improvement Project (696-0110), will use data emanating from A.I.D.-financed research programs discussed above, and supplement it with cropping systems data collected by intensive interaction by the agronomic research institute (ISAR) and the extension services with farmers. The total package will clearly identify future agronomic research needs which must be addressed by ISAR, and will institutionalize a viable means of transferring technology to the farmer.

Finally, in FY 1983 the Rwandan national population office will receive interim funding to permit it to continue training programs, to fund U.S. technical assistance, and to construct four rural health centers and six nutrition centers.

#### Requested Year Program (FY 1984)

FY 1984 funding will be used to continue two projects: Cropping Systems Improvement (696-0110) - \$2,000,000 and MCH/FP (696-0113) - \$1,800,000. One new project, Rwanda Private Enterprise Development (696-0121), will begin in FY 1984 with \$1,700,000. Under this activity, A.I.D. proposes to provide technical assistance and a line of credit to small and medium sized Rwandan enterprises. This project will be fully developed following a comprehensive analysis of the policy and operational constraints which impede the expansion of the private sector, to be undertaken early in 1983. Finally, under the PL 480 Title II program, \$2,738,000 is requested to continue activities carried out by CRS and SAWS.

A.I.D. AFFAIRS OFFICER: Eugene R. Chiavaroli

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

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PROGRAM: RWANDA

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PROJECT TITLE	L PROJECT / NUMBER S	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
FOOD STORAGE AND MARKETING	G 696-0100	75	79	2,910	2,910	2,910	2,831	---	79	---	---
LOCAL CROP STORAGE	G 696-0107	79	80	2,573	2,573	2,573	560	---	800	---	800
AGRICULTURAL EDUCATION	G 696-0109	79	83	5,126	5,126	4,090	1,683	1,036	700	---	850
CROPPING SYSTEMS IMPROVEMENT	G 696-0110	83	87	---	10,000	---	---	570	---	2,000	500
FISH CULTURE	G 696-0112	81	82	2,470	2,450	2,450	38	---	400	---	800
RWANDA AGRICULTURE SURVEY AND ANALYSIS	G 696-0115	81	83	3,706	3,706	3,044	641	662	450	---	1,000
FOOD STORAGE AND MARKETING II	G 696-0116	82	83	2,100	2,100	1,000	---	1,100	500	---	800
COOPERATIVE TRAINING CENTER (PVQ)	G 696-0119	81	83	935	935	650	58	247	300	---	330
TOTAL FOR ACCOUNT				19,820	29,800	16,717	5,811	3,615	3,229	2,000	5,080
GRANTS				19,820	29,800	16,717	5,811	3,615	3,229	2,000	5,080
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
MATERNAL CHILD HEALTH / FAMILY PLANNING	G 696-0113	81	85	6,250	6,250	1,512	59	1,700	1,165	1,800	1,500
TOTAL FOR ACCOUNT				6,250	6,250	1,512	59	1,700	1,165	1,800	1,500
GRANTS				6,250	6,250	1,512	59	1,700	1,165	1,800	1,500
LOANS				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
RWANDAN PRIVATE ENTERPRISE DEVELOPMENT	G 696-0121	84	86	4,000	4,000	---	---	---	---	1,700	50
TOTAL FOR ACCOUNT				4,000	4,000	---	---	---	---	1,700	50
GRANTS				4,000	4,000	---	---	---	---	1,700	50
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, 1982 are based on the authorized data. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: RWANDA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER S	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
TOTAL FOR COUNTRY GRANTS			30,070	40,050	13,229	5,870	5,315	4,394	5,500	6,630
LOANS			30,070	40,050	13,229	5,870	5,315	4,394	5,500	6,630
			---	---	---	---	---	---	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Rwanda

## PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Rwanda Private Enterprise Development		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 696-01221		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.: 1,7000	FY 84 1,700	LIFE OF PROJECT FUNDING: 4,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To support the development of small and medium sized Rwandan enterprises.

Project Description: While there is a noticeable lack of reliable statistics on the private sector in Rwandan, what is evident is the dichotomy between a small number of modern, mostly foreign-owned and managed, manufacturing industries, tourist hotels, and training, transport and construction companies, and a number of small Rwandan entrepreneurs engaged primarily in retail, transport and craft trades. The Government of Rwanda (GOR) pursues a policy of encouraging private enterprise, particularly Rwandan, and in recent years has created several institutions to provide support to it. Within the Ministry of Economy and Commerce, an Office for Industrial Promotion has been established to assist entrepreneurs and to prepare proposals for presentation to credit institutions. The National Office for the Study of Projects (BUNEP) prepares tender documents and organizes training sessions on project preparation. The Chamber of Commerce has been revitalized in the recent past in an effort to assist local business.

It is apparent that a number of procedural and policy questions have to be resolved before the proposed A.I.D. project can begin. In FY 1983, A.I.D. will engage an experienced consultant to study the private sector with the GOR, particularly the Rwandan Development Bank, and to identify opportunities for expansion and the climate necessary to permit this expansion. This study will include an evaluation of present policies contained in banking relations, the Commercial Code, etc., as well as practices which may unwittingly be preventing easier access to credit. The study will assess the needs of the private sector in terms of training, project identification and assistance in conducting a business.

From discussions already conducted with small business owners and with officials in the Rwandan Development Bank, the proposed project envisages providing (a) technical assistance in the Bank in a department created specifically to promote small and medium-sized Rwandan businesses, which will help in the preparation of loan request; (b) short-term technical assistance to entrepreneurs where technical advice or special training is necessary; (c) a fund for training of entrepreneurs, using local institutions to train in accounting and other business skills; and (d) a line of credit structured to encourage the Bank to provide funds to small and medium-sized businesses.

Relationship to A.I.D.'s Country Strategy: A.I.D. strategy in Rwanda directs financial resources to the agriculture and population sectors. It has long been evident that private enterprise has been unable to play its just and important role in assisting agricultural development through agri-related industries, and in generating employment for the large number of youth annually entering the job market. The proposed project will assist the A.I.D. strategy by encouraging the private sector to engage in activities to increase food availability such as transport and marketing, food conservation and transformation, provision of agricultural inputs, etc., as well as to ease the employment crisis which faces Rwanda.

Host Country and Other Donors: The Rwandan Development Bank will make available to the project banking facilities as well as counterpart personnel from the Bank's Office for Promotion of Small and Medium Enterprises. The A.I.D. project will coordinate with assistance being provided by the Federal Republic of Germany and the World Bank and utilize advisors provided by these donors.

Beneficiaries: The potential recipients of the technical assistance and the line of credit to be provided by the project are Rwandan owners of small and medium-sized businesses, employing between five and twenty people. The entrepreneurs will be primarily engaged in agri-related business, such as foodcrop marketing and transportation, agricultural commodity supply, and providing other services to the rural population, though other kinds of businesses should not be excluded. The multiplier effect resulting from making local business more efficient, from increasing employment, and from expanding markets will benefit a substantially greater portion of the economy and of the population.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: SIERRA LEONE

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	3,535			MAJOR EXPORTS... (1981)	DIAMONDS	IRON ORE	PALM PRODUCT
PER CAPITA GNP..... (DOLLARS, 1981)	320			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79)	0.4%			(\$ MILLIONS, US. FOB) (1979)	10	(1980) 25	(1981) 43
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	2.9%	(1970-80)	11.6%	AS % OF TOTAL EXPORTS (1979)	7%	(1980) N.A.	(1981) N.A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	MACHINERY	MANUFACTURES	FOODSTUFFS
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL	47.5	MALE 45.9	FEMALE 49.1	(\$ MILLIONS, US. CIF) (1979)	19	(1980) 23	(1981) 29
(1968) TOTAL	41.0	MALE 39.4	FEMALE 42.6	AS % OF TOTAL IMPORTS (1979)	6%	(1980) N.A.	(1981) N.A.
ADULT LITERACY RATE (1975)	TOTAL 15%	MALE N.A.	FEMALE N.A.	TRADE BALANCE(\$ MILLIONS, U.S.) (1977)	-44(78)	-123(79)	-170
(1963) TOTAL	7%	MALE 10%	FEMALE 4%	MAIN TRADING PARTNERS: UNITED KINGDOM	UNITED STATES	GERMANY.	FED
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	34.3%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
(1970-1981)	-1.0%			(\$ MILLIONS, U.S.)..... (1980)	42		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	36%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)	18.4%		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	145			*SOCIAL DATA*			
MAJOR CROP(S)		ARABLE LAND	YEAR	POPULATION GROWTH RATE... (1970)	2.3%	(1975) 2.3%	(1982) 2.2%
SUBSISTENCE: RICE		10%	(1981)	POPULATION IN URBAN AREAS..... (1965)	13%	(1976) 15%	
CASH: PALM OIL PALM KERNELS		N.A.	(1981)	LIVE BIRTHS PER 1,000 POPULATION.... (1970)	46	(1982) 45	
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE COCOA BEANS				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	N.A.		
MAJOR AGRICULTURAL IMPORTS:(1981) RICE WHEAT				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LAEOR FORCE IN AGRICULTURE..... (1980)	65%			(0-14YRS) 44.2%	(15-64YRS) 52.6%	(65+ YRS) 3.2%	
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	215		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1970)	18,081		
(1978) 151 (79) 161 (80)	161			MAJOR CAUSES OF			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DISEASE (1979) MALARIA PARASITIC DISEAS GONORRHEA			
(1978) 230 (79) 273 (80)	301			DEATH.. N.A.			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	85%		
(1978) -79 (79) -112 (80)	-140			POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1970)	12%		
DEFENSE EXPENDITURES.				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978) 4.6% (79) 5.6% (80) 3.8%				PRIMARY..... (1977) TOTAL 37.0%	MALE 45.0%	FEMALE 30.0%	
AS % OF GNP..... (1978) 1.3% (79) 1.7% (80) 1.1%				SECONDARY..... (1977) TOTAL 12.0%	MALE 16.0%	FEMALE 8.0%	
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POST SECONDARY.. (1975) TOTAL .6%	MALE 1.1%	FEMALE .2%	
(\$MILLIONS, U.S.) (1979) 47 (80) 31 (81) 16				ENERGY PRODUCTION AS % OF CONSUMPTION.....	N.A.		
EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1979)							



**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	SIERRA LEONE					TOTAL LOANS AND GRANTS 1946-81	REPAY-MENTS AND INTEREST 1946-81	TOTAL LESS REPAY-MENTS AND INTEREST 1946-81
	FOREIGN ASSISTANCE ACT PERIOD							
	1977	1978	1979	1980	1981			
<b>PROGRAM</b>								
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	4.5	7.1	8.6	7.1	9.4	91.3	4.2	87.1
Loans	1.5	1.3	1.2	1.2	2.3	10.0	4.2	5.8
Grants	3.2	5.8	7.4	5.9	7.1	81.3	-	81.3
<b>a. A.I.D. and Predecessor Agencies</b>	0.6	3.0	3.9	2.0	2.8	24.5	-	24.5
Loans	-	-	-	-	-	-	-	-
Grants	0.6	3.0	3.9	2.0	2.8	24.5	-	24.5
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	2.4	2.2	2.2	2.6	4.2	33.5	4.2	29.3
Loans	1.3	1.3	1.2	1.2	2.3	10.0	4.2	5.8
Grants	1.1	0.9	1.0	1.4	1.9	23.5	-	23.5
Title I - Total Sales Agreements	1.3	1.3	1.2	1.2	2.3	10.0	4.2	5.8
Repayable in U.S. Dollars - Loans	1.3	1.3	1.2	1.2	2.3	10.0	4.2	5.8
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	1.1	0.9	1.0	1.4	1.9	23.5	-	23.5
Emerg. Relief, Econ. Develop. & World Food Program	0.1	0.1	-	-	-	1.4	-	1.4
Voluntary Relief Agencies	1.0	0.8	1.0	1.4	1.9	22.1	-	22.1
<b>c. Other Economic Assistance</b>	1.5	1.9	2.5	2.5	2.4	33.3	-	33.3
Loans	-	-	-	-	-	-	-	-
Grants	1.5	1.9	2.5	2.5	2.4	33.3	-	33.3
Peace Corps	1.5	1.9	2.5	2.5	2.4	33.3	-	33.3
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	4.5	7.1	8.6	7.1	9.4	91.3	4.2	87.1
Loans	1.5	1.3	1.2	1.2	2.3	10.0	4.2	5.8
Grants	3.2	5.8	7.4	5.9	7.1	81.3	-	81.3
<b>Other U.S. Government Loans and Grants</b>	3.9	0.3	-	-	-	26.8	15.0	13.2
<b>a. Export-Import Bank Loans</b>	3.9	0.3	-	-	-	28.8	15.6	13.2
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	8.3	22.1	1.4
IBRD	0.0	0.0	0.0	18.7
IFC	2.1	0.0	0.0	2.1
IDA	2.5	0.0	0.0	34.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	17.3	0.0	36.4
UNDP	3.2	4.8	0.0	22.1
OTHER-UN	0.5	0.0	1.4	4.3
EEC	0.0	0.0	0.0	78.5
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
	1. O.A.C. COUNTRIES (Gross Disbursements)			
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	9.0	8.0	32.0	
Japan	18.0	3.0	21.2	
Germany	14.9	17.0	49.2	
U.K.	6.6	7.0	25.7	
Netherlands	4.2	1.7	20.0	
Other	6.9	3.4	12.3	
Total	59.6	40.1	160.4	
	2. O.P.E.C. COUNTRIES (Gross Disbursements)			
	CY 1980	CY 1981	CY 1976-81	
	2.0	-	6.0	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	30	
Eastern Europe	-	-	-	
China	-	-	60	
Total	-	-	90	

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	3,148	2,345	-	-	803	-	-	-
Total ....	3,148	2,345	-	-	803	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	1,000	1,000	-	-	-	-	-	-
Total ....	1,000	1,000	-	-	-	-	-	-

## FY 84 PROGRAM HIGHLIGHTS

The A.I.D. program will emphasize:

- Continued program concentration in agriculture and rural development (\$1.0 million);
- \$4.0 million in PL 480 Title I provides balance of payments support and local currency for agricultural development;
- \$1.5 million in PL 480 Title II will support health and nutrition education for mothers and small children.

Development Overview

Sierra Leone's economic performance during the 1970's was disappointing. Per capita real income declined during this period at an average annual rate of 2% largely as a result of decreased mineral production, especially of diamonds, and the sharp increase in oil prices. The high international prices for diamonds, coffee and cocoa during the late 70's served to mask the declining or stagnating volume of production. The recent weakening of international prices for these commodities and the repayment of obligations of short-term commercial debt contracted in association with the 1980 OAU summit have confronted Sierra Leone with economic problems of unprecedented magnitude.

Agriculture is the predominant economic activity, supporting 75% of the population and accounting for roughly 36% of GDP. Although primarily subsistence oriented, the value of agricultural exports, chiefly coffee, cocoa, and

palm kernal, has been increasing to the point that it now constitutes 35% of foreign exchange earnings, second only to mineral production. Per capita income in agriculture is roughly half the national figure of \$320. While low, it is fairly equally distributed, however; and any development policy which aims at improving overall agricultural productivity stands to directly improve per capita income for the majority of the population.

The country continues to be a net importer of its staple cereal, rice. One major cause of this chronic food imbalance is unfavorable producer prices. This year the Government of Sierra Leone (GOSL) made a serious effort to address this problem by increasing the producer price for rice by 50%. This policy action, welcomed by A.I.D., has been favorably received by the rice farmers and unofficial surveys suggest that rice plantings have increased this cropping season. It is anticipated that this commodity pricing realism, coupled with producer adoption of improved crop production/marketing practices,

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*	-	-	-
Loans .....	1,355	2,644	2,189
Grants .....			
<b>Total AID .....</b>	<b>1,355</b>	<b>2,644</b>	<b>2,189</b>
P.L. 480**			
Title I .....	3,000	3,000	4,000
(of which Title III is)	( - )	( - )	( - )
Title II .....	1,448	1,442	1,535
<b>Total P.L. 480 .....</b>	<b>4,448</b>	<b>4,442</b>	<b>5,535</b>
<b>Total Aid and P.L. 480 .....</b>	<b>5,803</b>	<b>7,086</b>	<b>7,724</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel <sup>a</sup>			
Direct Hire <sup>b</sup> .....	4	3	3
PASA <sup>c</sup> .....	1	1	1
Contract .....	5	5	5
<b>Total .....</b>	<b>10</b>	<b>9</b>	<b>9</b>
Participants <sup>d</sup>			
Noncontract .....	3	3	2
Contract .....	14	8	8
<b>Total .....</b>	<b>17</b>	<b>11</b>	<b>10</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

PL 480 Program Summary (in 000/MT \$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	6.0	1,000
Rice .....	10.0	3,000	11.0	3,000	9.1	3,000
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>		<b>3,000</b>		<b>3,000</b>		<b>4,000</b>
(of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies .....		1,448		1,442		1,535
World Food Programs .....		-		-		-
Gov't-to-Gov't .....		-		-		-
<b>Title II Total .....</b>		<b>1,448</b>		<b>1,442</b>		<b>1,535</b>
<b>Total P.L. 480 .....</b>		<b>4,448</b>		<b>4,442</b>		<b>5,535</b>

will begin to reduce Sierra Leone's cereal import requirements. However, significant improvement towards eliminating this food imbalance is not expected until the mid-1980's.

In the face of budgetary and foreign exchange problems the GOSL negotiated a three year extended fund facility with the IMF. With Special Drawing Rights 186 million, it should have supported the country's medium-term development efforts and eased the attendant balance of payments constraint. However, the IMF extended fund facility was suspended in mid-1982 because the GOSL was unable to meet most of the performance criteria.

The most promising policies for long term equitable growth equity continue to lie in a combination of fiscal restraint, tax reform, increased production incentives, and increased and diversified investment in agriculture, minerals and renewable energy. Throughout its current economic difficulties the GOSL has continued to place emphasis on agriculture. The GOSL has recently settled its arrearage with the World Bank and numerous large projects are now underway in cooperation with various donors.

## Sierra Leone

However, given the relatively long gestation period of mineral and agricultural (tree crop) investment, a turnaround in the economy cannot be expected before the mid-80's.

### Total Resources

The GOSL is completing a three year development program and will initiate a new five year plan in late 1982. It appears probable that the development budget will be reduced from the level of previous years as a result of the continued economic recession. The current investment plan calls for a national development budget over the three years of Leones 560 million (\$476 million), 80% of which is to be met by foreign concessional loans and grants. Of the total planned investment, 24% is for agriculture, 24% for water and power, and 26% for transportation. When rural roads and water supply are included, the overall rural development share of the budget increases to roughly 35%. Also planned during this period is Leones 231 million in private investment which, when added to the planned public investment, will increase the investment to GDP ratio from 12% in 1980 to 15 % in 1982.

During 1981, donor commitments for technical assistance totaled \$20 million, primarily in agriculture, natural resources and education; capital assistance commitments totaled approximately \$63.3 million. Major foreign participation is presently being solicited for the Bumbuna hydroelectric project (\$287 million ) and Kimberlite diamond mining (\$100 million). Principal multilateral donors include the World Bank's International Development Agency, the UNDP, the European Economic Community, the International Fund for Agricultural Development (IFAD), and the African Development Bank. Leading bilateral donors in addition to the United States are Federal Rep. of Germany, United Kingdom, Netherlands, Japan and the People's Republic of China.

U.S. voluntary agencies (e.g. CARE, CRS) provided approximately \$523,000 of their own resources to Sierra Leone in 1981, primarily in health and nutrition, agri-

culture, and rural roads construction. Their program focus is complementary to the ongoing AID and Peace Corps programs. The Peace Corps has approximately 200 Volunteers working in various agriculture, inland fisheries, education and health programs. Budgetary constraints, however, may cause a possible 25% reduction in Volunteer numbers in the coming year.

### U.S. Interests and Objectives

U.S. interests in Sierra Leone are primarily but not exclusively developmental. The country's development needs are certainly real and pressing. Annual per capita income is estimated at \$320, with rural incomes roughly half this amount. Literacy rates outside the capital are generally below 10%. Only 12% of the population has access to safe drinking water. Infant mortality is relatively high, food production is stagnating, and the overall food deficit increasing. Our political interests are in promoting regional stability and development and keeping is Sierra Leone a moderating influence in West African politics. U.S. investment in Sierra Leone is now in excess of \$75 million, primarily in titanium ore (rutile) extraction. Mobil Oil Corporation, participating in an offshore oil exploration effort, drilled an unsuccessful well in 1982, and is currently reviewing the technical logs of this drilling to determine if further exploration will be pursued.

A.I.D. Assistance Strategy: A.I.D. development strategy is concentrated almost exclusively on agriculture and rural development -- where we can expect the maximum impact from a limited assistance program. Our strategy has two major objectives. The first, is to increase the productivity of the broad mass of small farmers through the use of improved farming technologies. The second objective is to bring about structural reform to provide farmers with greater production incentives, e.g. in marketing, pricing and tax policies. The GOSL is beginning to appreciate the disincentive effects of present policies and consider new policy options; our support of other donors in this area (primarily the IMF and IBRD), through the use of PL 480 local proceeds,

## Sierra Leone

should contribute in Sierra Leone moving the GOSL toward a more positive incentive structure.

This strategy calls for almost all project assistance to be channeled through one major integrated agricultural research and extension project, with extensions and applications in turn to virtually all aspects of farming in Sierra Leone. The process of phasing out non-agricultural activities over the next few years will necessitate reduced involvement in such areas as increasing public revenue and vocational training. A PL-480 Title II program supporting health and nutrition activities throughout the country rounds out the present strategy.

### A.I.D. Program (FYs 1982-1983)

Current Status: The centerpiece of the country program is the Adaptive Crop Research and Extension Project (ACRE) (636-0102), which was funded at \$2,143,000 in FY 1982. This project, which got underway late in 1979, aims at providing farmers with improved production technologies through a coordinated and expanded program of applied research closely integrated with extension, along the lines of U.S. land grant institutions.

The other major initiative in the rural sector has been in the critical area of institutional credit, through an OPG with Credit Union National Association (CUNA). This project (636-0112) funded at \$202 thousand in FY 1982, provides assistance to the National Association of Savings and Cooperative Credit Societies of Sierra Leone. Its objective is to develop a viable, effective, national institution to encourage and support the individual, mostly rural based, credit societies.

In Human Resource Development the major effort has been a vocational and management training project (636-0168) implemented through an (OPG) Operating Program Grant with Opportunities Industrialization Centers International (OICI)(636-0168). The first phase of this project ended during FY 1982 and a second phase (639-0169) was funded for \$679 thousand.

With technical assistance provided under the Increasing Revenue for Development project (636-0108), the Ministry of Finance is continuing the program of strengthening the internal tax administration system, improving the collection of income taxes, and ensuring stricter compliance with the tax laws. The project is planned to end in FY 83.

Through the ongoing PL 480 Title I program the U.S. Government, in cooperation with the IMF and other donors, is helping to meet current food needs and provide balance of payments relief. PL 480 Title II assistance, administered by Catholic Relief Services, supports comprehensive national efforts in basic health and nutrition education for mothers and small children, and provides food for work for small agricultural projects.

FY 1983 Program: The ACRE project technical services contract with SULSU will be extended one year to 1984 to compensate for initial project start up delays and provide the necessary technical input to complete originally planned objectives of benefiting 20,000 small holder families. Findings of the 1982 mid-project evaluation were generally favorable. However, the evaluation cited several key areas requiring increased attention.

Considerable progress has been made to improve performance in these key areas. With the support of the additional technical staff ACRE is recruiting and the invaluable operational experience gained implementing ACRE Phase I, a solid foundation is being prepared for Phase II of this centerpiece activity.

OICI Phase II OPG (635-0169) which was fully funded in FY-1982, is a continuation of the successful vocational training activity initiated during Phase I. Emphasis is on building trades, auto mechanics, agricultural surveying, managerial and secretarial skills. The Ministry of Education is prepared to assume primary financial responsibility for this activity when aid funding ends in 1984.

Increasing Revenue for Development (636-0108) PASA agree-

Sierra Leone

ment is being extended one year to enable the income tax advisor to complete the task of upgrading the tax administration system and improving revenue collection efficiency. No additional funding is required for this extension.

A \$3.0 million program is budgeted for PL 480 Title I; which will finance the importation of 11.0 tons of rice to help Sierra Leone meet the gap between demand and domestic production. The Title II program is planned to be continued at a \$1.4 million level.

Requested Year Program (FY 1984)

The requested country program for FY 1984 totals \$1.0 million in Development Assistance for the Agriculture Rural Development and Nutrition sector, with the funds being used for the continuation of the ACRE program.

A \$4.0 million PL 480 Title I program is requested for FY 1984. Local currency proceeds from commodity sales will be used in support of priority agricultural development activity e.g. agriculture research extension; storage/-marketing systems; fish pond development; and agricultural policy analysis. A PL-480 Title II program of \$1.5 million is proposed. The program's focus will be maternal child health and nutrition education with increased emphasis on agricultural development activity.

AID Affairs Officer: Alex Dickie Jr.

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

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02/10/83

PROGRAM: SIERRA LEONE

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY32- OBLIG ATIONS	FY32- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY34- OBLIG ATIONS	FY34- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
ADAPTIVE CROP RESEARCH AND EXTENSION	G 636-0102	78	84	7,063	9,063	7,063	3,139	1,000	1,900	1,000	1,900
COOPERATIVE CREDIT SOCIETY-CJNA(PVO)	G 636-0112	79	82	595	595	595	451	---	144	---	---
TOTAL FOR ACCOUNT GRANTS				7,658	9,658	7,658	3,590	1,000	2,044	1,000	1,900
LOANS				7,658	9,658	7,658	3,590	1,000	2,044	1,000	1,900
				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
OICI VOCATIONAL TRAINING II (PVO)	G 636-0109	82	82	679	679	679	---	---	390	---	289
TOTAL FOR ACCOUNT GRANTS				679	679	679	---	---	390	---	289
LOANS				679	679	679	---	---	390	---	289
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
INCREASING REVENUE FOR DEVELOPMENT I	G 636-0108	78	81	772	772	772	562	---	210	---	---
TOTAL FOR ACCOUNT GRANTS				772	772	772	562	---	210	---	---
LOANS				772	772	772	562	---	210	---	---
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				9,109	11,109	9,109	4,152	1,000	2,644	1,000	2,189
LOANS				9,109	11,109	9,109	4,152	1,000	2,644	1,000	2,189
				---	---	---	---	---	---	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: TOGO

-----				-----			
*EASIC DATA*				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	2,783			MAJOR EXPORTS... (1981)	PHOSPHATES	COCOA	COFFEE
PER CAPITA GNP..... (DOLLARS,1981)	390			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	3.0%			(\$ MILLIONS, US. FOB) (1979)	4	(1980) 15	(1981) 9
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.7%	(1970-80)	9.8%	AS % OF TOTAL EXPORTS (1979)	2%	(1980) N.A.	(1981) N.A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..			N.A.	MAJOR IMPORTS... (1981)	MANUFACTURES	FUELS	MACHINERY
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 47.5 MALE 45.9 FEMALE 49.2				(\$ MILLIONS, US. CIF) (1979)	19	(1980) 19	(1981) 27
(1968) TOTAL 38.5 MALE 36.9 FEMALE 40.1				AS % OF TOTAL IMPORTS (1979)	4%	(1980) N.A.	(1981) N.A.
ADULT LITERACY RATE (1970) TOTAL 16% MALE 27% FEMALE 7%				TRADE BALANCE(\$ MILLIONS, U.S.)(1977)	-125(78)	-207(79)	-300
(1962) TOTAL 10% MALE 17% FEMALE 4%				MAIN TRADING PARTNERS: FRANCE	NETHERLANDS	NIGERIA	
-----				-----			
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)			
-----				86.7%			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
(1970-1981) -1.8%				(\$ MILLIONS, U.S.)..... (1980) 151			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 26%				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979) 24.4%			
-----				-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)				*SOCIAL DATA*			
300				-----			
MAJOR CROP(S)				POPULATION GROWTH RATE...(1970) 2.5% (1975) 2.6% (1982) 3.0%			
SUBSISTENCE: YAMS CASSAVA CORN				POPULATION IN URBAN AREAS..... (1960) 10% (1974) 15%			
CASH: COCOA BEANS COFFEE				LIVE BIRTHS PER 1,000 POPULATION....(1970) 49 (1982) 48			
ARABLE LAND YEAR				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.			
9% (1981)				N.A.			
3% (1981)				POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL EXPORTS:(1981) COCOA BEANS COFFEE				(0-14YRS) 46.5% (15-64YRS) 50.8% (65+ YRS) 2.7%			
MAJOR AGRICULTURAL IMPORTS:(1981) SUGAR WHEAT RICE				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 115			
PROPORTION OF LAEOR FORCE IN AGRICULTURE..... (1980) 67%				PEOPLE PER PHYSICIAN..... (1977) 18,336			
-----				-----			
*CENTRAL GOVERNMENT FINANCES*				MAJOR CAUSES OF			
-----				DISEASE (1979)MALARIA ENTERIC DISEASE ANCYLOSTOMIASIS			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				DEATH.. N.A.			
(1978) 287 (79) 256 (80) 326				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 92%			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 16%			
(1978) 298 (79) 300 (80) 348				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PRIMARY..... (1979) TOTAL 110.0% MALE 136.0% FEMALE 85.0%			
(1978) -11 (79) -44 (80) -22				SECONDARY..... (1979) TOTAL 32.0% MALE 48.0% FEMALE 15.0%			
DEFENSE EXPENDITURES.				POST SECONDARY.. (1979) TOTAL 1.6% MALE 2.8% FEMALE .5%			
AS % OF TOTAL EXPENDITURES.. (1978) 7.3% (79) 7.3% (80) 7.0%				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 0%			
AS % OF GNP..... (1978) 2.4% (79) 2.2% (80) 2.5%							
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,							
(\$MILLIONS, U.S.) (1979) 66 (80) 78 (81) 152							
EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1979)							

**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 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	TOGO							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	4.2	4.2	0.1	5.0	10.0	59.7	-	59.7
Loans	-	-	-	-	-	-	-	-
Grants	4.2	4.2	0.1	5.0	10.0	59.7	-	59.7
<b>a. A.I.D. and Predecessor Agencies</b>	0.5	1.3	1.2	1.9	4.0	16.1	-	16.1
Loans	-	-	-	-	-	-	-	-
Grants	0.5	1.3	1.2	1.9	4.0	16.1	-	16.1
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	2.0	1.4	2.7	1.7	3.1	23.9	-	23.9
Loans	-	-	-	-	-	-	-	-
Grants	2.0	1.4	2.7	1.7	3.1	23.9	-	23.9
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	2.0	1.4	2.7	1.7	3.1	23.9	-	23.9
Emerg. Relief, Econ. Develop. & World Food Program	1.0	1.0	0.4	0.5	0.6	10.2	-	10.2
Voluntary Relief Agencies	0.8	0.4	2.3	1.2	2.5	13.7	-	13.7
<b>c. Other Economic Assistance</b>	1.1	1.5	2.2	2.0	2.3	19.7	-	19.7
Loans	-	-	-	-	-	-	-	-
Grants	1.1	1.5	2.2	2.0	2.3	19.7	-	19.7
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	1.1	1.5	2.2	2.0	2.3	19.7	-	19.7
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	*	-	-	*	*	0.1	-	0.1
Credits or Loans	-	-	-	-	-	-	-	-
Grants	*	-	-	*	*	0.1	-	0.1
<b>a. MAP Grants</b>	*	-	-	-	-	*	-	*
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	*	-	-	*	*	0.1	-	0.1
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	4.2	4.2	0.1	5.0	10.0	59.8	-	59.8
Loans	-	-	-	-	-	-	-	-
Grants	4.2	4.2	0.1	5.0	10.0	59.8	-	59.8
<b>Other U.S. Government Loans and Grants</b>	-	3.3	0.8	-	-	1.9	2.2	0.3-
a. Export-Import Bank Loans	-	3.3	0.8	-	-	1.9	2.2	0.3-
b. All Other Loans	-	-	-	-	-	-	-	-

	FY 1980	FY 1981	FY 1982	FY 1948-82
	<b>A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS</b>			
TOTAL	12.4	13.0	15.2	266.9
IBRD	0.0	0.0	0.0	3.5
IFC	0.0	0.0	0.0	0.0
IDA	11.0	0.0	0.0	83.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	9.7	10.8	59.8
UNDP	1.4	2.5	0.0	26.4
OTHER-UN	0.0	0.8	0.0	3.8
EFC	0.0	0.0	4.4	90.4
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. O.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	3.0	4.0	16.0	
France	22.9	18.8	92.3	
Germany	22.0	12.7	128.1	
Denmark	7.1	-	18.4	
Canada	0.6	0.3	15.0	
Other	2.6	2.4	11.3	
Total	58.2	38.2	281.1	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1978-81	
	-	-	-	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	-	
Eastern Europe	-	-	-	
China	-	-	45	
Total	-	-	45	

\* LESS THAN \$50,000.

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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans .....	-	-	-	-	-	-	-	-
Grants .....	3,414	1,022	-	2,390	-	-	-	-
Total .....	3,414	1,022	-	2,390	-	-	-	-
1983								
Loans .....	-	-	-	-	-	-	-	-
Grants .....	2,975	2,300	-	675	-	-	-	-
Total .....	2,975	2,300	-	675	-	-	-	-
1984								
Loans .....	-	-	-	-	-	-	-	-
Grants .....	2,900	2,409	-	491	-	-	-	-
Total .....	2,900	2,409	-	491	-	-	-	-

## FY 84 PROGRAM HIGHLIGHTS

The A.I.D. program will emphasize:

- continuation of programs promoting the well-being of the Togolese rural population through funding of projects in rural development, \$2.4 million; and
- continuation of food assistance to children and other needy groups, \$2.7 million.

Development Overview

Togo is a poor country with GDP per capita income of \$390. Economic growth in Togo has been primarily in the industrial and commercial sector with agricultural production accounting for only 25% of its GNP. Togo's small size (56,000 sq. kilometers) and population (2.6 million), however, imply a restricted domestic market limiting the prospects for industrial development based on local consumption. Except for phosphates, which are characterized by a widely fluctuating world market price, the country's export possibilities are also limited.

Togo is beset with a number of the general development problems prevalent throughout West Africa: a serious incidence of endemic diseases; a low level of literacy and technology which limit development capacity; a high level of urban unemployment stemming from a rate of rural-to-urban migration greater than the capacity of the urban economy to absorb unskilled migrants; and difficulties in

national integration owing to inadequate transport infrastructure and ethnic diversity.

Development over the last decade has been characterized by the creation of several enclave-type heavy industrial enterprises in mining and manufacturing: phosphates, petroleum refining, steel based on scrap, electric power generation, and cement production. Phosphate mining is of particular importance for Togo's economy, accounting for 37% of total exports in 1979, but the boom and bust character of the world market for phosphates has had a marked effect on the economy. Togo's limited heavy industry is supplemented by about 40 medium-size modern manufacturing plants and an active small-scale artisan enterprise sector.

Agriculture is a mainstay of the Togolese economy, employing 80% of the labor force. Agricultural production is well diversified with a wide variety of subsistence food crops and some exportable cash crops, i.e., coffee,

RESOURCE FLOWS (In thousands of dollars)			
CP 84-06 (8-82)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	-	-	-
Grants .....	4,205	5,320	4,728
<b>Total AID .....</b>	<b>4,205</b>	<b>5,320</b>	<b>4,728</b>
<b>P.L. 480**</b>			
Title I .....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II .....	1,890	2,519	2,678
<b>Total P.L. 480 .....</b>	<b>1,890</b>	<b>2,519</b>	<b>2,678</b>
<b>Total AID and P.L. 480 .....</b>	<b>6,095</b>	<b>7,839</b>	<b>7,406</b>

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

PERSONNEL/PARTICIPANTS DATA			
CP 84-17 (8-82)			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>d</sup></b>			
Direct Hire <sup>b</sup> .....	5	5	5
PASA <sup>c</sup> .....	-	-	-
Contract .....	3	3	4
<b>Total .....</b>	<b>8</b>	<b>8</b>	<b>9</b>
<b>Participants <sup>d</sup></b>			
Noncontract .....	7	10	10
Contract .....	-	-	-
<b>Total .....</b>	<b>7</b>	<b>10</b>	<b>10</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

PL-480 Program Summary (in 000 MT/\$000)						
CP 84-14 (8-82)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	-	-	-	-	-	-
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>						
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies .....		1,107		1,365		1,500
World Food Programs .....		783		1,154		1,178
Gov't-to-Gov't .....		-		-		-
<b>Title II Total .....</b>		<b>1,890</b>		<b>2,519</b>		<b>2,678</b>
<b>Total P.L. 480 .....</b>		<b>1,890</b>		<b>2,519</b>		<b>2,678</b>

cocoa, beans. Togo's agriculture tended to stagnate during the past decade due to bad weather, low producer prices, a lack of small farmer incentives, and poor agricultural policies. However, food crop production has almost kept pace with rural population growth and has accounted for 25% of agricultural output in recent years. The Government of Togo (GOT) is placing renewed emphasis on agriculture and is complementing its efforts to increase production with investments in support facilities. The Government has also begun an agrarian reform program which will bring unused land under cultivation and distribute land resources more widely among the people. The GOT, under this reform program, also plans to designate large sections of land in each of Togo's regions for use by foreign investors interested in large-scale agricultural projects.

#### Total Resources

Togo is a poor country with a per capita GNP of \$390, but in rural areas annual per capita income is only \$180. The Togolese economy is expected to grow at a rate of 3.5% during 1981-85. In spite of recent diversification,

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mainly through the exploitation of natural resources, agriculture remains the most important sector of the economy, employing about 75% of the active population. It accounts for about 30% of both GDP and export earnings. This sector is mostly traditional and low-yielding, with smallholder foodcrops accounting for 70% of production. However, cash crops (cocoa, coffee, palm kernels, and cotton) are of increasing importance and generate 30% of the country's foreign exchange earnings. The modern phosphate mine employs 1,600 persons but accounts for only 6% of GDP, and provides 40% of export earnings and 30% of government revenues. The tertiary sector, which consists mostly of commerce, transport and public administration, provides 50% of GDP and employs 15% of the labor force.

Agriculture and rural development have been allocated the highest priority in Togo's 1981-85 Development Plan. Agriculture will receive \$430 million or 45 percent of the total planned investments. Although this emphasis on agriculture is sound, a comprehensive investment strategy and strong GOT agriculture institutions are required if there is to be an effective agriculture development program. The AID program in Togo, which also has as a priority agriculture and rural development, will aid the GOT with its agriculture development strategy by strengthening key GOT agricultural institutions.

In spite of the significant debt rescheduling in 1981, the 1981-85 period will require judicious policies to balance the need to meet rising debt service obligations with the need to maintain a minimum development effort. The GOT budget will be extremely tight with no scope for borrowing on financial markets. Consequently donor concessionary assistance will be needed to prevent deterioration in the modest pace of economic development during 1981-1985. Towards the end of 1985 rising revenues from phosphates and economic growth in general are expected to ease financial constraints.

Togo received about \$266 million in bilateral donor assistance between 1976-1980. Germany and France are the major bilateral donors of external assistance, providing

approximately one-half of total assistance received. Aside from the concentration of assistance on education programs, other major French assistance programs are for the most part directed at improving Togolese export earnings and providing basic infrastructure. The Federal Republic of Germany has extended loans for the creation and expansion of the Lome port; the European Development Fund has financed major infrastructure and resettlement projects; and the World Bank is combining its financial resources with other donors to develop industrial enterprises. A number of other minor donors are providing technical assistance in agriculture, rural development and health.

The Peace Corps has 130 Volunteers in Togo. Starting in FY 1983 two-thirds of the Peace Corps Volunteers will work in the rural development, agriculture and health sectors.

### U.S. Interests and Objectives

The main U.S. interests in Togo are humanitarian, and economic development. As a relatively poor country, Togo has a clear need for concessionary economic assistance to help further its development. With a Western oriented, moderate, and cooperative government, Togo represents an attractive partner with the United States in a development assistance relationship. Selected as the seat of the Economic Community of West African States (ECOWAS), Togo's strong partnership role with its African neighbors has already been established. The A.I.D. program addresses USG foreign policy objectives in the recognition of past and present demonstration of Togo friendship to the United States, including support it has given the U.S. in the international arena.

Togo has a thriving private sector, particularly in commerce and services. To encourage foreign investment and trade, Togo maintains open-door and non-discriminatory trade and investment policies. The GOT maintains a liberal investment code providing new capital with customs duty and tax exoneration as well as the right to profit from repatriation. Togo's Fourth Five-Year Plan

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(1981-1985) encourages private foreign investment, particularly in agricultural development and agro-industrial projects. AID assists Togo's private sector by supporting small African businesses through the Entente Fund African Enterprises Program. Togo's strong private sector will enhance Togo's development potential.

#### A.I.D. Assistance Strategy

A.I.D.'s development strategy is to foster the well-being of the Togolese rural population by attacking critical deterrents to social and economic development, i.e., inadequate income on the part of rural inhabitants due to the lack of appropriate technical means and the ill health of a large percentage of the population. This strategy therefore addresses itself to interrelated problems of agricultural production/marketing and rural public health.

A.I.D. activities in agriculture emphasize increased agricultural production through the introduction of appropriate technology, applied research, extension services, and various training media. The A.I.D. health program supports Togolese priorities for extending primary health care and sanitation to rural areas.

To maximize the impact of the modest A.I.D. program budget for Togo, close collaboration with other donors and U.S. intermediary agencies is stressed throughout the program. New funding is limited to those activities having substantial Peace Corps and/or U.S. private voluntary organization (PVO) involvement.

#### A.I.D. Program (FYs 1982-1983)

Current Status: The A.I.D. program in Togo is oriented toward project implementation, with emphasis on the integration and consolidation of projects and programs into fewer units of management. A.I.D. will continue to place major emphasis on the use of Peace Corps and PVO resources which have been effective. The Low Income Shelter project (693-0213) will continue to supply technical assistance until completion in November 1983. Assistance

is being provided to help construct eight demonstration housing units using the "modular" technique. This pilot project will test demand for this type of expandable housing. Due to high interest rates in the world money markets and the GOT's program of review of its investment priorities, the \$13 million Housing Investment Guarantee program signed in FY-1981 has not been activated to date.

Implementation of the Rural Water Supply and Sanitation project (693-0210) has made substantial headway. More than 190 positive wells have been drilled. Over 200 health/sanitation related training courses have been completed in the Plateau region (south-central Togo). Additional village health training activities will move to the Savannah (northern Togo) in advance of the well drilling activities. Continued satisfactory implementation in the future will depend on strengthening project management on the GOT side to deal with day-to-day implementation problems in a timely fashion. Plans for reorientation of project management personnel are being developed by A.I.D., the Ministry of Health, and the Ministry of Social Affairs.

Implementation of the Togo Family Health project (693-0212) has been impressive. A.I.D. has completed construction of a new building in Lome which provides classrooms, offices and an auditorium as an annex to the World Health Organization's National Training Center. In addition, audio visual equipment and health training equipment are scheduled for installation early in 1983. A number of training courses for maternal/child health workers has been conducted at the new center.

The Opportunities Industrialization Centers International (OICI) project (693-0222) provides non-formal agricultural training to Notse, Togo area farmers. OICI conducts residential agricultural training programs at its 122 hectare agricultural training center and demonstration farm at Notse, Togo. The OICI training emphasizes maize, cotton beans and vegetable production; the proper raising of swine, sheep, goats and chickens, the use and maintenance of hand tools; small farm construction skills, and the use of animal traction production

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techniques. All training simulates the actual farming conditions of Togolese small farmers.

The World Council of Credit Unions (WOCCU) has conducted a strong program of advisory assistance to the Togolese National Federation of Credit Unions (CONA-UDEC) under the Togo Credit Union Development project (693-0224). The national federation, with WOCCU's advice and encouragement, has expanded services to member credit unions and has been responsible for a significant growth in the overall number of new credit unions in Togo. The WOCCU grant will terminate in September 1983. Their activities have been evaluated and those results have been supportive of a decision to undertake a Credit Union Development II project in FY 1983 which will continue WOCCU's advisory assistance and support to the growth of the credit union movement in Togo.

FY 1983 Program. The Development Assistance level of \$2,975,000 for FY 1983 will be used to fund the initial phase of a new project to promote agricultural production, the continuation of activities in village health and sanitation, and the establishment of village based credit unions. \$2,300,000 is planned for the Agriculture, Rural Development and Nutrition sector. The Togo Animal Traction project (693-0218) is budgeted for initial funding to assist the GOT establish a nation-wide coordinating unit (PROPTA) under the Ministry of Rural Development. PROPTA will coordinate and integrate the diverse activities of donors and promote the training, sale and use of draft animals for agricultural production throughout Togo. The Togo Credit Union Development project (693-0224) will help sustain the growth and development of the National Association of Togolese Credit Unions (CONAVDEC) begun under a previous PVO Grant to WOCCU (formerly CUNA).

\$675,000 is planned for the Health sector to provide the final increment of funding for the first phase of the Rural Water Supply and Sanitation project (693-0210). If results of an evaluation planned for July 1983 are positive, extension of activities into additional villages will be considered for FY 1984.

PL 480, Title II resources totalling approximately \$1,365,500 will be administered by Catholic Relief services for continued integration of its maternal/- child health activities with the activities under the Rural Water and Sanitation project.

Requested Year Program (FY 1984)

\$2,409,000 is requested for the Agriculture Rural Development and Nutrition sector: \$1.0 million, is requested to provide funding for the continuation of the Togo Animal Traction project begun in FY 1982; \$1.0 million, for a new project entitled Togo Agricultural Training and Extension Support (693-0225), which will continue the activities of OICI in the domain of smallplot farmer training and extension services; and \$409,000, for the continuation of the Togo Credit Union project (693-0224) which began in 1983.

\$491,000 is planned for the Health sector to expand the village based programs which provide safe water and related health and sanitation training begun under the Rural Water Supply and Sanitation project (693-0210).

PL 480 Title II: Food commodities valued at \$1,500,000 will be supplied to the Catholic Relief Services to continue their programs of maternal/child health school feeding and hygiene education. A World Food Program project activity will also be supported.

A.I.D. Representative: John Lundgren

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

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PROGRAM: TOGO

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
TOGO ANIMAL TRACTION (PC)	G 693-0218	83	85	---	3,500	---	---	2,000	1,000	1,000	1,250
TOGO CREDIT UNIONS - CUNA (PVO)	G 693-0220	80	82	376	376	376	243	---	120	---	13
TOGO AG TRAINING/EXTENSION SUPPORT (PVO)	G 693-0222	82	82	1,000	1,000	1,000	---	---	950	---	50
CREDIT UNION DEVELOPMENT (PVO)	G 693-0224	83	88	---	2,000	---	---	300	250	409	275
AGRI. TRAINING/EXTENSION AND SUPPORT (PV)	* G 693-0225	84	86	---	3,000	---	---	---	---	1,000	500
TOTAL FOR ACCOUNT GRANTS				1,376	9,876	1,376	243	2,300	2,320	2,409	2,088
LOANS				1,376	9,876	1,376	243	2,300	2,320	2,409	2,088
				---	---	---	---	---	---	---	---
HEALTH											
RURAL WATER SUPPLIES/ENVR SANITATION	G 693-0210	80	85	7,839	11,000	7,140	2,610	675	2,500	491	2,500
TOGO FAMILY HEALTH CENTER	G 693-0212	77	78	1,078	1,078	1,078	617	---	350	---	111
TOTAL FOR ACCOUNT GRANTS				8,917	12,078	8,218	3,227	675	2,850	491	2,611
LOANS				8,917	12,078	8,218	3,227	675	2,850	491	2,611
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
LOW INCOME SHELTER	G 693-0213	78	81	910	910	910	731	---	150	---	29
TOTAL FOR ACCOUNT GRANTS				910	910	910	731	---	150	---	29
LOANS				910	910	910	731	---	150	---	29
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				11,203	22,864	10,504	4,201	2,975	5,320	2,900	4,728
LOANS				11,203	22,864	10,504	4,201	2,975	5,320	2,900	4,728
				---	---	---	---	---	---	---	---

\* 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, 1982 are based on the authorized data. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



PROGRAM: TOGO

## PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Togo Agricultural Training and Extension Support		FUNDING SOURCE:	AG, RD & N: 3,000	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
					FY 84 1,000	LIFE OF PROJECT FUNDING:	3,000
NUMBER 693-0225 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: To assist the Government of Togo (GOT) in the development and execution of its nation-wide agricultural training program, including extension activities directed to small holder farmers.

Project Description: The Opportunities Industrialization Centers International (OICI) has been active in Togo since 1976. A.I.D. assistance has been provided to OICI through an Operations Program Grant to strengthen their capacity to conduct vocational training and enterprise development in several African countries including Togo. This project builds on these earlier OICI activities in Togo, including the transitional activities under Phase I of this project. This follow-on project (Phase II) will assist the GOT in the development and execution of its nation-wide agricultural training program, including extension activities to small resource farmers, employees of government agencies operating in the agricultural sector, and trainers, i.e., extension agents and teachers at the National Institute of Agricultural Training.

Phase II activities of OICI/Togo represent both a delivery of technical packages and an integration of activities with the GOT. Specifically, the project is intended to upgrade selected agricultural training programs and agricultural development projects of the GOT in terms of their organization, methodology and technical contents. Concurrently, it is intended to integrate the activities of OICI/ Togo training center at TODOME into the agricultural training system of the Togolese government.

In addition to on-site training and extension services at the TODOME center, OICI will conduct off-site technical assistance to the Young Farmers Training Center, the National Institute of Agricultural Training, and selected para-statal agencies. In addition, efforts will be made to establish formal linkages between OICI's programs and other development programs in Togo such as the two Entente Fund projects active in the project area (Project Vivrier-Notse/Dayes, and the Small Ruminants project), CONGRAT, and the Peace Corps. Already, the Peace Corps has assisted in the resettlement of a group of four OICI graduates at the Kpele-Bame by providing them with chicks, rabbits, feed, fencing wire, vegetable seeds, and cement to build a cistern.

Relationship of Project to A.I.D.'s Country Strategy: The project coincides with our strategy of increasing agricultural productivity in several ways: by introducing improved agricultural techniques directly to small resource farms, strengthening of GOT training of extension agents at specific institutions, and to help young school leavers adjust their expectations and find alternative employment in the agricultural sector.

Host Country and other Donors: The GOT will staff the five experimental agricultural training centers as well as complete work on expansion of the National Institute of Agricultural Training (NIACT). The World Bank is assisting NIACT through equipment financing and teacher training to expand NIACT capacity from 290 to 430 students. Various OICI training and extension activities will be coordinated with Entente Fund Projects active in the TODOME area as well.

Beneficiaries: The major beneficiaries of the project will be young Togolese school leavers and small resource farmers who will receive training and extension services provided by OICI and the GOT.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: ZAIRE

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982) 30,289				MAJOR EXPORTS... (1981) COPPER NON-FER META DIAMONDS			
PER CAPITA GNP..... (DOLLARS, 1981) 230				EXPORTS TO U.S. (\$ MILLIONS, US. FOB) (1979) 299 (1980) 368 (1981) 400			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 0.2%				AS % OF TOTAL EXPORTS (1979) 23% (1980) 23% (1981) 60%			
AVERAGE ANNUAL RATE OF INFLATION (1960-70) 29.9% (1970-80) 32.2%				MAJOR IMPORTS... (1981) MANUFACTURES FOODSTUFFS MACHINERY			
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.				IMPORTS FROM U.S. (\$ MILLIONS, US. CIF) (1979) 124 (1980) 171 (1981) 155			
LIFE EXPECTANCY AT BIRTH, IN YEARS				AS % OF TOTAL IMPORTS (1979) 21% (1980) 20% (1981) 23%			
(1981) TOTAL 47.5 MALE 45.9 FEMALE 49.2				TRADE BALANCE(\$ MILLIONS, U.S.) (1979) 726(80) 797(81) -6			
(1968) TOTAL 42.0 MALE 40.4 FEMALE 43.6				MAIN TRADING PARTNERS: BELGIUM UNITED STATES FRANCE			
ADULT LITERACY RATE (1980) TOTAL 58% MALE 77% FEMALE 39%				EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 78.5%			
(1962) TOTAL 31% MALE 49% FEMALE 14%				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... (1980) 319			
*AGRICULTURE*				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)... (1980) 12.5%			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) -1.2%				*SOCIAL DATA*			
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 30%				POPULATION GROWTH RATE...(1970) 3.4% (1975) 2.9% (1982) 2.8%			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 253				POPULATION IN URBAN AREAS..... (1969) 22% (1979) 33%			
MAJOR CROP(S)				LIVE BIRTHS PER 1,000 POPULATION....(1970) 47 (1982) 45			
SUBSISTENCE: CASSAVA CORN BANANAS ARABLE LAND YEAR				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 1%			
CASH: PALM OIL COFFEE COTTON 47% (1981)				POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL EXPORTS:(1981) COFFEE RUBBER PALM OIL 10% (1981)				(0-14YRS) 44 8% (15-64YRS) 52.5% (65+ YRS) 2.8%			
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT CORN MEATS				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 117			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 75%				PEOPLE PER PHYSICIAN..... (1978) 15,759			
*CENTRAL GOVERNMENT FINANCES*				MAJOR CAUSES OF DISEASE (1978) TYPHOID FEVER			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				DEATH.. (1973) MALARIA GASTROINTESTINAL			
(1978) 256 (79) 694 (80) 1,335				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 102%			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 19%			
(1978) 450 (79) 821 (80) 1,323				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PRIMARY..... (1977) TOTAL 90.0% MALE 103.0% FEMALE 77.0%			
(1978) -194 (79) -127 (80) 12				SECONDARY..... (1977) TOTAL 19.0% MALE 23.0% FEMALE 14.0%			
DEFENSE EXPENDITURES,				POST SECONDARY.. (1974) TOTAL 1.0% MALE 1.8% FEMALE .2%			
AS % OF TOTAL EXPENDITURES.. (1978) 14.3% (79) 14.3% (80) 12.4%				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 113%			
AS % OF GNP..... (1978) 3.4% (79) 3.1% (80) 2.9%							
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$ MILLIONS, U.S.) (1979) 298 (80) 358 (81) 288							
EQUIVALENT TO 5.0 MONTHS OF IMPORTS (1981)							

**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	ZAIRE	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
		1977	1978	1979	1980	1981			
		PROGRAM							
<b>I. ECONOMIC ASSISTANCE -- TOTAL</b>									
Loans									
Grants									
<b>a. A.I.D. and Predecessor Agencies</b>									
Loans									
Grants									
<i>(Economic Support Fund)</i>									
<b>b. Food for Peace (PL 480)</b>									
Loans									
Grants									
Title I - Total Sales Agreements									
Repayable in U.S. Dollars - Loans									
Payable in Foreign Currency - Planned for Country Use									
Title II - Total Grants									
Emerg. Relief, Econ. Develop. & World Food Program									
Voluntary Relief Agencies									
<b>c. Other Economic Assistance</b>									
Loans									
Grants									
Peace Corps									
Narcotics									
Other									
<b>II. MILITARY ASSISTANCE -- TOTAL</b>									
Credits or Loans									
Grants									
<b>a. MAP Grants</b>									
<b>b. Credit Financing - FMS</b>									
<b>c. Military Assistance Service-Funded (MASF) Grants</b>									
<b>d. Transfers from Excess Stocks</b>									
<b>e. Other Grants</b>									
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>									
Loans									
Grants									
<b>Other U.S. Government Loans and Grants</b>									
a. Export-Import Bank Loans									
b. All Other Loans									

\* LESS THAN \$50,000.

	FY 1980	FY 1981	FY 1982	FY 1946-82
	<b>A. ASSISTANCE FROM INTERNATIONAL AGENCIES -- COMMITMENTS</b>			
TOTAL	33.0	22.5	39.2	854.6
IBRD	0.0	0.0	0.0	221.6
IFC	0.0	0.0	0.0	4.9
IDA	18.5	0.0	0.0	278.5
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	9.7	10.4	29.0	72.6
UNDP	4.8	8.0	0.0	58.3
OTHER-UN	0.0	4.1	10.2	26.3
EEC	0.0	0.0	0.0	192.4
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	28.0	24.0	142.0	
Belgium	170.8	124.1	686.7	
France	39.8	26.7	130.7	
Japan	39.5	53.1	125.2	
Germany	37.0	37.1	126.0	
Other	20.8	20.4	88.2	
Total	335.9	285.4	1298.8	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	23.5		28.3	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	-	
Eastern Europe	-	-	-	
China	-	-	135	
Total	-	-	135	

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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	2,000	2,000	-	-	-	-	-	-
Grants ....	8,348	5,071	348	2,929	-	-	-	-
Total ....	10,348	7,071	348	2,929	-	-	-	-
1983							A/	
Loans ....	-	-	-	-	-	-	-	-
Grants ....	16,535	6,181	2,000	1,035	319	-	7,000	-
Total ....	16,535	6,181	2,000	1,035	319	-	7,000	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	20,000	8,408	1,592	-	-	-	10,000	-
Total ....	20,000	8,408	1,592	-	-	-	10,000	-

A/ Includes \$7 million supplemental.

### Development Overview

U. S. economic assistance seeks to participate in and influence Zaire's economic development efforts. Those efforts, although heavily affected by international economic trends, depend for lasting success upon the patient development of human resources and the continuous strengthening of public and private institutional bases. U.S. efforts to improve Zaire's capacity to manage resources and apply successful experiences rest upon the transfer of both technical and managerial technology.

Zaire's economic development has been characterized over the years by great unevenness geographically and in different sectors. With a per capita income of \$230, the Zairian people are among the world's poorest. Zaire is richly endowed with resources, the development of which was begun in colonial times but disrupted since independence. Zaire's economic recovery will hinge in the short run upon increased world commodity demand, particularly

### FY 84 PROGRAM HIGHLIGHTS

- The DA program (\$10 million) will support a new agriculture project to improve marketing development (\$3,500,000); continuing agricultural research/extension (\$3,662,000); nutrition improvement (\$1,286,000); and family planning services (\$1,592,000).
- Under ESF (\$10 million) a new project will fund U.S. materials and expertise for Zaire's agro-industries.

for minerals. Consequently, massive development of hydropower potential has proceeded to serve extractive industries. Investment in these sectors has deprived nearly all other activities of capital.

Years of depression, unwise investment programs and inadequate planning lie behind present weak internal demand, severely distorted internal and external markets and a pervasive short-term outlook. Given weak markets for most exports, authorities have attempted to control domestic price inflation in part through an overvalued exchange rate, thereby accentuating the economic malaise. A strong tradition of centralized economic intervention has facilitated the near-complete institutionalization of corruption as an informal tax and payments system. Local governmental institutions have atrophied, rendering fiscal and monetary instruments only marginally effective in serving the needs of the state.

Attempts to stabilize and restructure the economy have

## Zaire

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	1,734	9,996	3,094
Grants.....	6,097	14,387	19,252
<b>Total AID.....</b>	<b>7,831</b>	<b>24,383</b>	<b>22,346</b>
<b>P.L. 480**</b>			
Title I.....	10,000	10,000	10,000
(of which Title III is)	( - )	( - )	( - )
Title II.....	-	1,027	2,066
<b>Total P.L. 480.....</b>	<b>10,000</b>	<b>11,027</b>	<b>12,066</b>
<b>Total AID and P.L. 480.....</b>	<b>17,831</b>	<b>35,410</b>	<b>34,412</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	24	27	26
PASAC <sup>c</sup> .....	-	2	2
Contract.....	27	36	32
<b>Total.....</b>	<b>51</b>	<b>65</b>	<b>60</b>
<b>Participants<sup>d</sup></b>			
Noncontract.....	17	58	48
Contract.....	15	5	-
<b>Total.....</b>	<b>32</b>	<b>63</b>	<b>48</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 Program Summary (In 000 MF/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	60.0	10,000	63.0	10,000	57.1	10,000
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b>	<b>60.0</b>	<b>10,000</b>	<b>63.0</b>	<b>10,000</b>	<b>57.1</b>	<b>10,000</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies.....	-	-	-	1,027	-	2,066
World Food Programs.....	-	-	-	-	-	-
Gov't-to-Gov't.....	-	-	-	-	-	-
<b>Title II Total.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,027</b>	<b>-</b>	<b>2,066</b>
<b>Total P.L. 480.....</b>	<b>60.0</b>	<b>10,000</b>	<b>63.0</b>	<b>11,027</b>	<b>57.1</b>	<b>12,066</b>

been led by the International Monetary Fund (IMF). Modest success in 1980 was followed by failure in 1981. The failure has exacerbated an already serious external debt situation. Commitments under the Foreign Assistance Act were interrupted for eight months in 1982 due to Brooke Amendment sanctions, and may be interrupted in 1983. In the longer term, debt servicing requirements will claim a major proportion of export receipts, leaving a shortage of both foreign exchange and local currency for programs in agriculture, health, etc.

IMF-assisted stabilization programs are supported at the political level by senior U.S. officials and in certain economic sectors by A.I.D. programs, and are an important element in A.I.D.'s continuing policy dialogue. Important programmatic linkages exist. For example, the IMF always designs its programs with the GOZ on the assumption (among others) that substantial increases in multilateral and bilateral aid flows will complement IMF/GOZ efforts. The programs attempt to stimulate effective demand for domestically-grown foods and fibers, as well as facilitate Zaire's exports. They have immediate effects upon the supply and distribution of

## Zaire

domestic credit. The IMF programs are linked to performance in servicing commercial arrearages.

Developmental circumstances are heavily influenced by historical patterns, colonial heritage and current international economic trends. The chief impediments to rapid development are very weak national institutions in the face of regional and tribal loyalties, the small and inexperienced corps of developmental leaders, and widespread weaknesses in political and economic management. Paradoxically, Zaire fosters private initiative, while refusing to abandon state control and intervention which hinder the ability of such initiative to contribute to development.

A.I.D. program activities seek to reinforce developmental initiatives undertaken by Zaire. Such linkages are critical to the ongoing sectoral policy with the GOZ and to the long-term U.S. assistance strategy. Results are not dramatic but are sustainable over the long term as we participate in the development of institutional and human capacity in the few, but critical, areas of A.I.D. program emphasis. A.I.D. works to demonstrate the viability of innovations and to strengthen certain sectors' ability to compete for and effectively utilize resources.

### Total Resources

In spite of substantial debt relief negotiated since 1976 and despite large continuing accumulation of payments arrears, debt service payments have been consuming almost 30% of export receipts. The problem has been exacerbated by both declining exports and deterioration in the terms of trade. The result has been a sharp decline in the real value of development imports.

Budget receipts, which are heavily dependent on taxation of exports and imports, have been well below projections. Expenditures have swollen, largely due to the inability of managers to control expenditures in their own departments. The result has been a budgetary deficit of about 5% of GDP and severe constraints on the availability of financial and material resources.

Severe and widespread shortages in an economy will lead to distortions in resource allocations in the best of circumstances. In Zaire, undeveloped institutions and inexperienced managers have not been able to cope with the pressures put upon the modern economy. The GOZ has made attempts at planning public sector investment programs but such plans, undermined by technical inadequacies, have become obsolete as available resources have proven to be well below planned levels. Although Zaire's overall effort at periodic planning -- the work done in preparation for the annual budget -- is thus far of limited utility for effective expenditure planning, it is clear that the government is making efforts to remedy the situation in the fields of agriculture and public health with assistance from several donors, including A.I.D.

External assistance to Zaire has taken two forms: concessional aid and debt relief. (IMF-led adjustment/stabilization assistance will continue to be necessary under a broad range of circumstances, but is necessarily heavily conditioned and temporary.) Zaire's aid requirements are strongly influenced in form and content by the scope and duration of debt relief, which in turn is partially dependent upon commodity price trends for Zaire's principal exports. Although the country's potential needs for assistance are enormous, from a management point of view a careful phasing of assistance is indicated. In this perspective, net concessional disbursements have averaged \$392 million per year (1978-80) including substantial debt rescheduling. Major donors to Zaire are Belgium, France, Federal Republic of Germany, United States, Italy, Japan, the World Bank and the EEC. While Belgium provides a broad range of assistance, it shares with Italy, France and Germany a tendency to provide tied commodity aid. Belgium, the UNDP and the United States are the principal technical assistance donors.

### U.S. Interests and Objectives

The United States' interests in Zaire fall into four

## Zaire

categories: political, strategic, commercial and developmental. Zaire's size and location, large population, strategic mineral reserves, and potential for growth make it important in sub-Saharan Africa. It has strong ties to the west even though some of the nine African nations on its borders maintain close links to the eastern bloc. Several U.S. corporations, banks and commercial ventures have made significant investments. Zaire's population includes some of the poorest people in the world. Zaire has served as a haven for refugees from disorder in several neighboring states.

U.S. interests are best served by:

1. Helping to maintain Zaire's stability;
2. Helping to lay the groundwork for, and assisting in, the achievement of economic development in key sectors; and
3. Maintaining our dialogue with the GOZ on policy and program direction and our catalytic role with other donors.

While precise objectives are necessarily shaped by events, the United States supports the IMF's broad emphasis upon a systematic rationalization and stabilization of the economy. The A.I.D. program serves U.S. interests through the long-term application of limited resources to two objectives which are considered to be feasible, manageable and able to be evaluated against agreed criteria. The objectives are to: (1) retain, strengthen or create essential human, institutional and physical development capacity against the time when macroeconomic problems are alleviated and political/social constraints eased; and (2) in the meantime, achieve a measure of increased human well-being as a result of the practical application of our manpower and institutional development activities, which in turn promotes stability. These objectives are coordinated in a continuous dialogue on policy and programming issues with

the GOZ, PVOs, the private sector, and other donors. The possibility of collaboration with private sector interests is evaluated in each activity.

A.I.D. Assistance Strategy: A.I.D.'s strategy, based upon technology transfer, is to assist Zaire's efforts to develop institutions, manpower capability and rural infrastructure agreed to be essential to mount major development programs in food production, health, nutrition and family planning. This approach suggests a two-track strategy: (1) the reorganization/upgrading or creation of national institutions capable of operating at the sector level by affecting sector-wide policies, planning and programming; and (2) The targeted implementation of economic/social development activities, primarily rural, at the family level. National institutions interact with target groups through program implementation and through GOZ planning. Prominently, the strategy includes a policy dialogue with the GOZ, other donors and public and private intermediaries. Given very limited resources, A.I.D.'s strategy is heavily influenced by appraisals of what is manageable and attainable, and is essentially long term.

### A.I.D. Program (FYs 1982-1983)

In FYs 1982-1983, A.I.D. implemented projects emphasizing food production/marketing, the delivery of health, population and nutrition services to the poor, and human resources development (which has become a binding link in our conceptual approach). A.I.D.'s project portfolio narrowed considerably. No projects were started outside the above areas of emphasis and all new initiatives were direct follow-ons from or complements to active major activities. General management practices have been modified consequent to evaluation findings, in particular towards an emphasis upon fewer projects more compatible with U.S. mission resources and in acknowledgement of the general difficulty in contractor recruitment of technically-qualified, French-speaking staff.

A.I.D. assistance in food production has become increasingly concentrated on strengthening the GOZ's agricultural



## Zaire

policy planning and institutional capabilities (660-0052 and 0070). Over 50 agricultural planners have been trained in the United States and are now engaged in agricultural sector studies in Zaire under the guidance of a U.S. technical assistance team. Our program is also assisting in the transfer of agricultural research and extension knowledge and technology (660-0064 and 0077). The A.I.D.-assisted research projects in cassava and legumes already have delivered demonstrable benefits to small farmers in Zaire. Since 1978 the research station at Mvuazi in Bas Zaire has been distributing improved varieties of cassava that have been tested and proven for disease resistance and increased yields. For the 1981/82 season alone, the project distributed over a million cuttings for multiplication to other donor projects and various rural development centers in Zaire. This is expected to translate into 5-10 million cuttings for distribution to small farmers. The joint A.I.D./Peace Corps fish culture expansion project (660-0080) is also producing clear benefits. Over two thousand farmers in the initial three target regions have received training assistance to develop improved fishponds with high-yielding fingerlings. Up to 500 tons of fish production may be attributable, directly or indirectly, to the project so far. A major effort is underway to demonstrate an integrated rural development process in the North Shaba area (660-0059), including the upgrading and expansion of market roads. In another area of the country agricultural production of basic food crops is being stimulated by facilitating the access of small cultivators to markets (660-0028).

Project design and implementation have been increasingly influenced by lessons learned from evaluations of project activities. A new project, Area Nutrition Improvement (660-0079), obligated in FY 1982, drew on evaluations of a preceding A.I.D.-financed nutrition project that created the National Center for Nutrition Planning (CEPLANUT). CEPLANUT has demonstrated the feasibility of institution-building in Zaire. This organization, though only some three years old, has already become one of the bright stars in the firmament of African nutrition development. It will be the central focus of the new

activity, formulating and influencing policy, and planning, coordinating and monitoring nutrition programs.

Another new FY 1982 project, Family Planning Services (660-0094), will assist existing GOZ and private sector family planning organizations to coordinate and expand their activities and provide a central focus for disparate PVO programs, primarily in urban areas. The Basic Rural Health Project (660-0086) is establishing a model system of self-sustaining community supported primary health care units in rural areas, which include the provision of family planning as part of their services. These projects are also bringing about an increased interrelationship between public and private health facilities. Also in the health sector, the effects of the endemic disease control project (660-0058) have been dramatic. Over the six-year period 1976-1981 the program delivered some 12 million inoculations to children in the nine principal urban areas of Zaire. This project is being phased into the regional Combating Childhood Communicable Disease program.

In FY 1983 an extension to the North Shaba Rural Development Project (660-0059) will be funded. This project has already sharply increased maize marketing in the project area, primarily due to upgraded rural infrastructure and improved seed. As a consequence of several project evaluations, agronomic aspects will be stressed during the extension period, and, in order to achieve sustainability, the private sector will play an integral role in several project components. Three projects will receive final year funding: Development Manpower Training (660-0068), Agricultural Sector Studies (660-0070), and Basic Rural Health (660-0086). Two ongoing projects, Area Nutrition Improvement (660-0079) and Family Planning Services (660-0094), will also receive funding. The only new FY 1983 DA project, Applied Agricultural Research and Extension (660-0091), will build on earlier research efforts (including INERA Support and Cassava Outreach), several evaluations, and other donor inputs to help focus public and private sector agricultural research.

Finally, a new ESF project will begin in FY 1983, the

Zaire

Commodity Import Program (CIP 660-0097). CIP will support the private sector, particularly U.S. firms operating in Zaire, through the import of American commodities and technology. In addition, CIP-generated counterpart funds will help formulate private sector local currency programs.

PL 480 Title I agricultural imports remain essential to help alleviate shortages of basic foodstuffs in key urban areas. Local currency generated from Title I sales is allocated for priority development purposes, including A.I.D. and other donor projects, self-help programs, and private-sector initiatives in food production/marketing, health/nutrition, and family planning. The PL 480 Title II program, implemented by Catholic Relief Services (CRS), is being revised to focus targeting and to integrate the use and distribution of locally produced foods.

Requested Year Program (FY 1984)

A total of \$10 million is requested in Development Assistance for FY 1984 for the following activities.

A total of \$8,408,000 is planned for the agriculture, rural development and nutrition sector. One new FY 1984 project will be initiated: Agricultural Marketing Development (660-0098) at \$3,500,000. This project will facilitate the access of small cultivators to agricultural marketing systems and will be implemented in a major agricultural producing zone to complement other ongoing agricultural marketing projects. The Area Nutrition Improvement Project (660-0079) will receive its last increment of funding (\$1,286,000), and additional funds (\$3,622,000) will be provided for Applied Agricultural Research and Extension (660-0091)

In the population sector, \$1,592,000 will be provided for final year funding of the Family Planning Services Project (660-0094). This project will continue its efforts to strengthen and expand family planning in ongoing maternal-child health programs and to increase effective access of the population to family planning information

and services in 14 major cities.

Under the Economic Support Fund, \$10,000,000 is requested for Agricultural Inputs Support (660-0100) as a means of quickly increasing capacity utilization and employment by financing United States materials and expertise for Zaire's agro-industries (which include several U.S. firms) and associated agricultural activities. Counterpart funds generated under this program will assist the GOZ and A.I.D. in further involving the private sector in Zaire's food production and agricultural marketing development.

A \$10,000,000 PL 480 Title I program is proposed for FY 1984 to help sustain the nutritional status of the population, ease pressure on the balance of payments, and generate counterpart funds for A.I.D. and other donor projects, self-help programs and private sector initiatives. Commodities to be imported include wheat and wheat flour. Under the PL 480 Title II, \$2,066,000 is requested to continue the food assistance program.

MISSION DIRECTOR: Richard L. Podol

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

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PROGRAM: ZAIRE

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
AGRICULTURE MARKETING DEVELOPMENT LOAN	L 660-0026	79	79	5,000	5,000	490	---	2,940	---	1,016	
AGRICULTURAL MARKETING DEVELOPMENT	L 660-0028	81	82	4,000	4,000	---	---	2,984	---	791	
AGRICULTURE ECONOMIC DEVELOPMENT	G 660-0052	77	80	2,169	2,169	1,283	---	710	---	176	
NORTH SHABA RURAL DEVELOPMENT	G 660-0059	76	83	9,925	11,925	7,840	2,000	1,500	---	1,000	
NORTH SHABA RURAL DEVELOPMENT	L 660-0059	76	76	3,500	3,500	2,420	---	1,080	---	---	
INERA SUPPORT	G 660-0064	77	81	2,950	2,950	1,859	---	1,091	---	---	
AGRICULTURE SECTOR STUDY	G 660-0070	77	83	2,980	2,980	2,787	140	193	1,522	1,318	
CASSAVA OUTREACH	G 660-0077	78	82	3,027	3,027	607	---	1,210	---	1,210	
AREA NUTRITION IMPROVEMENT	G 660-0079	82	85	4,300	4,300	1,014	---	2,000	841	1,286	
FISH CULTURE EXPANSION	G 660-0080	78	82	486	486	16	---	161	---	238	
APPLIED RESEARCH AND EXTENSION	G 660-0091	83	87	---	10,000	---	---	1,988	---	3,622	
AGRICULTURE MARKETING DEVELOPMENT	• G 660-0098	84	86	---	10,000	---	---	---	---	3,500	
TOTAL FOR ACCOUNT GRANTS				38,337	60,337	34,858	14,655	6,181	14,039	8,408	12,114
LOANS				25,837	47,837	22,358	11,745	6,181	7,035	8,408	10,307
				12,500	12,500	12,500	2,910	---	7,004	---	1,807
POPULATION PLANNING											
FAMILY PLANNING	G 660-0094	82	84	3,940	3,940	348	---	2,000	1,364	1,592	1,110
TOTAL FOR ACCOUNT GRANTS				3,940	3,940	348	---	2,000	1,364	1,592	1,110
LOANS				---	---	---	---	---	---	---	---

HEALTH

\* 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, 1982 are based on the authorized data. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: ZAIRE

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG EXPENDI ATIONS TURES	-ESTIMATED FY83- OBLIG EXPENDI ATIONS TURES	-PROPOSED FY84- OBLIG EXPENDI ATIONS TURES			
HEALTH SYSTEMS DEVELOPMENT	G 660-0057	76	80	610	610	610	221	---	139	---	250
ENDEMIC AND COMMUNICABLE DISEASE CONTROL	G 660-0058	76	78	887	887	887	618	---	200	---	69
BASIC RURAL HEALTH	G 660-0086	81	83	4,864	4,864	3,829	118	1,035	2,500	---	1,500
INTEGRATED RURAL DEVELOPMENT (PVO)	G 660-0093	81	81	489	489	489	73	---	300	---	116
TOTAL FOR ACCOUNT GRANTS LOANS				6,850	6,850	5,815	1,030	1,035	3,139	---	1,935
				6,850	6,850	5,815	1,030	1,035	3,139	---	1,935
				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
DEVELOPMENT MANPOWER TRAINING	G 660-0068	80	83	2,544	2,544	2,225	190	319	1,094	---	900
TOTAL FOR ACCOUNT GRANTS LOANS				2,544	2,544	2,225	190	319	1,094	---	900
				2,544	2,544	2,225	190	319	1,094	---	900
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
TRANSPORT SECTOR	L 660-0032	70	70	10,000	10,000	10,000	9,708	---	292	---	---
TOTAL FOR ACCOUNT GRANTS LOANS				10,000	10,000	10,000	9,708	---	292	---	---
				10,000	10,000	10,000	9,708	---	292	---	---
				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
AGRICULTURAL MARKET SUPPORT	L 660-K025	78	78	5,400	5,400	5,400	1,046	---	2,700	---	1,287
AGRICULTURE ECONOMIC DEVELOPMENT	G 660-0052	77	77	1,561	1,561	1,561	1,499	---	62	---	---
ENDEMIC AND COMMUNICABLE DISEASE CONTROL	G 660-0058	76	78	1,380	1,380	1,380	1,274	---	106	---	---
INERA SUPPORT	G 660-0064	77	78	900	900	900	815	---	85	---	---
CASSAVA OUTREACH	G 660-0077	78	78	1,473	1,473	1,473	1,065	---	408	---	---
FISH CULTURE EXPANSION	G 660-0080	78	78	464	464	464	370	---	94	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: ZAIRE

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES	
COMMODITY IMPORT PROGRAM	G 660-0097	83	83	---	7,000	---	---	7,000	1,000	---	3,000
AGRICULTURAL INPUTS SUPPORT	* G 660-0100	84	84	---	10,000	---	---	---	---	10,000	2,000
TOTAL FOR ACCOUNT GRANTS				11,178	28,178	11,178	6,069	7,000	4,455	10,000	6,287
LOANS				5,778	22,778	5,778	5,023	7,000	1,755	10,000	5,000
				5,400	5,400	5,400	1,046	---	2,700	---	1,287
TOTAL FOR COUNTRY GRANTS				72,849	111,849	64,424	31,652	16,535	24,383	20,000	22,346
LOANS				44,949	83,949	36,524	17,988	16,535	14,387	20,000	19,252
				27,900	27,900	27,900	13,664	---	9,996	---	3,094

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Agricultural Marketing Development		FUNDING SOURCE:	AG. RD & N: 10,000	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 660-0098 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 3,500	LIFE OF PROJECT FUNDING: 10,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 88

**Purpose:** To facilitate increased small farmer incomes in certain areas and concurrently strengthen national institutional competence in farm-to-market roads.

**Project Description:** This project aims at increasing small farmer incomes through the systematic removal of marketing and transport constraints in selected zones having high production potential in basic foods. Of Zaire's total land area, between 30 and 40% is estimated to have good potential for agriculture. At present only a small part of this potential is productively exploited. The major constraint to increasing foodcrop production in Zaire is the difficulty, and at times impossibility, of collecting and transporting foodcrop surpluses because of the seriously deteriorated condition of the transport network, particularly the road system. Moreover, establishment of a viable marketing system must involve efforts to alleviate cost burdens imposed by deteriorated roads upon the merchants, who form an essential link from the producers to the urban consumers. The improvement and extension of the road system leads to lower vehicle operation and maintenance costs and allows produce haulers to increase their areas of operation. The GOZ has cooperated with AID and other major donors in several road and river transport projects. (The proposed project will be AID's fourth such activity). National and regional plans have been well prepared. Zones to receive AID assistance will be chosen so as to complement other GOZ/AID projects. This project would finance both infrastructure and institutional development. In infrastructure, project activities will consist of: (1) provision of foreign exchange for the importation of trucks, spare parts, and marketing material and equipment for private sector use in the selected areas; (2) the improvement and maintenance of key secondary and farm-to-market routes; and (3) the improvement of river transport to selected zones. The project's institutional objectives are to: (1) develop institutional capacity of Office des Routes to upgrade and maintain agricultural feeder roads; and (2) provide technical assistance and on the job training to Office des Routes administrators, operators, and mechanics.

**Relationship of Project to A.I.D. Country Strategy:** The AID program strategy is to assist Zaire's efforts to develop institutions, manpower capability and physical infrastructure agreed to be essential to mount major development programs in food production and certain other sectors. This approach is to be based upon technology transfer. A two-track strategy is followed: (1) the reorganization/ upgrading or creation of national institutional competence; and (2) the implementation of activities, primarily rural, so as to help improve the quality of life. This proposed project follows directly from the strategy with national and local levels of activity aimed at strengthening Zaire's capabilities.

**Host Country and Other Donors:** The GOZ will provide the equivalent of \$5,000,000 over the life of the project for transport improvements. A consortium of other donors led by IDA is assisting the GOZ to upgrade trunk roads. This project will be carefully phased with that and similar activities.

**Beneficiaries:** This project will directly benefit private sector farmers and rural haulers. Haulers will experience a significant reduction in operating costs while farmers will be able to sell their commodities at a price that provides an adequate incentive to expand output beyond that needed for subsistence. Through an increased supply of indigenous basic food commodities, relatively poor urban consumers supplied by the selected agricultural areas will benefit. The national highways administration will benefit through improved technical competence.

TITLE Agricultural Inputs Support		FUNDING SOURCE: ESF	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 660-0100 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 10,000	LIFE OF PROJECT FUNDING: 10,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To enhance the productive capacity of, and monetized employment in, Zaire's agricultural sector. The project would stimulate production of food and foodstuffs through increasing capacity, utilization and employment in agro-industrial, agro-processing and transport activities. As a result there is expected to be an increased supply of agro-inputs and incentive goods as well as a demand for foods. The project would also enhance Zaire's capacity to formulate employment policies and to absorb and utilize U.S. equipment and materials.

Project Description: The project would provide American capital equipment, spare parts, raw materials and expertise to selected agro-processing industries and agricultural based general and transport firms producing for or servicing the domestic market. Short-term assistance to public and private authorities would be provided. Several GOZ, AID and other donor programs are working to increase small farmer production of agricultural commodities. These complementary programs will stimulate agricultural employment and production. Agricultural industries presently operate at 20% to 40% of plant capacity due to scarcities of domestic raw materials and of foreign exchange to purchase imported raw materials, replacement components and spare parts. This project would relieve the foreign exchange bottleneck for these industries. Categories of equipment, spare parts, materials and assistance will be negotiated with the objective of increasing the productivity of existing facilities. Examples of possible participating industries and types of commodities include: sacking, canning and bagging industries; bulk moving and transport equipment; fertilizer mixing industries; raw materials for agricultural tools and equipment; materials and equipment for crop storage; pumps and hoists; road drainage and bridging structures; mills and grinders; equipment, supplies and raw materials for secondary electric power distribution; and a wide range of spare parts. The specific industries and target regions will be selected on the basis of supporting AID projects in the food-crop production sector. U.S. resources will be transferred via the project serving U.S. commercial interests in both the United States and Zaire. Short-term assistance in planning the logistics of the project and in formulating a medium-term employment strategy based upon capacity utilization will be provided.

Relationship of Project to A.I.D. Country Strategy: The proposed project is advocated in AID's Country Development Strategy Statement for Zaire. The bottleneck to USAID food production objectives posed by insufficient useful capacity in industries essential to agriculture would be eased by the project. Employment, and thus effective demand for foods produced by small farmers, would be stimulated. The program would directly complement the P.L. 480 program and other A.I.D./GOZ project activities in agriculture. Local currencies generated by the program's imports will be used in direct support of AID-assisted development projects in Zaire. This is a critical consideration given the GOZ's exceedingly limited budgetary capacities for development project support at present. The project, financed by the Economic Support Fund, would demonstrate to the GOZ the continued commitment of the United States to the economic and social stability of Zaire.

Host Country and Other Donors: The proposed project is strongly supportive of the Government of Zaire's medium-term strategy. It is essential that Zaire's domestic agriculture revive quickly and sustain output of a wide variety of foodstuffs in order to lessen import dependence and to dampen price inflation. The project will be financed solely by A.I.D. and the GOZ. A number of other donors are providing similar program assistance.

Beneficiaries: Initially employees and entrepreneurs in the agricultural sector, particularly those in agro-industrial activities, would benefit in Zaire. Also U.S. manufacturers would benefit in the United States. By concentrating USAID's limited resources on target sectors and projects, the potential development impact of project assistance on beneficiaries is increased. Secondly, the GOZ (through enhanced tax receipts), local business and their employees, farmers, shippers, and consumers in Zaire would benefit from greater and more efficient production of goods for the domestic market. Finally, U.S. commercial interests should benefit in the long run from continued utilization of U.S. technology (embodied in products and processes) in the Zairian market.

AFRICA

SOUTHERN AFRICA PROGRAM



SOUTHERN AFRICA OVERVIEW

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	21,800	-	-	-	-	-	21,800	-
Grants ....	128,102	11,473	-	5,169	12,971	-	98,489	-
Total ....	149,902	11,473	-	5,169	12,971	-	120,289	-
1983								
Loans ....	47,000	2,000	-	-	-	-	A/ 45,000	-
Grants ....	94,518	9,396	40	4,341	10,741	-	70,000	-
Total ....	141,518	11,396	40	4,341	10,741	-	115,000	-
1984								
Loans ....	53,000	2,000	-	-	-	-	51,000	-
Grants ....	120,200	13,506	-	1,950	10,744	-	94,000	-
Total ....	173,200	15,506	-	1,950	10,744	-	145,000	-

A/ Includes \$15 million supplemental

Political Overview

The southern Africa region is characterized by great political diversity, counter-poised by a degree of economic interdependence that makes pragmatism the operative approach to solving the region's economic and political problems. The region includes that portion of the Africa sub-continent stretching from oil-endowed Angola on the Atlanta Ocean to Mozambique on the Indian Ocean. It encompasses Namibia, the Republic of South Africa on the Cape of Good Hope and six land-locked countries: Zimbabwe, Zambia, Malawi, Botswana, Lesotho and Swaziland. The region has been in political transition from colonial and minority rule to majority rule for several years.

The recognition that conflicts, both internal and external, tend to have cross-border impacts has led to informal regional political entities such as the Front-Line States. The West is working with this group to

**FY 84 PROGRAM HIGHLIGHTS**

- Economic Support Funds for Zimbabwe (\$75 million), Zambia (\$20 million), Botswana (\$10 million), and southern Africa regional projects (\$40 million).
- Southern Africa Regional Program addresses inter-country transportation, agriculture, manpower problems and support planning, private organizations and self-help.
- Development Assistance Funds for Lesotho (\$10.2 million), Swaziland (\$8.0 million), and Malawi (\$10.0 million).

develop peaceful solutions to the region's problems. The continued discord involving Namibia, Angola and South Africa is a fundamental concern of the other countries of the region and is the major cause of continued instability in the region. The land-locked countries must depend on their neighbors for access to the sea. Armed conflict in Angola and incessant strife in Mozambique limit access to their ports and increase reliance on South African ports. The attainment of majority rule in Zimbabwe, however, has substantially reduced the level of conflict in the region and lessened the accompanying economic burdens for many of Zimbabwe's neighbors. Furthermore, the pragmatic policies of the new Zimbabwe government and its balanced position on key regional issues reflect positively on the value of cooperation and accommodation in the pursuit of peace and economic prosperity in the region.

In addition, the Southern Africa Development Coordination Conference (SADCC), which consists of the region's eight

## SOUTHERN AFRICA OVERVIEW

majority-ruled countries plus Tanzania, has been organized to foster cooperation in solving the economic and political problems of the region.

Thus, while political turbulence and economic differences are prevalent, the pragmatic attitudes and cooperative efforts in the region brighten prospects for regional progress. It is within the context of these geopolitical issues that the individual economies of the region are being shaped and the political profile of southern Africa is being delineated.

### Development Overview

All of the majority-ruled countries in southern Africa face varying degrees of serious development problems. The average per capita GNP of over \$400 of the region's population of almost 40 million people masks wide income disparities. Foreign exchange shortages constrain all of the economies, suggesting a need, *inter alia*, for greater emphasis on export sector development throughout the region. None has achieved self-sustaining growth; all rely heavily on external capital inflows. Netting out Angola and Zimbabwe because of unique political factors in 1979, external revenue sources accounted for 39.4% of total investment in Malawi, the lowest, to a high of 91.2% for Lesotho. These external inflows accounted for 6% of GDP in Mozambique, the low, up to 15.1% in Botswana. Of the group, only Swaziland had a greater per capita output of food, 109%, in 1979, than it did in the base period, 1969-1971. Malawi, Lesotho and Zambia, with neither gain nor loss, held their own. Angola, Botswana and Mozambique dropped to only 75% of per capita food production compared with the base period.

Throughout the region there is a great disparity in income and welfare between the traditional and the modern sectors of the economy. The starkest case is Zimbabwe where there is a modern economy that produces 95% of GDP, and income per capita is 28 times higher in the modern economy than in the traditional one. How to narrow this gap, while moving toward self-sustaining growth, remains the great challenge in the region. The problem is

political as well as economic. In some instances majority rule has created expectations which can neither be ignored nor accommodated. Efforts to manage economies toward equitable growth have met with mixed results. In some it has resulted in negative annual rates of investment. For example, in the period between 1970 and 1979, Angola posted a -9.0% rate; Mozambique, -8.4%; and Zambia, -5.6%. During the same period all three suffered reductions in per capita GDP and Angola suffered a negative annual growth rate of -2.1% per annum in the aggregate GNP. While some of this can be ascribed to the political and military turbulence in the region, inadequate management of the economy must be held accountable for a large portion of this poor performance. Zimbabwe, though still in a very early and sensitive stage of independence, has had a measure of success in initiating policies that seek to bridge the gap between the two economies and maintain economic growth.

On the other hand, during the same period gross domestic investment grew annually by 24.4% in Lesotho, 13.3% in Swaziland, 5.6% in Botswana and 2.3% in Malawi. This resulted in GDP growth of 9.1% in Botswana, 7.2% in Swaziland, 6.0% in Lesotho and 2.9% in Malawi. High population growth rates ranging from 2.4% in Lesotho to 3.4% in Zimbabwe threaten, however, to overwhelm the growth that is taking place.

Civil strife and disinvestment have taken their toll in other ways. The transportation system in particular has deteriorated and become fragile and overburdened. As a result, rail access to ports in Angola has ceased, while routes leading to Mozambique's ports of Beira, Ncala and Maputo can be reached only with difficulty. Tanzania's ports are equally burdened and inaccessible and thus offer no viable alternate routing. This had led to an inordinate dependence on the rail facilities and ports of South Africa, posing problems on two levels: (1) the longer routes to South African ports raise the cost of imports and exports; and (2) it reinforces South Africa's influence over the other countries of the region.

Throughout the region the lack of adequate skilled and

## SOUTHERN AFRICA OVERVIEW

managerial manpower remains a serious constraint to development. Secondary school enrollment is less than 5% of school-age population. This often leads to recruitment of expatriates to fill the gap, with further increases in cost and drain on foreign exchange.

Generally, agricultural levels have not met expectations. As observed earlier, only Swaziland was able to increase its 1979 per capita food output over the 1969-1971 base period. In 1981, only Zimbabwe produced a surplus for export. Annual per capita growth rates for agricultural production for that period are: Zimbabwe, -1.6%; Zambia, -1.5%; Mozambique, -6.0%; and Angola, -9.9%.

For a number of reasons, throughout the region commerce and industry are operating at less than optimum levels. In some areas, government control, inefficient parastatal industries and unsound monetary and fiscal policies have stifled or suppressed a good deal of the private sector. In other areas, lack of adequate credit, money markets, relevant manpower and infrastructure have become a serious constraint. In all of these countries the markets are relatively small and often do not allow for economies of scale.

In recognition of these problems, the Southern Africa Development Coordination Conference has established working groups to seek solutions to some of the region's most pressing problems, such as transportation, agriculture and food security, manpower and industrial development. These are addressed on a national and regional basis by bilateral and regional aid programs, respectively.

### U.S. Interests and Strategy

U.S. interests in the region are strategic, economic and political. Southern Africa is the source of strategic metals and minerals, in addition to possessing substantial energy resources. The former include copper, asbestos, chrome, diamonds, cobalt and coal. Direct U.S. investment of \$2.5 billion in southern Africa provides a

large and growing market for U.S. goods and services.

U.S. objectives remain unchanged from previous years. They are: (1) further consolidation of the promising gains of the Government of Zimbabwe; (2) promotion of early independence in Namibia and peaceful change in South Africa; (3) continued Western access to the minerals and raw materials in the region; (4) support for policies leading to equitable, self-sustaining growth; and (5) support of the development of the private sector and its role in the economies of the region.

In pursuit of these objectives, A.I.D. has established six offices in the region to plan and manage bilateral aid; in addition, A.I.D. has assigned a Regional Development Officer to USAID/Zimbabwe. This officer will coordinate U.S. assistance to economic development activities that are regional in scope. The United States has supported the activities of SADCC and views it as an appropriate forum for a cooperative assault on the region's cross-border problems. Bilaterally, A.I.D. continues to support rural agricultural projects to upgrade the traditional sectors. These are complemented by manpower training projects, assistance in health and population, food and program aid.

### The Proposed Program

Economic Support Funds totalling \$145.0 million are requested for the activities indicated in the following countries:

Botswana: (\$10.0 million) \$4.129 million for agriculture and rural development; and \$4.871 million for education and human resource development; and \$1.0 million for village development.

Zambia: (\$20.00 million) \$16 million for a commodity import program to provide agricultural commodities; \$4.0 million for technical assistance in agricultural research, planning and extension. A \$7.0 million P.L. 480 Title I/III program is proposed.

## SOUTHERN AFRICA OVERVIEW

Zimbabwe: (\$75.0 million) Commodity Import Program to reduce budget deficit while assisting the private sector - \$35 million; rural development assisting small farmers - \$15 million; human resources development, expanding formal, non-formal education and training programs as well as providing U.S. training and technical assistance - \$19 million; population assistance, expanding the existing Zimbabwean population program - \$3.3 million; mobilization and support of Zimbabwean Private Voluntary Organizations - \$2.7 million.

Regional: (\$40.0 million) \$14.2 million for regional transportation support; \$5.5 million for agricultural and livestock development; \$3.5 million for manpower development; \$6.725 million for training for educationally disadvantaged South Africans through the U.S. Scholarship Program and through in-country training activities; \$4.5 million in support of private enterprise development; \$2.0 million for technology/development information transfer; \$1.0 million for PVOs working on basic human needs; \$750,000 for local self-help projects; \$1.725 million for program management, planning and development; and \$100,000 for human rights activities.

Development Assistance Funds totalling \$28.2 million are requested for activities as indicated in the following countries:

Lesotho: (\$10.2 million) \$1.5 million for agriculture planning, research, conservation and land resource development; \$6.750 million for vocational, technical and managerial training and material and curriculum development; \$1.950 million for health manpower training and rural water and sanitation.

Malawi: (\$10.0 million) \$10 million for agricultural research and extension training.

Swaziland: (\$8.0 million) \$2.0 million for pilot small farmer irrigation; \$1.5 million for teacher training; \$2.494 for manpower development and training; and \$2.006 million for rural development, cropping systems, research and extension training.



FY84 LP ECONOMIC AND SOCIAL DATA

COUNTRY: BSWANA

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS, MID 1982)		475		MAJOR EXPORTS... (1981)	DIAMONDS CATTLE		
PER CAPITA GNP..... (DOLLARS, 1981)		900		EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-76)	6.0%			(\$ MILLIONS, US, FOB) (1979)	55	(1980)	81 (1981) 122
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	2.4% (1970-77)	10.4%		AS % OF TOTAL EXPORTS (1979)	13%	(1980)	N.A. (1981) N.A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..		N.A.		MAJOR IMPORTS... (1981)	FOODSTUFFS MOTOR VEHICLE TEXTILES		
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 50.5 MALE 48.8 FEMALE 52.2				(\$ MILLIONS, US, CIF) (1979)	6	(1980)	7 (1981) 7
(1968) TOTAL 41.0 MALE 39.4 FEMALE 42.0				AS % OF TOTAL IMPORTS (1979)	1%	(1980)	1% (1981) N.A.
ADULT LITERACY RATE (1975) TOTAL 35% MALE N.A. FEMALE N.A.				TRADE BALANCE(\$ MILLIONS, U.S.)(1977)	-96(78)	-151(79)	-80
(1964) TOTAL 35% MALE 30% FEMALE 35%				MAIN TRADING PARTNERS: UNITED STATES UNITED KINGDOM ZIMBABWE			
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP N.A.			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
N.A.				(\$ MILLIONS, U.S.)..... (1977)			0
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	12%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1981)			1.9%
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)				*SOCIAL DATA*			
MAJOR CROPS)				POPULATION GROWTH RATE... (1970)	2.0%	(1975)	4.1% (1982) 4.6%
SUBSISTENCE: SORGHUM LIVESTOCK		ARABLE LAND YEAR		POPULATION IN URBAN AREAS..... (1969)	74	(1981)	104
CASH: CATTLE CORN PULSES		13% (1981)		LIVE BIRTHS PER 1,000 POPULATION..... (1970)	51	(1982)	51
MAJOR AGRICULTURAL EXPORTS: (1981) BEEF & VEAL HIDES & SKINS		6% (1981)		MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.		(1976)	84
MAJOR AGRICULTURAL IMPORTS: (1981) CORN WHEAT SUGAR				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1979)	86%			(0-14YRS) 49.6% (15-64YRS) 47.8% (65+ YRS) 2.6%			
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)			
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1975)	9,236		
(1977) 187 (78)	208	(79)	313	MAJOR CAUSES OF DISEASE (1975) RESPIRATORY GASTROINTESTINAL			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DEATHS.. (1978) TUBERCULOSIS MEASLES NATAL DISEASES			
(1977) 193 (78)	233	(79)	293	PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1974)			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1975)			
(1977) -6 (78)	-25	(79)	20	45%			
DEFENSE EXPENDITURES,				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
AS % OF TOTAL EXPENDITURES.. (1978) 7.7% (79) 9.7% (80) 6.4%				PRIMARY..... (1979) TOTAL 53.0% MALE 84.0% FEMALE 103.0%			
AS % OF GNP..... (1978) 4.4% (79) 4.8% (80) 3.4%				SECONDARY..... (1979) TOTAL 20.0% MALE 19.0% FEMALE 22.0%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				POST SECONDARY.. (1978) TOTAL 1.2% MALE 1.7% FEMALE .9%			
(\$ MILLIONS, U.S.) (1974) 267 (80) 344 (81) 253				ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.			
EQUIVALENT TO 6.0 MONTHS OF IMPORTS (1980)							

Main Trading Partners: Countries shown are main partners according to IMF data. According to Mission data, last year's major partners were South Africa, Switzerland, and the U. S.

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

COUNTRY	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
	BOTSWANA							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	3.7	19.4	17.9	19.4	17.6	136.2	3.0	133.2
Loans	-	-	-	-	-	16.7	3.0	13.7
Grants	3.7	19.4	17.9	19.4	17.6	119.5	-	119.5
<b>a. A.I.D. and Predecessor Agencies</b>	-	13.2	14.0	13.0	10.9	70.3	3.0	67.3
Loans	-	-	-	-	-	16.7	3.0	13.7
Grants	-	13.2	14.0	13.0	10.9	53.6	-	53.6
(Economic Support Fund)	-	13.2	14.1	13.0	10.9	50.2	-	50.2
<b>b. Food for Peace (PL 480)</b>	2.5	3.0	2.0	5.1	5.4	53.6	-	53.6
Loans	-	-	-	-	-	-	-	-
Grants	2.5	3.0	2.0	5.1	5.4	53.6	-	53.6
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	2.5	3.0	2.6	5.1	5.4	53.6	-	53.6
Emerg. Relief, Econ. Develop. & World Food Program	2.5	3.0	2.6	5.1	5.4	53.6	-	53.6
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
<b>c. Other Economic Assistance</b>	1.2	1.2	1.3	1.2	1.3	12.3	-	12.3
Loans	-	-	-	-	-	-	-	-
Grants	1.2	1.2	1.3	1.2	1.3	12.3	-	12.3
Peace Corps	1.2	1.2	1.3	1.2	1.3	12.3	-	12.3
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE - TOTAL</b>	-	-	-	0.1	0.5	0.6	-	0.6
Credits or Loans	-	-	-	-	0.5	0.5	-	0.5
Grants	-	-	-	0.1	*	0.1	-	0.1
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	0.5	0.5	-	0.5
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	0.1	*	0.1	-	0.1
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	3.7	19.4	17.9	19.4	18.1	136.8	3.0	133.8
Loans	-	-	-	-	0.5	17.2	3.0	14.2
Grants	3.7	19.4	17.9	19.4	17.6	119.6	-	119.6
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	17.9	33.5	27.2
IBRD	14.4	17.0	20.0	142.7
IFC	0.0	0.0	0.0	0.4
IDA	0.0	0.0	0.0	15.9
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	1.7	9.7	7.2	31.3
UNDP	1.2	2.3	0.0	13.7
OTHER-UN	0.6	0.0	0.0	2.3
EEC	0.0	6.5	0.0	6.5
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	12.0	14.0	46.0	
Sweden	13.2	15.1	72.8	
U.K.	20.6	16.6	72.5	
Germany	14.9	15.0	65.3	
Norway	12.8	8.8	44.9	
Other	13.7	9.9	77.6	
Total	87.2	79.4	379.1	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	-	-	-	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	-	
Eastern Europe	-	-	-	
China	-	-	15	
Total	-	-	15	

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ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	10.9	10.0	10.0

FY 84 PROGRAM HIGHLIGHTS
-Emphasis on workforce development and creation of rural employment opportunities
-Participant training and technical assistance, \$3.2 million;
-Teacher training and new primary education program at University of Botswana, \$1.7 M;
-Development and extension of farming systems recommendations, \$2.6 million;
-Development of rural non-farm production and income generating activities, \$1.5 M;
-Development of major villages, \$1.0 M

Development Overview

The Republic of Botswana occupies 582,000 square kilometers and is inhabited by an estimated 975,000 people.\* The population is characterized by a 3.4% annual growth rate, a high proportion of young people (under 15) and a high female:male ratio due to male emigration. Urbanization is considerable with an estimated ten year urban population increase of 177%. Eighty percent of the population resides in the arable eastern region of the country. While less than 5% of the country's land is cultivable, a much larger percentage is suitable for grazing, as reflected by cattle estimated at 3,000,000 head.

Botswana in 1982 bears little resemblance to Bechuanaland Protectorate at Independence in 1966. Per capita Gross Domestic Product (GDP) has risen from \$70 at Independence to a 1982 per capita GDP of \$900. Primary school enrollment has risen from 71,000 to 186,000; secondary school enrollment, from 1500 to 21,000. Life expectancy has reached 51 years, infant mortality is 97/100 and adult literacy is 35%.

\* The citizens of the country are called Batswana.

To achieve its objectives of rapid economic growth, social justice, economic independence and sustained development, the Government of Botswana (GOB) depends on investments from capital intensive mining. The returns from these activities are utilized to improve the living standards of the general population. Partly because of the volatility of mining revenues, the government has placed a portion of the revenues into a stabilization fund. This was tapped when revenues began to decline in 1981. To further control an increasing government and balance of payments deficit, the 1982/83 recurrent budget was cut by 10%; development spending was reduced by 12%; a select sales tax was instituted; the currency was devalued by 10%; interest rates were raised; and commercial banks restrained their loans. The result is a budget under control and a manageable balance of payments deficit.

Two major constraints explain Botswana's level of development: regional economics and physiographic



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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	181	-	-
Grants.....	12,648	18,917	13,325
<b>Total AID</b> .....	<b>12,829</b>	<b>18,917</b>	<b>13,325</b>
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	3,011	1,867	4,303
<b>Total P.L. 480</b> .....	<b>3,011</b>	<b>1,867</b>	<b>4,303</b>
<b>Total AID and P.L. 480</b> .....	<b>15,840</b>	<b>20,784</b>	<b>17,628</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	10	12	11
PASA <sup>c</sup> .....	4	2	2
Contract.....	25	31	29
<b>Total</b> .....	<b>39</b>	<b>45</b>	<b>42</b>
<b>Participants <sup>d</sup></b>			
Noncontract.....	50	45	33
Contract.....	137	47	42
<b>Total</b> .....	<b>187</b>	<b>92</b>	<b>75</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total</b> .....	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies.....	-	-	-	-	-	-
World Food Programs	2,102	-	1,867	-	4,303	-
Gov't-to-Gov't.....	909	-	-	-	-	-
<b>Title II Total</b> .....	<b>3,011</b>	<b>-</b>	<b>1,867</b>	<b>-</b>	<b>4,303</b>	<b>-</b>
<b>Total P.L. 480</b> .....	<b>3,011</b>	<b>-</b>	<b>1,867</b>	<b>-</b>	<b>4,303</b>	<b>-</b>

limitations. Socio-economic conditions are adaptations of these conditions.

South Africa dominates regional economics and Botswana's linkages to that country are strong. Thirty-seven percent of total tax revenue comes from the Southern African Customs Union in which South Africa controls the terms and the rates. South Africa accounts for 88% of Botswana's imports and 15% of her exports. Thirty-six percent of total modern sector jobs held by Botswana are located in South Africa, primarily in the mining industry. The South African companies DeBeers and Anglo-American have significant equity positions and managerial influence in Botswana's diamond, coal and copper-nickel production.

In semi-arid Botswana approximately two-thirds of the land area is the Kalahari Desert. A scant and capricious rainfall, high temperatures and soils with low water retentive capacity render agricultural productivity marginal. In years of moderate rainfall, average annual food grain production is between 45,000 and 55,000 metric

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tons (MT) compared to a total consumption of approximately 120,000 MT.

The majority of the households in Botswana subsist by combining agro-pastoralism with wage labor. However, only 9% of all cattle owners can live from an exclusive cattle income and 12% of rural cattle owners own 50% of the cattle by value. Similarly, 90% of rural households produce insufficient harvests for subsistence. Low agricultural returns make farming unattractive in comparison with wage income from Botswana towns and from South Africa where the wage differential can be three times greater. The 6,000 new jobs created per annum compare unfavorably with the 17,000 people who are added to the labor force annually. The educational quality of the labor force is unbalanced, with fewer adequately educated people entering the work force than are required to fill positions.

Only 20% of the labor force with no education are wage-employed, compared to 49% of those with secondary schooling. Each extra year of schooling raises the chances of being employed by about 2 percentage points. The educational imbalance between the work force and work opportunities will be increased by the changes in recruitment policy of South African mining companies, which have reduced the number of Botswana recruited.

Government livestock and arable lands policies which are designed to help the poor have had mixed success. The Financial Assistance Program provides an extensive package of incentives for business development, and while promising, is not fully underway. The Fifth National Development Plan emphasizes employment creation to address the shortage of job opportunities within the country.

### Total Resources

Botswana's mining sector is instrumental in the country's development. In 1980/81 mineral revenues equaled 38% of total government revenue. Due to the depressed diamond

market, the 1982/83 revised budget estimates that only 26% will come from this source. The mining sector directly employs 9% of the 85,000 modern sector labor force and indirectly generates employment for another 14%. In 1981 mining represented 18% of the GDP.

The third largest producer of diamonds in the world, Botswana received approximately 75% of the profits from diamond mining. The share of total exports represented by diamonds rose from 24% in 1976 to 61% in 1980, but fell to 37% in 1981 due to reductions in sales. The 1982 opening of the Jwaneng mine, combined with a slight increase in prices, will augment exports by approximately 10%. Copper-nickel production has increased from 39,823 MT in 1979 to 46,566 MT in 1981, but falling prices have led to reductions in export revenues. Coal is the largest known mineral resource with reserves estimated at 17 billion MT. Only 380,000 MT were extracted in 1981. Shell Coal is investigating the feasibility of exporting up to 15 million MT per year.

Livestock represents approximately 20% of Botswana's annual export revenues. The national herd is estimated at 3 million head and over 200,000 were slaughtered in 1981, primarily for export to the European Economic Community. The contribution of cattle to the GDP fluctuates due to outbreaks of hoof and mouth disease and periodic droughts.

The manufacturing sector in the country, while expanding, contributes less than 5% of GDP.

Recurrent spending has grown from \$24 million in 1975/76 to \$215 million in 1982/83. Capital spending increased from \$41 million to \$129 million during the same period. Domestic revenues have covered the recurrent budget since 1972. During the last four years the overall government deficit, including capital spending, has grown from \$12 million to an estimated \$109 million in 1982/83. The deficit was originally \$160 million but spending cuts and new taxes were imposed. The shortfall will be financed through \$35 million in grants, net international

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borrowings of \$46 million, and from the GOB's Revenue Stabilization Fund. At the end of 1981 the ratio of debt servicing to total government spending was under 3%, as was the ratio of debt servicing to exports. In June 1982 the country had sufficient foreign exchange to cover nearly 6 months of imports.

This year's budget includes an additional \$4.6 million which is designated to help establish new businesses in Botswana through a comprehensive set of employment training and investment incentives.

Botswana effectively utilizes aid resources. The government controls spending and will only undertake projects when it can meet the recurrent obligations. In accordance with national developmental expenditure priorities, donor assistance was focused primarily on education and agriculture during 1981/82. Along with the United States, major bilateral donors include West Germany (\$13.4 million), the United Kingdom (\$12.5 million), Sweden (\$11.1 million), Norway (\$7 million, Canada (\$3 million), and the Netherlands (\$2 million). The United Nations provides \$2.3 million in grant funds through the Development Program and \$10 million through various specialized agencies. Loans total \$10.4 million from the International Bank for Reconstruction and Development and smaller amounts from the European Economic Community and Organization of Petroleum Exporting Countries.

### U.S. Interests and Objectives

The United States is interested in promoting political stability and economic development in this strategically important region of southern Africa. Botswana, a member of the "Front-Line States", has been a moderating influence in attempts to work out peaceful solutions to problems of achieving majority rule within the region, particularly in Zimbabwe and Namibia. Botswana's pragmatic economic policies, free market economy, political stability and excellent human rights record illustrates adherence to principles of democracy.

The GOB has consistently demonstrated its willingness to assist the United States, as evidenced by the construction in Botswana of the NASA ground-tracking station and the construction of a major Voice of America transmitter.

United States economic interests in Botswana are increasing. The American-owned AMAX Corporation is a partner in copper and nickel mining near Selebi-Phikwe. ESSO is interested in petroleum exploration. Other United States firms are studying the feasibility of developing coal and soda ash deposits. Botswana is also a potential export market for United States products and technology.

It is in the interest of the United States that Botswana remains democratic, politically stable, economically sound and favorably disposed towards the United States. Botswana's short-term economic difficulties, increasing population and growing unemployment, particularly in urban areas, are forces which could disrupt Botswana's internal equilibrium as well as the balance she maintains with her politically varied neighbors. A.I.D.'s program objectives are to generate employment, train people, develop the rural areas to stem urban migration and generally improve the quality of life for Botswana.

### A.I.D. Assistance Strategy

A.I.D.'s assistance strategy is directed towards: (1) workforce training, and (2) employment creation. The nature of A.I.D.'s project portfolio is such, however, that indirect benefits will accrue to other areas such as agriculture, rural development, and private enterprise.

As illustrated, Botswana is a country with considerable potential for economic growth and development, but is presently confronted with growing unemployment, low agricultural productivity, lack of rural employment opportunities and shortage of skilled labor. Although the GOB is committed to free enterprise and actively encourages private initiative and investment to enhance economic growth, a dearth of investment capital for

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indigenous entrepreneurs is an obstacle to private enterprise.

A.I.D. projects such as the Botswana Agricultural College Expansion (633-0074), Agricultural Planning Project (633-0067), Rural Sector Grant (633-0077) and the Agricultural Technology Improvement Project (633-0221) promote technology transfer, support an institutional system for the development of viable economic opportunities in the rural areas and will increase agricultural productivity. While environmental factors are associated with chronically low agricultural productivity, wage-labor migration from rural to urban areas, severely affects the productivity of certain types of agricultural units. The goal of these projects is to assist in providing economic incentives to induce labor to remain in rural areas and to indirectly promote the investments of greater proportions of time and capital in agriculture and rural enterprise.

A.I.D.'s strategy of improving workforce capability is illustrated by the Primary Education Improvement Project (633-0222), the new Botswana Workforce and Skills Training Project (633-0231) and the Southern Africa Manpower Development Project (633-0069) which encompass basic educational development activities and higher skills transfer.

Certain projects specifically strengthen the indigenous private sector. The proposed loan to the National Development Bank (633-0240) will alleviate the shortage of investment capital. Other private sector inroads include the Rural Industrial Officers' small project fund under the Rural Sector Grant (633-0077), the grant to Partnership for Productivity and a portion of the Workforce and Skills Training Project (633-0231).

### A.I.D. Program (FY 1982/1983)

A.I.D.'s program developments during FY 82 included: the authorization of a \$14.6 million grant for the Botswana Workforce and Skills Training Project; the authorization of a \$15 million Housing Investment Guaranty (HIG) loan;

and the signing of a grant for Small Enterprise Development Project (633-0228). The Range Management and Livestock Development (633-0015); Botswana Crop Production (633-0056); National Migration Study (633-0095); Rural Enterprise Extension Service (633-0212); and Improved Rural Technology (698-407) projects were completed. Six projects are scheduled for completion during FY 83; no new projects will be initiated. It is A.I.D.'s intent to reduce the project portfolio, while maintaining the same budget level, to enhance program and management efficiency.

The Agriculture and Rural Development program supports four major institutional projects. Agricultural Technology Improvement Project (633-0221) develops technology appropriate for small farmers, improves the extension service and ensures that an adequate supply of seeds is available for distribution. The Botswana Agricultural College Expansion Project (633-0074) establishes a localized training institution for junior and intermediate level agricultural personnel who will form the nucleus of the extension service and will assume positions in agriculture research, planning, credit, marketing and other service organizations upon graduation. Fourteen Botswana are receiving long term training under this project; certificate enrollment has doubled and 50 Botswana are enrolled in the Diploma program. Agricultural Planning Project (633-0067) develops the economic data reporting capacity of the Ministry of Agriculture. The Rural Sector Grant (633-0077) develops and implements strategies to provide rural Botswana with increased access to productive employment. All of the sub-projects financed under the grant either have direct impact on production and incomes or address broad constraints that must be overcome before production increasing interventions can be undertaken. Sub-projects relate to land use planning, small scale agricultural production and non-farm employment opportunities. A February 1982 independent evaluation concluded that the "Rural Sector Grant is a project mechanism well suited to the system and requirements of the GOB."

In Education and Human Resources Development, a 1981 external evaluation of the Southern Africa Manpower Development Project (SAMDP) (633-0069) concluded that "...the project met or exceeded all GOB/A.I.D. objectives; the SAMDP was contributing to GOB and A.I.D. training and localization objectives; the project was cost effective and had full GOB support; and there clearly was a need for a follow-on project." To date, 109 participants have completed training and 124 more are currently enrolled in health, agriculture, education, public administration, and rural/urban development related disciplines. A total of 31 long-term U.S. technicians have been provided to fill key GOB positions vacated by personnel released for training. The Botswana Workforce and Skills Training Project (633-0231) was authorized in FY 1982 in response to the recognized success of SAMDP. Modeled after SAMDP, the new project focuses on the personnel requirements of ministries active in generating employment opportunities. A private sector component is included in this project.

Teacher training and the need to improve and upgrade instruction and supervision in the primary education system are addressed in the Primary Education Improvement Project (633-0222). Project implementation is on schedule as evidenced by the establishment of a Department of Primary Education and the approval of Degree and Diploma programs.

Transportation and housing activities financed by A.I.D. support infrastructure development. The Botswana-Zambia Road Project (633-0072) is paving a major gravel road which was originally financed by A.I.D. in 1972. Ninety kilometers, out of a total of 300, have been paved. The Transport Sector I Project (633-0073), through the provision of heavy equipment, trained personnel and a cost accounting system, has resulted in significant improvements in road maintenance throughout the country.

The newly authorized Housing Investment Guaranty II will follow the successful Housing Investment Guaranty I, which will be completed during FY 83. HIG II will finance infrastructure, community facilities and provide

building material loans for 3,000 site and service plots in Gaborone West intended for below median income households. As a stimulus for private enterprise initiatives, the new project will provide supplemental loans on a market basis to individuals holding plots who wish to expand their homes, and will provide financing for commercial facilities which will be rented to small entrepreneurs.

Private Sector development is directly promoted by the Small Enterprise Development Project (633-0228), which provides business advisory services to small scale entrepreneurs. Many previously described projects have private sector components; additional projects include the regionally funded Rural Industries Innovation Center Sorghum Mills Project and the Building Materials Production Project. The proposed loan to the National Development Bank is similarly expected to stimulate private enterprise.

Other selected development activities and regionally funded projects include the Renewable Energy Technology Project (633-0209), which is introducing low cost renewable energy technology; the Health Services Project (633-0078), which has undergone a redesign in response to implementation issues; the Environmental Sanitation and Protection Project (633-0084); the Horticultural Development Project (633-0215); and the African Manpower Development Project (633-0069). The United States responded to a request from the GOB for drought relief assistance during 1982 by providing financing for a well drilling rig and increasing provisions within the PL 480 Title II program.

Requested Year Program (FY 1984)

A total of \$10 million is requested for the FY 1984 program.

Nine million dollars are required for continuing activities: Agriculture and Rural Development requires \$1.5 million for the Rural Sector Grant (633-0077) and \$2.629 million for Agricultural Technology Improvement

BOTSWANA

(633-0221). Education and Human Resources Development activities need \$1.629 million for the Primary Education Improvement (633-0222) and \$3.242 million for the Botswana Workforce and Skills Training Project (633-0231).

The proposed infrastructure development Major Villages Project (633-0230) will be initiated and constitutes the balance of the FY 1984 requirement. This Project will enhance the economic viability of select villages and consequently stem the flow of migrants into the towns.

MISSION DIRECTOR, Paul Guedet

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

PROGRAM: BOTSWANA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION										
RANGE MANAGEMENT AND LIVESTOCK DEV	G 633-0015	73	80	1,231	1,231	1,231	990	---	241	---
BOTSWANA CROP PRODUCTION	G 633-0056	TQ	79	758	758	758	609	---	149	---
AGRICULTURAL PLANNING	G 633-0067	78	82	973	973	973	766	---	207	---
TOTAL FOR ACCOUNT GRANTS				2,962	2,962	2,962	2,365	---	597	---
LOANS				---	---	---	---	---	---	---
HEALTH										
ENVIRONMENTAL SANITATION	G 633-0034	79	79	499	499	499	276	---	223	---
TOTAL FOR ACCOUNT GRANTS				499	499	499	276	---	223	---
LOANS				---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND										
RANGE MANAGEMENT AND LIVESTOCK DEV	G 633-0015	73	80	1,572	1,572	1,572	1,389	---	183	---
SOUTHERN AFRICA DEV PERSONNEL AND TRNG	G 633-0030	73	77	1,103	1,103	928	769	---	159	---
BOTSWANA CROP PRODUCTION	G 633-0056	TQ	79	984	984	984	873	---	111	---
AGRICULTURAL PLANNING	G 633-0067	78	82	2,661	2,661	2,661	1,161	---	875	625
SOUTHERN AFRICA MANPOWER DEVELOPMENT	G 633-0069	78	82	8,203	8,203	8,203	3,922	---	4,281	---
BOTSWANA-ZAMBIA ROAD	G 633-0072	77	82	508	508	508	---	---	508	---
TRANSPORT SECTOR I	G 633-0073	79	79	6,000	6,000	6,000	5,352	---	648	---
AGRICULTURE COLLEGE EXPANSION	G 633-0074	78	83	8,649	8,399	7,930	5,502	469	1,300	650
RURAL SECTOR GRANT (PC)	G 633-0077	80	86	3,780	10,780	3,780	1,381	1,100	1,400	1,500
HEALTH SERVICES DEVELOPMENT	G 633-0078	78	86	4,785	4,785	4,785	1,601	---	1,200	1,300

\* Refers to the planned project summary sheet

C Level of effort activity

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FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: BOTSWANA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES	
SELF HELP HOUSING DEVELOPMENT (PVO)	G 633-0092	77	82	826	826	326	713	---	113	---	---
NATIONAL MIGRATION STUDY	G 633-0095	77	80	300	300	300	201	---	99	---	---
RENEWABLE ENERGY TECHNOLOGY	G 633-0209	80	82	3,304	3,304	3,304	590	---	1,200	---	800
HORTICULTURAL DEVELOPMENT (PVO)	G 633-0215	78	81	233	233	233	90	---	143	---	---
AGRICULTURAL TECHNOLOGY IMPROVEMENT	G 633-0221	81	85	9,180	9,180	3,059	116	2,049	1,200	2,629	2,200
PRIMARY EDUCATION IMPROVEMENT	G 633-0222	81	85	7,293	7,293	3,123	1,205	1,360	1,800	1,629	1,700
SMALL ENTERPRISE DEVELOPMENT (PVO)	G 633-0228	82	82	452	452	452	---	---	452	---	---
MAJOR VILLAGES	* G 633-0230	84	89	---	10,000	---	---	---	1,000	---	100
BOTSWANA WORKFORCE AND SKILLS TRAINING	G 633-0231	82	86	14,558	14,558	200	---	4,372	1,200	3,242	4,000
GABORONE WEST HOUSING AND FACILITIES	G 633-0238	83	83	650	650	---	---	650	300	---	350
TOTAL FOR ACCOUNT GRANTS				75,041	91,791	48,348	24,865	10,000	17,172	10,000	13,325
LOANS				75,041	91,791	48,348	24,865	10,000	17,172	10,000	13,325
				---	---	---	---	---	---	---	---
SECURITY SUPPORTING ASSISTANCE											
MATERNAL CHILD HEALTH / FP	G 633-0032	72	79	374	374	269	181	---	88	---	---
AGRICULTURAL PLANNING	G 633-0067	78	82	1,145	1,145	1,145	1,036	---	109	---	---
SOUTHERN AFRICA MANPOWER DEVELOPMENT	G 633-0069	78	82	1,767	1,767	1,767	1,449	---	318	---	---
BOTSWANA-ZAMBIA ROAD	G 633-0072	77	82	1,500	1,500	1,500	1,090	---	410	---	---
TOTAL FOR ACCOUNT GRANTS				4,786	4,786	4,681	3,756	---	925	---	---
LOANS				4,786	4,786	4,681	3,756	---	925	---	---
				---	---	---	---	---	---	---	---

\* Refers to the planned project summary sheet

C Level of effort activity

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FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



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

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02/10/83

PROGRAM: BOTSWANA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82-		-ESTIMATED FY83-		-PROPOSED FY84-	
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES
TOTAL FOR COUNTRY			83,288	100,038	56,990	31,262	10,000	18,917	10,000	13,325
GRANTS			83,288	100,038	56,990	31,262	10,000	18,917	10,000	13,325
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Major Village Development		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
		ESF			FY 84 1,000	LIFE OF PROJECT FUNDING:	10,000
NUMBER GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 89	ESTIMATED COMPLETION DATE OF PROJECT FY 90

Project Purpose: To increase the GOB's capacity to provide private enterprise development programs for upgrading major villages.

Project Background: A recent study indicated that Botswana needed to create approximately 17,000 new jobs to absorb (a) natural population increase and (b) miners no longer finding work in South Africa. About 6,000 jobs have been created annually in Botswana's recent past. As discussed in the FY 1983 Botswana CDSS, even under optimistic assumptions, the agriculture sector will only be able to absorb about 25% of incremental job expectations.

As part of a major program to slow the growth of Gaborone and increase employment opportunities, the GOB has finalized a financial assistance policy which, inter alia, is encouraging employment creation and infrastructural improvement in Botswana's major traditional "villages" (average size 20-50,000). Preliminary results of the A.I.D.-financed National Migration Study indicates that such a focus would (a) slow migration from these major villages to the towns and (b) provide alternate opportunities for small village residents who now migrate to South Africa for employment. Major villages can also become market centers for agricultural areas in their hinterland. Initial studies indicate that residents of major villages overwhelmingly desire upgraded infrastructure (improved site and service housing, water and sewage reticulation) and increased employment opportunities.

Project Description: The project will support activities in 1-2 major villages scheduled for upgrading under the GOB's Major Village Development Program. A.I.D. resources will be utilized to:

- (a) Provide technical assistance to both private and public agencies involved in major village upgrading;
- (b) Provide funds for training entrepreneurs in selected

private sector activities;

- (c) Improve basic water supply and infrastructure;
- (d) Provide facilities and credit for small entrepreneurs (especially agricultural and marketing services);
- (e) Establishment of Self-Help Housing Agencies; and
- (f) Encourage informal sector job creation.

Relationship of Project to A.I.D. Country Strategy: The project will focus on employment generation activities and complement the A.I.D. Rural Sector Grant project and other A.I.D. projects (e.g., Agricultural Technology Improvement, Botswana Workforce and Skills Training, Botswana Agricultural College) which support employment creation and training activities identified in the A.I.D. strategy.

Host Country and Other Donors: Aside from technical assistance and training, the GOB will finance other project inputs. In addition, the Canadian International Development Agency (CIDA) is presently funding initial studies for the first pilot village - Mahalapye. A.I.D. intends to collaborate with CIDA and other donors in the upgrading of this village and other major villages.

Beneficiaries: The project will benefit the inhabitants of 1-2 major villages and the village hinterlands. With the exception of a few elite families, these people can all be categorized as poor, with per capita income between \$100/300 per year.

Lesotho

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FYB4 CP ECONOMIC AND SOCIAL DATA

COUNTRY: LESOTHO

-----				-----			
*BASIC DATA*				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS, MID 1982)	1,395			MAJOR EXPORTS... (1981)	WOOL	WHEAT	
PER CAPITA GNP..... (DOLLARS, 1981)	540			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	6.1%			(\$ MILLIONS, US. FOB)		(1976)	1
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	2.5%	(1970-80)	11.6%	AS % OF TOTAL EXPORTS		(1976)	6%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	CORN	BUILDING MAT	CLOTHING
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 51.5 MALE 49.9 FEMALE 53.0				(\$ MILLIONS, US. CIF) (1979)	6	(1980)	9
(1968) TOTAL 43.5 MALE 41.9 FEMALE 45.1				AS % OF TOTAL IMPORTS	N.A.	(1981)	10
ADULT LITERACY RATE (1979)	TOTAL 55%	MALE N.A.	FEMALE N.A.	TRADE BALANCE (\$ MILLIONS, U.S.) (1976)	-190	(77)	-215
				(1978)			-241
				MAIN TRADING PARTNERS: UNITED STATES	GERMANY, FFD	UNITED KINGDOM	
				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	11.1%		
				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
				(\$ MILLIONS, U.S.)..... (1980)			4
				AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO).... (1979)			0.6%
				-----			
				*SOCIAL DATA*			
				-----			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE	N.A.			POPULATION GROWTH RATE... (1970)	2.2%	(1975)	2.2%
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	31%			(1982)	2.2%	(1982)	2.2%
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	124			POPULATION IN URBAN AREAS..... (1960)	1%	(1976)	3%
MAJOR CROP(S)				LIVE BIRTHS PER 1,000 POPULATION.... (1970)	39	(1982)	40
SUBSISTENCE: CORN LIVESTOCK SORGHUM		ARABLE LAND	YEAR	MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)			4%
CASH: WHEAT WOOL MOHAIR		55%	(1981)				
		9%	(1981)	POPULATION (1981) IN AGE GROUP:			
MAJOR AGRICULTURAL EXPORTS:(1981) WOOL MOHAIR CATTLE				(0-14YRS) 41.1%	(15-64YRS) 54.8%	(65+ YRS) 4.1%	
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT CORN SUGAR				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	114		
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	87%			PEOPLE PER PHYSICIAN..... (1977)	18,627		
				MAJOR CAUSES OF			
				DISEASE (1977) ENTERIC DISEASE GONORRHEA MEASLES			
				DEATH.. (1973) RESPIRATORY HEART DISEASE TUBERCULOSIS			
				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS (1977)	95%		
				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY (1975)	17%		
				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGF GROUP:			
				PRIMARY..... (1979) TOTAL 104.0%	MALE 84.0%	FFEMALE 123.0%	
				SECONDARY..... (1979) TOTAL 17.0%	MALE 13.0%	FFEMALE 20.0%	
				POST SECONDARY.. (1978) TOTAL 1.5%	MALE 1.2%	FFEMALE 1.8%	
				ENERGY PRODUCTION AS % OF CONSUMPTION.....			N.A.

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$MILLIONS, U.S.) (1977) 27 (80) 50 (81) 43 EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1977)

**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 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	LESO THO							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	5.7	10.4	13.7	18.9	24.9	103.8	-	103.8
Loans	-	-	-	-	-	-	-	-
Grants	5.7	10.4	13.7	18.9	24.9	103.8	-	103.8
<b>a. A.I.D. and Predecessor Agencies</b>	0.2	5.5	6.8	9.6	10.5	33.7	-	33.7
Loans	-	-	-	-	-	-	-	-
Grants	0.2	5.5	6.8	9.6	10.5	33.7	-	33.7
(Economic Support Fund)	-	5.5	-	-	-	5.5	-	-
<b>b. Food for Peace (PL 480)</b>	4.4	3.0	3.5	7.8	13.1	60.0	-	60.0
Loans	-	-	-	-	-	-	-	-
Grants	4.4	3.0	3.5	7.8	13.1	60.0	-	60.0
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	4.4	3.0	3.5	7.8	13.1	60.0	-	60.0
Emerg. Relief, Econ. Develop. & World Food Program	1.5	1.9	2.0	3.2	7.2	30.4	-	30.4
Voluntary Relief Agencies	2.9	1.7	3.5	4.6	5.9	29.6	-	29.6
<b>c. Other Economic Assistance</b>	1.1	1.3	1.4	1.3	1.3	10.1	-	10.1
Loans	-	-	-	-	-	-	-	-
Grants	1.1	1.3	1.4	1.3	1.3	10.1	-	10.1
Peace Corps	1.1	1.3	1.4	1.3	1.3	10.1	-	10.1
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	5.7	10.4	13.7	18.9	24.9	103.8	-	103.8
Loans	-	-	-	-	-	-	-	-
Grants	5.7	10.4	13.7	18.9	24.9	103.8	-	103.8
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

<b>A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS</b>				
	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL .....	19.6	2.0	8.6	128.4
IIRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	0.0	0.3
IDA	10.0	3.0	0.0	61.0
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
A FDB	7.4	0.0	8.6	43.3
UNDP	2.2	1.5	0.0	20.5
OTHER-UN	0.0	1.4	0.0	3.3
EEC	0.0	0.0	0.0	0.0
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	16.0	25.0	59.0	
U.K.	9.7	10.6	48.2	
Germany	18.3	11.8	39.2	
Canada	5.8	1.9	20.8	
Sweden	3.8	3.8	14.8	
Other	6.3	6.1	30.7	
Total	59.9	59.2	212.7	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	0.1	-	0.5	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1964-81	

LESOTHO

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	10,215	4,024	-	2,300	3,891	-	-	-
Total ....	10,215	4,024	-	2,300	3,891	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	10,361	4,861	40	2,553	2,907	-	-	-
Total ....	10,361	4,861	40	2,553	2,907	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	10,200	1,500	-	1,950	6,750	-	-	-
Total ....	10,200	1,500	-	1,950	6,750	-	-	-

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FY 84 PROGRAM HIGHLIGHTS
-Institutional and production support to increase agriculture output and rural incomes, \$1.5 million
-Policy assistance and institutional support to increase relevance of educational system to rural needs, \$6.75 million
-Improve rural citizens' access to potable water, \$1.95 million
-P.L. 480 Title II commodities to support rural infrastructure development through food-for-work activities, and Maternal Child Health feeding programs, \$8.26 million

Development Overview

Small, mountainous, land-locked Lesotho is among the world's least developed countries. Approximately 90% of Lesotho's population of 1,370,000 lives in rural areas. The base of its domestic economy is small-scale production of crops and herding of cattle, sheep, and goats. Only 15% of Lesotho's land is arable. Agricultural production is further hampered by land erosion, overgrazing, and the lack of incentives inherent in the traditional land tenure system. These factors encourage the adult male population to seek employment in the mines of the Republic of South Africa (RSA). At present there are about 170,000 Basotho workers, or about 30% of the labor force, employed in the RSA. Since there are limited opportunities for employment in Lesotho outside the agricultural sector, any sudden and drastic reduction of the Basotho labor force in the RSA would dramatically worsen Lesotho's already precarious economic situation. Surrounded by the RSA, Lesotho's location and economic

condition make it economically dependent on that country. Participation in the South African Customs Union (SACU) and in the Rand Monetary area formalize Lesotho's close financial ties with the RSA. While providing revenue, these ties limit Lesotho's fiscal and monetary policy options. The pervasive domestic influence of Lesotho's economic dependence on South Africa is best demonstrated by the level of wages and prices which reflect South Africa's economy, not Lesotho's. This condition, plus the easy availability of South African goods and other competitive disadvantages help depress investment in Lesotho. Although demand has increased for inputs to expand agricultural production and for consumer goods, Lesotho's production has not responded to this demand. Domestic employment growth is at maximum 2,000 jobs per year while the labor force grows by 12,000-15,000 annually.

The need to address Lesotho's economic problems is made more urgent by worsening economic trends. After nearly a

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*	-	-	-
Loans.....	-	-	-
Grants.....	14,027	14,108	13,455
<b>Total AID.....</b>	<b>14,027</b>	<b>14,108</b>	<b>13,455</b>
P.L. 480**			
Title I..... (of which Title III is)	( 5,138 )	( 6,456 )	( 8,267 )
Title II.....	5,138	6,456	8,267
<b>Total P.L. 480.....</b>	<b>5,138</b>	<b>6,456</b>	<b>8,267</b>
<b>Total AID and P.L. 480.....</b>	<b>19,133</b>	<b>20,562</b>	<b>21,786</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel <sup>a</sup>			
Direct Hire <sup>b</sup> .....	10	10	10
PASA <sup>c</sup> .....	-	-	-
Contract.....	34	60	59
<b>Total.....</b>	<b>44</b>	<b>70</b>	<b>69</b>
Participants <sup>d</sup>			
Noncontract.....	7	4	4
Contract.....	8	15	15
<b>Total.....</b>	<b>15</b>	<b>19</b>	<b>19</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoi.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b> (of which Title III is)		( - )		( - )		( - )
<b>Title II</b>						
Voluntary Agencies.....		4,339		4,164		4,321
World Food Programs.....		799		2,292		3,946
Gov't-to-Gov't.....		-		-		-
<b>Title II Total.....</b>		<b>5,138</b>		<b>6,456</b>		<b>8,267</b>
<b>Total P.L. 480.....</b>		<b>5,138</b>		<b>6,456</b>		<b>8,267</b>

decade of providing Lesotho with sharply increased revenue and income, migrant labor opportunities and customs revenues have remained stagnant for three straight years. This difficult situation has been accompanied by setbacks to the domestic mining and tourist industries and by failures of costly agricultural production efforts to achieve production increases commensurate with costs. Donor development assistance is leveling off after several years of increases. The Government is now in a state of severe budgetary crisis which is expected to last for several years.

Lesotho is attempting to meet development and employment generation needs by promoting agriculture, agriculture-related and other light industry, and tourism. It is also attempting to meet basic human needs and alleviate the worst aspects of poverty by providing a variety of limited basic social services. Weak as they are, Lesotho's limited farmlands and pastures represent the only natural resource sector where relatively quick increases in output and eventual surpluses are possible. This is the sector where increases can have a strong multiplier effect through the economy.

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To promote smallholder production, Lesotho has undertaken a series of area development projects based on the use of input packages which include access to implements, seeds, fertilizer and extension services. These have been accompanied by efforts to institutionalize a research and extension system, develop rural physical infrastructure such as access roads and conservation structures, establish marketing and storage facilities, and extend credit. Since the enactment of the 1979 Land Reform Act, Lesotho has been implementing land reform measures designed to provide more secure tenure and thus promote farmer investment of capital and labor in the land. The approach is complex, tedious, long-range and subject to false starts and missteps. To achieve short-term increases in food production and reduce the need for food imports which now total about one-half of food consumption the Government of Lesotho (GOL), with the assistance of the Republic of China and the RSA, is undertaking direct mechanized farming operations in limited areas.

The qualitative transformation in systems of production required to bring about development in Lesotho heightens the need to overcome the shortage of trained personnel existing at all levels of skill and responsibility. Thus, Lesotho is trying to meet its manpower needs in areas such as functional literacy, child care, nutrition, and co-op management for rural dwellers; professional and vocational skills for first and intermediate level technicians and managers; and managerial skills needed to implement development activities.

Productive use of public and private investment toward effecting economic transformation depends on the success of these efforts. The GOL strongly encourages private as well as public investment, but a limited local entrepreneurial tradition and the shortage of skilled manpower continue to limit the productivity of investor funds.

Lesotho's efforts in the health sector focus on reducing population growth from 2.3% to 2.1% and on improving the health status of its citizens by extending and upgrading preventive and curative services, particularly among the

rural population.

### Total Resources

The total value of production per capita inside Lesotho by the resident population (GDP) was \$320 in 1981. In the same year the value of production by Basotho factors of production (GNP) was \$450. The difference is owing to wage remittances from the Republic of South Africa (RSA) where over 170,000 Basotho work. From 1977/78 to 1981/82 real GDP increased by 8.4% per year; real GNP grew at 7.1%. With a present population growth rate of 2.3% per year, real income per capita has been growing faster than in most sub-Saharan countries.

Although these macroeconomic figures appear good, the sources of the growth have not led to development within Lesotho. The prime source of increased incomes has been the increased earnings of Basotho employed in the RSA. These earnings rose from \$127.1 million in 1977/78 to \$225.3 million in 1981/82, and are estimated to be around \$305 million in 1982/83. Since 1979, there have been negligible increases in employment in the RSA; nearly all the increase is because of higher wages. The rate of wage increase in the mid- and late 1970s was unusually high and cannot be expected to continue.

The other major growth sector has been government spending. Over the four years beginning 1977/78 real government consumption increased by 22% per year, and employment grew at 10% per year. However, the inability of tax revenue or foreign donor contributions to keep pace with spending has led to increasing debt and a large debt servicing problem.

Government spending patterns clearly reflect development sector priorities. Education and economic services (divided almost entirely between agriculture services and public works construction) have registered the largest increases in recurrent expenditures over the past decade. With general administration, they are now the largest areas. By far the largest share of capital expenditures is for economic services (60%); education



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accounts for 13%.

The Government intends to continue these general areas of focus through its third plan, 1980-84. However, the government's budgetary crisis and reduced donor contributions have forced sharp cutbacks in development related recurrent spending and delays and reductions in capital spending.

The donor community is Lesotho's primary source of investment for economic development, providing over 60% of capital expenditures towards the national development plan. Donor spending patterns have remained relatively constant at approximately \$60 million annually and generally reflect those of the government focusing primarily on agriculture, education, rural and urban development, and transport and communication sectors. Along with the United States, the primary bilateral donors were West Germany (\$8.7 million), the Netherlands (\$3.7 million), Sweden (\$2.5 million), the United Kingdom (\$1.8 million) and Canada (\$1.4 million). The United Nations (UN) was one of the major multilateral donors providing \$2.9 million in assistance through its development program (UNDP) and \$3.1 million through its other organizations. Other multilateral donors included the International Bank for Reconstruction and Development/International Development Administration (IBRD/IDA), and the African Development Bank (ADB). Moreover, with the vast increases in expenditures for economic development in recent years, the donor community provides a large share of the planning and policy analysis necessary for development, along with a major share of the technical and professional skills at mid to upper government levels.

### U.S. Interests and Objectives

U.S. interests in Lesotho lie in the promotion of the country's economic and social stability and in the development of its long-term economic viability. These interests stem from concern over Lesotho's position as a poor country with severe employment, income and quality-of-life problems in the midst of an important region

undergoing social, political, and economic transition. Failure to progress toward meeting employment and income needs domestically will further increase Lesotho's already great dependence on South Africa.

To date, Lesotho has been generally supportive of U.S. regional and global interests through votes in international forums; it has also provided vigorous support for majority rule in Southern Africa in a relatively non-confrontational way.

### A.I.D. Assistance Strategy

The A.I.D. strategy is to help create institutions and support programs required to achieve self-sustained development. Achieving sustained development will be a long-term process (at least 25 years). Nevertheless, our assistance can help in establishing agriculture and light industries based on agriculture as the cornerstone of the economy and give Lesotho greater economic and social viability. Simultaneously, the strategy involves limited short-term efforts to help alleviate some of the worst aspects of poverty.

The Mission's primary target group is smallholder agriculturalists who derive domestic income from crops, graze sheep and goats for income, and hold cattle for wealth. These people manage the preponderance of domestic productive resources--agricultural and range land. As the majority of the population they have the greatest need for employment and income. Moreover, it is they who must increase output if Lesotho's escalating dependence on food imports is to be reversed and domestic development in all sectors is to be achieved.

A.I.D. will assist the target group in the following ways: (1) Make new technologies available to produce present crops more efficiently and to grow new ones. This will facilitate introduction of new income producing activities while converting a portion of existing subsistence activities to commercial production. (2) Develop the policy and institutional framework to help smallholders and others increase their investment in

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rural based industries. This framework is necessary to sustain more highly productive and commercialized economic activity. (3) Develop the necessary human resources to maintain more technologically advanced and organizationally complex systems and encourage introduction and further exploitation of productive innovations. This goal also requires the development of a strong institutional policy and framework. (4) Provide assistance to preserve and develop productive land and energy resources. The Mission's program will be one primarily of policy and institutional framework development and technology transfer.

After a three year period in which no new activities were undertaken, A.I.D. proposes in 1984 to launch one new project in Human Resources Development to support rural based income and employment. The project consists of several components that build on appropriate elements of the existing A.I.D. portfolio in the education sector. The proposed basic and non-formal education systems project will strengthen educational policies, institutional framework, and programs required to promote rural-based income and employment - focusing on those aspects of the education and training system that are most relevant. The project will constitute the preponderant part of the A.I.D. bilateral program in Human Resources Development for the period 1984-1989. No additional major bilateral initiatives, other than the mutually reinforcing project in Agriculture, Rural Development scheduled in FY 1985, are contemplated before 1989.

The existing elements on which the project builds are focused primarily on institutional development centered on individual organizational units within the Ministry of Education. In addition to continued development of these units, the new project will work toward creating and strengthening management linkages and contribute to necessary policy development. Indicators of progress in the education project will look toward reversing declining primary education standards and performance, increasing the focus of basic education on Lesotho's development needs, and expanding vocational and non-

formal education.

The project aims for a 10% uninflated real rate of return to be achieved through savings from increased operational efficiency and increased incomes in farming, agribusiness and agro-industry.

A.I.D. will supplement and reinforce its program with centrally or regionally funded and PVO assistance to the private sector. A.I.D. is conducting in October and November 1982 an intensive review of the private sector to determine its approach.

The primary instruments of A.I.D. assistance after 1983 will be technical assistance, training, Title II food assistance, and possibly P.L. 480 Title II generated local currency. Capital investment in the current portfolio will largely end with the completion of the regionally funded Southern Perimeter Road (690-0076) and the Institute for Extra-Mural Studies (931-1054). Bilateral support for health will end with the completion of the Rural Health Development Project (632-0058) in 1984 and the Rural Water and Sanitation Project (632-0088) in 1988.

### A.I.D. Program (FY's 1982 and 1983)

Program implementation in FY 1982 was marked by the continuation of field activities under 13 ongoing projects.

In the Agriculture, Rural Development and Nutrition Sector, applied agricultural research for small to medium size farms and associated institutional development and skills training continues under the Farming Systems Research Project (632-0065). As a result of a major evaluation in FY 1981, the project is now oriented toward a more basic institutional development approach to agricultural research in addition to introducing the farming systems concept. Field tests in prior years provide the basis for a series of cropping recommendations which have been disseminated to the extension service for use in 1982. Further testing of

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cropping and animal husbandry practices is underway in three prototype areas.

A review of the agricultural research system in 1981 is being used by the GOL and A.I.D. as a guide to strengthening research policies, organization and other institutional aspects of the agricultural research system as a whole.

The Agricultural Planning Project (632-0218) is focusing on basic institutional development to improve planning in the agriculture sector. The current emphasis is on regularized statistical data gathering and analysis and project development and monitoring. Working through the project, the GOL task force is helping the Ministry of Agriculture review and consolidate agricultural development policies with the intent of bringing out a definitive policy statement in 1983.

Previous conservation activities assisted by A.I.D. have produced an effective, mostly Basotho staffed, conservation division capable of protecting 12,500 hectares annually with major conservation structures such as terraces, dams, and grass waterways. The division works with a network of nearly 200 village conservation committees to plan, construct, and maintain structures, reaches approximately 20,000 persons annually with meetings and demonstrations; and provides radio and leaflet communication to all rural Basotho. The follow-on Land Conservation and Range Development Project (632-0215) is further expanding these activities. It is also mounting a systematic program of working with individual farmers on conservation-oriented cropping systems. In addition, this project is developing prototype range management systems, and establishing a range management division in the Ministry of Agriculture.

In Education and Human Resources Development, an effort is underway to increase Lesotho's reservoir of trained manpower. While Basotho are undergoing advanced and specialized training in the U.S., the A.I.D. Manpower Development Project (632-0069) provides expatriate technicians to fill critical positions, e.g., in public

works, manpower planning, personnel and financial management. Commencing in 1981, the project focus has been refined toward support for planning and managing priority development activities. To date 80 Basotho have completed training and returned to Lesotho while another 40 are still enrolled in training programs. In coordination with World Bank assisted curriculum development activities, Phase II of the Instructional Materials Resource Center Project (632-0061) is institutionalizing materials development, production and distribution. The National University of Lesotho Project (632-0080) is expanding programs for working adults in university degree programs, secondary level business studies, and short courses in fields related to a more productive rural life such as cooperatives organization and management. The Lesotho Industrialization Center (LOIC) Project (632-0217) is providing training in plumbing, carpentry, bricklaying, construction foremanship, and other trades. It is the only source of such training in Lesotho for school leavers of whom 152 have already been trained. The project places graduates with private and public employers and monitors their job performance. In Health, the Rural Water and Sanitation Project (632-0088) is establishing an organization and system for the construction and maintenance of water supplies with village support. It will experiment with low cost horizontal wells for humans and livestock in cooperation with the land and range project. The Rural Health Development Project (632-0058) is designed to help Lesotho achieve an affordable integrated health program emphasizing preventive measures, active community support, and placement of a trained cadre of health workers linking communities to central services. This project and A.I.D. centrally-funded population and family planning resources support the GOL's objective of reducing population growth from 2.3% to 2.1%.

P.L. 480 Title II resources, administered by the World Food Program and Catholic Relief Services (CRS) have played a substantial role in Lesotho's rural development over the past decade. Food-for-Work programs are important in the construction and maintenance of rural access roads and tracks, soil and conservation works (in

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conjunction with conservation projects), and income-related rural infrastructure such as fish ponds. Maternal and child health programs provide nutritional supplements to pregnant and lactating mothers and young children. The supplements are accompanied by nutrition education programs. In accordance with a series of consultancies performed in 1980, 1981 and 1982, CRS and the GOL are taking steps to increase the effectiveness and focus of the Food-for-Work activities.

The Credit Union Development Project (632-0214), administered by the Credit Union National Association (CUNA) under an OPG, is strengthening management, finance, recruitment and credit operations for a credit union parent organization serving 52 primary credit unions with 22,000 members.

As of late FY 1982, all project technical assistance teams are on site with at least one year's operational experience. Related construction of facilities is nearly completed and procurement and training are proceeding apace. The program pipelines was reduced by 26% in FY 1982, slightly faster than expected. Funds available as of September 30, 1982 are consistent with A.I.D. programming guidelines and reflect a funding balance appropriate to current expenditure rates.

A.I.D. conducted ten evaluations or assessments of the various bilateral and other activities in its portfolio during FY 1982. Whereas evaluations in previous years sometimes led to revisions in project emphasis, the FY 1982 evaluations overwhelmingly confirmed the A.I.D. program emphasis and direction. The results of the evaluations in the education sector are being incorporated in the final design of the Basic and Non-Formal Education project. Both the farming systems research and the land and range projects will undergo thorough evaluations later in the fiscal year preparatory to final design of the proposed Agricultural Production and Institutional Support Project.

FY 1983 Program: \$10.361 million is planned entirely for continuing ongoing projects described above. \$4.861

million is required to continue three existing project in agriculture, rural development and nutrition; \$2.593 million for two existing projects in health (\$2.553 million) and one in population (\$40,000); and \$2.907 for three existing projects in education and human resources.

\$6.45 million is required to continue PL 480 Title II programs through World Food Program and Catholic Relief Services.

Requested Year Program (FY 1984): \$10.2 million is required for five on-going activities and one new education project.

\$1.5 million to continue the Agricultural Planning Project (632-0218), the Land Conservation and Range Development Project (632-0215);

\$1.950 million in Health funds to provide continued funding to the Rural Water and Sanitation Project (632-0088);

\$6.750 million in Education and Human Resources Development to fund the Manpower Development and Training Project (632-0069), provide continued funding for the National University of Lesotho Project (632-0080) and commence the Basic and Non-Formal Educational Systems Project (632-0222);

\$8.267 million is required for planned delivery of Title II Food to continue Maternal-Child Health and School Feeding and Food-for-Work activities.

MISSION DIRECTOR - Edna Boorady

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

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PROGRAM: LESOTHO

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
FARMING SYSTEMS RESEARCH	G 632-0065	79	83	7,313	7,313	5,531	4,537	1,782	1,828	---	948
CREDIT UNION DEVELOPMENT (PVO)	G 632-0214	80	80	595	595	595	370	---	225	---	---
LAND CONSERVATION AND RANGE DEVELOPMENT	G 632-0215	80	86	12,000	12,000	5,290	2,198	1,969	2,009	500	2,350
AGRICULTURE PLANNING	G 632-0218	80	85	6,200	6,200	2,349	932	1,110	915	1,000	1,480
NUTRITION PLANNING II	G 632-0220	81	81	382	382	382	218	---	164	---	---
TOTAL FOR ACCOUNT GRANTS				26,490	26,490	14,147	3,255	4,861	5,141	1,500	4,778
LOANS				---	---	---	---	---	---	---	---
POPULATION PLANNING											
RURAL HEALTH DEVELOPMENT	G 632-0058	77	83	343	343	263	222	40	41	---	40
TOTAL FOR ACCOUNT GRANTS				343	343	263	222	40	41	---	40
LOANS				---	---	---	---	---	---	---	---
HEALTH											
RURAL HEALTH DEVELOPMENT	G 632-0058	77	83	2,755	2,755	2,300	1,668	455	773	---	314
RURAL WATER AND SANITATION	G 632-0088	79	85	12,142	12,142	7,300	4,348	2,098	2,625	1,950	2,840
TOTAL FOR ACCOUNT GRANTS				14,897	14,897	9,600	6,016	2,553	3,398	1,950	3,154
LOANS				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
INSTRUCTIONAL MATERIALS RESOURCE CENTER	G 632-0061	77	83	3,381	3,381	3,081	2,049	300	508	---	824
MANPOWER DEVELOPMENT AND TRAINING	G 632-0069	78	85	8,203	8,203	5,707	2,892	1,607	2,220	750	2,150
NATIONAL UNIVERSITY OF LESOTHO	G 632-0080	77	85	5,871	5,871	2,585	857	1,000	1,481	1,100	1,650

\* Refers to the planned project summary sheet

C Level of effort activity

421

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: LESOTHO

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
OPPORTUNITIES INDUST CENTER (PVO)	G 632-0217	79	82	1,100	1,100	1,100	1,044	---	56	---	---
BASIC AND NON-FORMAL EDUCATION SYSTEMS	* G 632-0222	84	89	---	21,600	---	---	---	---	4,900	550
TOTAL FOR ACCOUNT GRANTS				18,555	40,155	12,473	6,842	2,907	4,265	6,750	5,174
LOANS				18,555	40,155	12,473	6,842	2,907	4,265	6,750	5,174
				---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES											
RENEWABLE ENERGY TECHNOLOGY	G 632-0206	79	82	1,600	1,600	1,600	709	---	582	---	309
TOTAL FOR ACCOUNT GRANTS				1,600	1,600	1,600	709	---	582	---	309
LOANS				1,600	1,600	1,600	709	---	582	---	309
				---	---	---	---	---	---	---	---
SECURITY SUPPORTING ASSISTANCE											
FARMING SYSTEMS RESEARCH	G 632-0065	78	81	995	995	995	316	---	679	---	---
TOTAL FOR ACCOUNT GRANTS				995	995	995	316	---	679	---	---
LOANS				995	995	995	316	---	679	---	---
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				62,880	84,480	39,078	22,360	10,361	14,106	10,200	13,455
LOANS				62,880	84,480	39,078	22,360	10,361	14,106	10,200	13,455
				---	---	---	---	---	---	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Basic and Non-Formal Education Systems		FUNDING SOURCE: DA	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
					FY 84 4,900	LIFE OF PROJECT FUNDING: 21,600	
NUMBER 632-0222	NEW <input checked="" type="checkbox"/>	POPULATION:	ED. & HR: 21,600	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 89	ESTIMATED COMPLETION DATE OF PROJECT FY 90
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	CONTINUING <input type="checkbox"/>						

**Purpose:** To achieve the strengthened educational policies, institutional framework and programs required to promote rural-based income and employment.

**Project Description:** The lack of skilled and trained manpower is a chief constraint to development in Lesotho and a priority of the A.I.D. assistance program. The Government of Lesotho (GOL) Education Sector Survey, 1980-1982, has revealed a number of critical problem areas within the formal education system, including a structural framework biased toward academic content and the lack of a basic rural, Lesotho specific set of skills needed to increase income generating activities. This project will address problem areas identified in the Sector Survey and build on A.I.D.'s related ongoing education and training portfolio. The four interrelated components are: (a) The institutional strengthening of MOE through technical assistance and training in evaluation, financial management, and personnel management; (b) Institutional support through technical assistance and training to the National Teacher Training College (NTTC) in areas of administration/management, financial management and curriculum/academic affairs, as well as the college departments of Agricultural Education and Health and Nutrition; (c) Technical Assistance and Training will be provided to the National Curriculum Development Center (NCDC) in the subject areas of Agriculture, Health and Nutrition and Development Studies. Limited assistance will continue to the Instructional Materials Resource Center (IMRC) to ensure effective localization; (d) Vocational and Non-Formal Education technical assistance and training will be provided to the MOE in coordination with other relevant Ministries for the expansion of rural entrepreneurial development and the establishment of a rural vocational skills school. This project component also will serve as a focus for the establishment of production activities at selected primary schools. Linking these components in one project allows management economies, flexibility in the use of resources, and strengthens the operational linkages necessary to direct institutional support to overall improved educational performance.

**Relationship of Project to USAID Country Strategy:** The Project

is designed to be a cornerstone of Lesotho's Education Sector activities during the 1984-89 period. It emphasizes reversing declining primary educational standards and performance, re-orienting basic education to meet basic development needs, and expanding Vocational and Non-Formal Education (NFE) training through institutional support. Achieving these aims is essential to A.I.D.'s reaching its program goals of (1) a strengthened policy and institutional framework required to promote rural-based income and employment, (2) strengthened operational capacities and increased outputs in agricultural planning, research, and education, and (3) enhancing the educational system's capacity to educate and train persons in subjects that support rural-based income and employment.

**Host Country and Other Donor Contributions:** GOL existing recurrent costs in personnel salaries and institutional support within the project total \$16,600,000. Ten percent of this amount (\$1,675,000) will be new demands on the GOL necessitated by project activities. This program grant blends with planned assistance from the World Bank, UNDP, EEC, British and Irish programs in areas of institutional building, planning curriculum development, teacher training and vocational education. The World Bank has constructed the facilities for the National Curriculum Center and the Lesotho Opportunities Industrialization Center in Maseru where existing A.I.D. program activities in education and manpower are located, and is presently constructing the Vocational Training Center at Thaba Tseka where it is anticipated this project's rural vocational skills component will be located.

**Beneficiaries:** Beneficiaries include personnel who will receive long and short term training, teacher trainees at the NTTC and the students in the education system. Most teachers are women and the NTTC student body is 85% female. Education for teacher trainees will have multiplier effects on rural farmers and households, as well as future generations of students. Informational feedback on the relevance of curricula, teacher training and vocational skills transfer to the rural populace can be utilized for improvement of these programs and enhancement of rural income generation.





FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: MALAWI

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	6.410			MAJOR EXPORTS... (1981)	TOBACCO	TEA	SUGAR
PER CAPITA GNP..... (DOLLARS,1981)	200			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	2.9%			(\$ MILLIONS, US. FOB) (1979)	18	(1980)	4R (19R1) 79
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	2.4%	(1970-80)	9.8%	AS % OF TOTAL EXPORTS (1979)	8%	(1980)	16% (19R1) N A.
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..			N.A.	MAJOR IMPORTS... (1981)	MANUFACTURES	MACHINERY	TRANSPORT EQ
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 44.5 MALE 43.1 FEMALE 45.9				(\$ MILLIONS, US. CIF) (1979)	12	(1980)	15 (19R1) 15
(1968) TOTAL 38.5 MALE 37.0 FEMALE 40.1				AS % OF TOTAL IMPORTS (1979)	3%	(1980)	3% (19R1) N A.
ADULT LITERACY RATE (1977) TOTAL 25% MALE N.A. FEMALE N.A.				TRADE BALANCE(\$ MILLIONS, U.S.)(1978)	-153(79)	-167(80)	-144
				MAIN TRADING PARTNERS: SOUTH AFRICA, UNITED KINGDO		UNITED STATES	
				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	42.6%		
				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
				(\$ MILLIONS, U.S.)..... (1980)	67		
				AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)	18.4%		
				*SOCIAL DATA*			
				POPULATION GROWTH RATE... (1970)	3.0%	(1975)	3.1% (1982) 3.0%
				POPULATION IN URBAN AREAS..... (1965)	5%	(1971)	10%
				LIVE BIRTHS PER 1,000 POPULATION.... (1970)	52	(1982)	51
				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)			1%
				POPULATION (1981) IN AGE GROUP:			
				(0-14YRS) 47.5% (15-64YRS) 48.8% (65+ YRS) 3.7%			
				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	130		
				PEOPLE PER PHYSICIAN..... (1977)	48,198		
				MAJOR CAUSES OF			
				DISEASE (1978)MALARIA MEASLES ENTERIC DISEASE			
				DEATH.. (1977)MALARIA FLU & PNEUMONIA GASTROINTESTINAL			
				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	97%		
				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1975)	33%		
				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGF GROUP:			
				PRIMARY..... (1979) TOTAL 59.0% MALE 70.0% FEMALE 48.0%			
				SECONDARY..... (1979) TOTAL 4.0% MALE 5.0% FEMALE 2.0%			
				POST SECONDARY.. (1978) TOTAL .3% MALE .5% FEMALE .1%			
				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	16%		

**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 1948-81	REPAY- MENTS AND INTEREST 1948-81	TOTAL LESS REPAY- MENTS AND INTEREST 1948-81
	MALAWI							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	0.0	0.3	4.1	5.9	9.5	73.8	4.0	69.8
Loans	-	-	-	-	2.2	33.2	4.0	29.2
Grants	0.0	0.3	4.1	5.9	7.3	40.6	-	40.6
<b>a. A.I.D. and Prodecessor Agencies</b>	0.1	0.1	3.5	4.4	6.0	55.4	4.0	51.4
Loans	-	-	-	-	-	30.9	4.0	26.9
Grants	0.1	0.1	3.5	4.4	6.0	24.5	-	24.5
(Economic Support Fund)	-	-	-	-	-	-	-	-
<b>b. Food for Peace (PL 480)</b>	0.0	0.2	0.2	1.1	2.9	7.5	-	7.5
Loans	-	-	-	-	2.2	2.3	-	2.3
Grants	0.0	0.2	0.2	1.1	0.7	5.2	-	5.2
Title I - Total Sales Agreements	-	-	-	-	2.2	2.3	-	2.3
Repayable in U.S. Dollars - Loans	-	-	-	-	2.2	2.3	-	2.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.0	0.2	0.2	1.1	0.7	5.2	-	5.2
Emerg. Relief, Econ. Develop. & World Food Program	0.0	0.2	0.2	1.1	0.7	4.6	-	4.6
Voluntary Relief Agencies	-	-	-	-	-	0.6	-	0.6
<b>c. Other Economic Assistance</b>	*	*	0.4	0.4	0.0	10.9	-	10.9
Loans	-	-	-	-	-	-	-	-
Grants	*	*	0.4	0.4	0.0	10.9	-	10.9
Peace Corps	*	*	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE - TOTAL</b>	-	-	-	*	*	*	-	*
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	*	*	*	-	*
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	*	*	*	-	*
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	0.0	0.3	4.1	5.9	9.5	73.8	4.0	69.8
Loans	-	-	-	-	2.2	33.2	4.0	29.2
Grants	0.0	0.3	4.1	5.9	7.3	40.6	-	40.6
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1948-82
TOTAL	34.8	78.8	14.1	434.3
IBRD	0.0	46.0	0.0	75.2
IFC	2.0	2.9	5.5	26.0
IDA	13.8	0.0	0.0	188.9
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	17.1	14.5	8.6	85.4
UNDP	1.9	7.1	0.0	36.0
OTHER-UN	0.0	3.3	0.0	8.3
EFC	0.0	5.0	0.0	14.5

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	3.0	4.0	19.0
U.K.	29.3	30.3	141.0
Germany	13.2	29.9	121.4
Canada	9.0	10.2	94.3
Denmark	6.0	1.6	31.9
Other	19.1	16.4	56.7
<b>Total</b>	<b>79.6</b>	<b>92.4</b>	<b>464.3</b>

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

	CY 1980	CY 1981	CY 1976-81

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81

## MALAWI

PROGRAM SUMMARY								
(In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	7721	2152	-	2869	2700	-	-	-
Total ....	7721	2152	-	2869	2700	-	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	7000	4035	-	731	2234	-	-	-
Total ....	7000	4035	-	731	2234	-	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	10000	10000	-	-	-	-	-	-
Total ....	10000	10000	-	-	-	-	-	-

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## FY 84 PROGRAM HIGHLIGHTS

- Increased smallholder agricultural productivity will be emphasized through the upgrading, expansion and reorganization of the nation's agricultural research and extension systems.
- Education and human resources development efforts will continue to focus upon training of engineers and managers to support agricultural development and private sector expansion.

Development Overview:

The Government of Malawi's (GOM) open, market-oriented policies are largely responsible for approximately fourteen years of strong growth and good balance of payments performance. From independence in 1964 until 1978, Malawi's economic performance set an example for other sub-Saharan African countries; real GNP grew at an average annual rate of 7% while real per capita GNP grew at a rate of 4.2%. At independence, investment constituted only 8.6% of GNP and domestic savings were virtually nil. During the same period the gross domestic investment grew at an average rate of 12.5% per annum. However, since late 1978 the economy has weakened considerably due to factors largely beyond the control of the GOM: a weakened world economy, higher costs for oil and transport, transportation bottlenecks resulting from the country's landlocked position, high interest rates on international loans, drought, and reduced prices for Malawi's major exports (tobacco, sugar and tea).

Virtually no growth was recorded in 1979, 1980 and 1981, resulting in a decline of per capita income in real terms. The current account deficit in 1981 was \$167 million and the deficit for 1982 is expected to be \$150 million. The overall balance of payments deficit for 1982 is estimated at \$48 million. Currently 13% per annum, inflation has remained high. Inflation and balance of payments deficits are expected to be troublesome throughout the 1980s.

Malawi is not experiencing major social or political problems. While ethnic and regional differences do exist, they have not been disruptive factors within the society. Malawi's nine tribes are sufficiently alike in culture and social organization to permit relatively easy interaction, including intermarriage, mixing in agricultural settlements, and mixed groupings for political purposes. The Malawi Congress Party, the sole political party in Malawi, has a dynamic structure from the national to the grassroots level. At the village level,

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans .....	-	-	-
Grants .....	1947	5810	8690
<b>Total AID .....</b>	<b>1947</b>	<b>5810</b>	<b>8690</b>
P.L. 480**			
Title I .....	-	-	-
(of which Title III is)	( )	( )	( )
Title II .....	118	123	183
<b>Total P.L. 480 .....</b>	<b>118</b>	<b>123</b>	<b>183</b>
<b>Total AID and P.L. 480 .....</b>	<b>2065</b>	<b>5933</b>	<b>8873</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel <sup>a</sup>			
Direct Hire <sup>b</sup> .....	3	5	5
PASA <sup>c</sup> .....	-	-	-
Contract .....	1	2	2
<b>Total .....</b>	<b>4</b>	<b>7</b>	<b>7</b>
Participants <sup>d</sup>			
Noncontract .....	15	10	12
Contract .....	7	10	12
<b>Total .....</b>	<b>22</b>	<b>20</b>	<b>24</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	-	-	-	-	-	-
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>						
(of which Title III is)	( )	( )	( )	( )	( )	( )
<b>Title II</b>						
Voluntary Agencies .....		-		-		-
World Food Programs .....		118		123		183
Gov't-to-Gov't .....		-		-		-
<b>Title II Total .....</b>		<b>118</b>		<b>123</b>		<b>183</b>
<b>Total P.L. 480 .....</b>		<b>118</b>		<b>123</b>		<b>183</b>

party officials participate in development committees that present the collective desires of villagers to appropriate government officials.

The GOM has maintained low expenditures for health, water, education and housing relative to other priority budget line items. During the period from 1978/79 to 1980/81, these sectors absorbed about 8% of development expenditures, roughly the same share as they absorbed on the average over the decade of the 1960s. In several important health statistics, Malawi is below that of other sub-Saharan African countries with similar per capita GNPs. The estimated life expectancy at birth of 44.2 years (1980) is somewhat below other sub-Saharan African countries and the total absence of any family planning effort is reflected in Malawi's population growth rate of 3.2% (1980). The infant mortality rate is 171.9 per 1000 (1980). Malawi's adult literacy rate at 25% (1979) is below the average level for all less developed countries.

Malawi with a per capita income of \$233.90 (1980) has remained in the relatively least developed category

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largely because of the following constraints. It is landlocked, making it less accessible to international markets. It has few known exploitable mineral resources. Most of its arable land is already under cultivation. It continues to have a high population growth rate. Its terms of trade are disadvantageous. It is nearly totally dependent on the agricultural sector for growth. It lacks trained technicians and managers. It lacks investment capital.

### Malawi's Macroeconomic Policies

The GOM has opted for outward-looking export oriented macroeconomic policies while simultaneously restricting recurrent cost expenditures. This emphasis on exports, while maintaining fiscal restraint, is reflected in the government's policies toward the agricultural and manufacturing sectors, toward prices and wages, and toward the rules of domestic and foreign investment.

The GOM has established an Office of Statutory Bodies to scrutinize parastatal policies and actions. Substantial increases in charges for electricity and air travel have been approved while efforts will be made to reduce subsidies on fertilizer and other agricultural inputs. Taxes on oil imports have been increased to 100 percent of F.O.B. costs. At the same time, the producer price for corn during the 1981/82 crop season was increased by 60%. Tax and other concessions have permitted efficient enterprises to make reasonable profits which they are encouraged to reinvest in the economy. Also, the absence of any quantitative restrictions on imports has prevented the emergence of inefficient local import substitution industries so characteristic of many other developing countries. Moderate wage expansion coupled with growing labor productivity, appropriate producer price incentives, and a 15% currency devaluation in April 1982, have helped to keep Malawi goods competitive in the international market.

Malawi's worsening external debt position is due mainly to rapid decline in the terms of trade since 1978. Tobacco, which generates about 50% of Malawi's export

earnings, declined in export value by 24% in 1980. Sugar, the second largest earner of foreign exchange, declined in value by more than 50% in 1982. During the 1978-82 period, prices paid for imports rose by nearly 50%. The cost of oil rose by 140% even though consumption remained constant.

Malawi's resource endowment requires that sustainable economic development continue to be generated from the agricultural sector. In 1982, the agricultural sector provided nearly 50% of the GNP and about 90% of the export earnings, and employed over 85% of the population. Smallholder production includes corn, tobacco, groundnuts, cotton, pulses, rice and other crops as well as livestock; while estate production primarily concentrates on tobacco, tea and sugar. Overall estate production in the country accounts for nearly 70% of all agricultural exports. However, smallholder agriculture holds the key to further economic growth, increases in rural incomes and additional employment opportunities.

The diversification of smallholder as well as estate production is Malawi's most promising option for sustained growth through the 1990s. Groundnuts (confectionary variety) and cotton offer the most promising prospects for immediate increases in production and exports. Other promising prospects for smallholder diversification include many products that are key inputs into potential agro-industrial projects, e.g. oil-bearing seeds and beans, pulses, cassava, guar beans, honey and beeswax, livestock and dairying, fish and coffee.

The broad objectives of the GOM's 1983-1987 development program are to restore internal and external balance to the economy. This is to be achieved by means of an increased volume of exports and by a reduced volume of imports. To achieve export growth, the range of crops is to be broadened. Government and parastatal investment expenditures are to be more heavily directed toward agricultural diversification projects.

The 1983-1987 development program objectives are to be achieved by increasing smallholder output through price

incentives, increasing agricultural inputs and credit delivery, improving agricultural extension, improving living conditions through a massive rural water supply program (nearly 50% of all diseases in Malawi are water borne), improving internal and external communications, promoting industrial development and increasing the level of domestic and foreign investment in the private sector of the economy.

The primary public-financed development effort is the National Rural Development Program (NRDP), which is a comprehensive effort to equitably distribute the benefits of development among more than one million smallholders. NRDP program efforts include: agricultural research leading to diversification of crops, improved farm management and production techniques, delivery of seeds, fertilizer and services (extension and credit) adapted for Malawi conditions, expansion of the physical infrastructure, including roads, markets, water and social services facilities; and expansion of formal and informal education activities in support of the agricultural sector. Although there have been some delays in certain NRDP components, the development of the physical infrastructure has usually been completed on schedule and within the original cost estimates while producing visible signs of betterment. Since 1977 donor contributions to the NRDP have totalled \$155 million.

The Malawi business sector consists mainly of Press Holdings, Limited and twelve major parastatals. The majority of these parastatals perform functions which the GOM deems important to the national interest. In some instances, these functions are those of traditional public utilities such as are found in most mixed economies (e.g., electricity, water, railways); in other cases, the enterprises supplement the role of the private sector in providing essential services (e.g. housing, school textbooks); still others provide essential services to the agricultural sector (e.g., agricultural marketing for smallholders of tea and flue-cured tobacco). All these enterprises are being scrutinized by the GOM to revalidate their potential as sources of future growth and employment while providing services at

a low cost to the public.

#### Total Resources

Immediately after independence, Malawi depended upon British budgetary support. To eliminate this dependence, the GOM increased taxes, improved tax collection and exercised restraint in spending. By 1972/73, the revenue account was balanced and budgetary support ceased. However, since 1979 the rapid increase in the costs of imports, increased capital spending, and increased recurrent costs have led to serious fiscal consequences. As a result, the external current account deficit more than quadrupled during the period from 1977 to 1981. In 1979, 1980 and 1981 Malawi's total expenditures exceeded its total domestic revenues by \$97 million, \$105 million and \$162 million respectively. These deficits were largely covered by a rapid drawdown on Malawi's external reserves, borrowing in the Euro dollar market on commercial terms with short maturities, IBRD structural adjustment loans and IMF credits. Annual deficits are likely to continue through the 1980's.

Foreign development loans and grants to Malawi increased from \$150 million in 1973/74 to more than \$210 million 1980/81. The Federal Republic of Germany, the United Kingdom and the World Bank have provided about two-thirds of the funds while other multilateral and bilateral donors and private banks account for the remaining third. In addition to Germany, the United Kingdom and the World Bank, the major donors include South Africa, the African Development Bank, the European Economic Community, Canada, France, Japan, the Netherlands, Denmark, UNDP, Taiwan and the United States. Malawi is an active participant in the Southern African Development Coordination Conference (SADCC), an organization of majority ruled countries in southern Africa.

#### U.S. Interests and Objectives

U.S. interests and objectives in Malawi are to:

- aid in achieving greater economic self reliance,

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- demonstrate that market oriented economies can work in sub-Saharan Africa,
- encourage increased Malawi/U.S. trade as well as joint U.S./Malawi private sector investments,
- encourage the GOM to address the problem of unabated population growth,
- assist the GOM in demonstrating that significant development progress can be achieved even with a limited resource base,
- reflect U.S. support for majority ruled countries in Africa and
- support Malawi's consistent policy of dialogue rather than confrontation in the resolution of political issues in southern Africa.

### A.I.D. Assistance Strategy

The A.I.D. strategy over the next five years is directed toward helping Malawi maintain its self sufficiency in agriculture while simultaneously focusing on diversification of exports, decreasing its dependence on fossil fuels, increasing private sector efficiency and involvement in the economy, reducing Malawi's severe skilled manpower constraint and improving the health of Malawian citizens through health related interventions. A.I.D. provides assistance through GOM institutions primarily to initiate programs which increase agricultural productivity and rural incomes, develop a family health and population policy, and increase domestic and foreign private investment in Malawi, particularly in agribusiness. A.I.D.'s strategy in Malawi incorporates past lessons learned and includes ongoing evaluation efforts to assess the technology transfer and institutional development aspects of A.I.D. projects and a program of increased collaboration with other USG agencies and other donors. Twenty Peace Corps volunteers are currently associated with the implementation of the A.I.D. program in varying degrees, primarily in the agriculture and health sectors. USIA has developed a systematic program for publicizing A.I.D. financed activities in the Malawi press and on radio.

### A.I.D. Program (FYs 1982 - 1983)

During the 1960s and early 1970s, A.I.D. assistance to Malawi was concentrated primarily on roads and construction of physical facilities for the University of Malawi. In the early 1960s, A.I.D. and the U.K. Overseas Development Administration jointly provided assistance for construction of the Bunda College of Agriculture as well as training of staff. A.I.D. initiated a second Bunda Agricultural College Project (612-0054) in FY 76. This project contributed to the achievement of the target enrollment figure of 365 by 1980.

The Agriculture Research Project (612-0202) is designed to test improved packages for smallholder crop and livestock production. The priority smallholder crops for research concentration are corn, beans, wheat, groundnuts, fruits and vegetables. Livestock efforts since independence have concentrated primarily on beef and dairy production. A.I.D. assistance (\$2,152,000 in 1982) provides the resources required to redirect research toward small animals because the smallest landholders raise poultry, pigs, and goats rather than beef and dairy cattle.

Specific results of the project to date have been: establishment of an automated research data analysis program; 33 participants undertaking graduate and post graduate studies in the United States; expansion of the physical facilities at seven of the country's eleven field research stations, permitting increased field research activities; and decentralization of research activities focused on smallholder problems with contract technical assistance from a Title XII university. The most noteworthy examples of technology transfer are the establishment of the Agricultural Economics and Farming Systems sections in the Department of Agricultural Research. In its first year, the Economic Analysis Section has already improved the analysis of economic returns associated with different technology packages. The Farming Systems Section, through field surveys and analysis, has developed an eclectic approach to smallholder agricultural development. These two new sections,

## MALAWI

in conjunction with the existing Agronomy and Breeding Section, have developed a technology package which can lead to dramatic increases in production. Research results to date have demonstrated that smallholders using improved corn, groundnut and sorghum seed along with good husbandry practices can increase yields by more than 50% and almost triple their profits.

An internal evaluation of the agricultural research project prompted the decision to undertake a comprehensive assessment of Malawi's Agricultural Extension and Training System. The assessment proved to be of immediate use to the GOM in focusing on policy issues and was useful to USAID in identifying the most cost-effective options for improving the system. The Agricultural Research and Extension Project is being designed in FY 83 as a result of this process. A cooperative grant to the U.S. Credit Union National Association provides assistance to the Malawi Union of Savings and Credit Cooperatives Project, 612-0205, developing the institutional capacity for making additional credit available to more than 100,000 smallholders.

In response to a GOM request, A.I.D. participated in the UNDP/World Bank review of issues and options in the energy sectors. Subsequent to this review, A.I.D. provided coal and petroleum consultants to provide technical advice regarding the potential for exploitation of the known coal resources and potential petroleum reserves. A.I.D. remains active through these mechanisms in assisting the GOM with the development of its national energy policy.

In health, within FY 1982 obligation of \$2,869,000 for the Self-Help Water project (612-0207), A.I.D. is providing assistance for the construction of up to 23 gravity-fed, rural water systems which will provide safe water to more than 400,000 people. At the current level of water systems development, Malawi may be one of the few countries in sub-Saharan Africa to achieve full water coverage by the end of the United Nations International Sanitation and Water Development Decade in 1990. Because 50% of the diseases contracted by Malawians are water

borne, the A.I.D. project includes the development of an education system to ensure that water users do not perpetuate the disease problem through inadvertent contamination after drawing their water.

This project is also yielding some unexpected irrigation, community organization and energy benefits. A 1982 review has revealed that excess water (excess of drinking needs) could be used for irrigation of wheat, vegetables and other priority crops during the dry season and for generation of electricity via the use of a mini-hydro generator, and the existing village "water tap" committees could be used for a variety of community development functions.

A number of possible private sector initiatives have been identified, including entrepreneurial training programs and bridging finance for small entrepreneurs buying businesses sold under parastatal divestiture programs. The most likely prospect for A.I.D. support at an early date is Malawi Traders Trust, an organization which helps small entrepreneurs upgrade their business knowledge and skills.

### FY 1983 Program

A total of \$7.0 million is planned for the following programs:

\$4,035,000 is earmarked to initiate the Agricultural Research and Extension Project (612-0215) which will combine the ongoing Agricultural Research Project (612-0202) with the Agricultural Extension and Training Project (612-0212) which had been scheduled for FY 1983 initiation. In reviewing with the GOM and the World Bank the progress of the Agriculture Research project and the needs of the Agricultural Extension Service, A.I.D. and the GOM determined that a combined research and extension project would best facilitate the process of enabling small farmers to put to timely and effective use the agricultural research being done on their behalf.



MALAWI

To complete the development of the 23 village gravity-fed water supply systems, \$731,000 is planned for the Self-Help Rural Water Supply Project (612-0207).

To complete the expansion of the program training general engineers for the public and private sectors, \$2,234,000 is planned for the Malawi Polytechnic Institute Project (612-0201).

Requested Year Program (FY 1984)

A total of \$10 million is requested for FY 1984 for an on-going Agricultural Research and Extension Project (612-0215) which will help the GOM to improve its systems for the development, management and delivery of useful information to small farmers. Expected results will be improved farming technologies and increased yields, resulting in higher small farmer incomes. It is estimated that one million smallholders will receive significant benefits during this planned two phase, ten year agricultural research and extension effort.

A.I.D. Representative - Sheldon W. Cole

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

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PROGRAM: MALAWI

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
BUNDA AGRICULTURAL COLLEGE	G 612-0054	76	79	4,100	4,097	4,097	3,630	---	30	---	440
AGRICULTURAL RESEARCH	G 612-0202	79	82	9,000	9,000	9,000	2,540	---	1,800	---	2,100
MALAWI UNION OF SAVINGS COOP DEV (PVO)	G 612-0205	80	81	760	760	760	211	---	180	---	150
AGRICULTURAL RESEARCH AND EXTENSION	G 612-0215	83	87	---	20,000	---	---	4,035	---	10,000	4,000
TOTAL FOR ACCOUNT GRANTS				13,860	33,857	13,857	6,381	4,035	2,010	10,000	6,690
LOANS				13,860	33,857	13,857	6,381	4,035	2,010	10,000	6,690
				---	---	---	---	---	---	---	---
HEALTH											
RURAL WATER	G 612-0207	80	83	6,000	6,000	5,269	633	731	1,400	---	1,000
TOTAL FOR ACCOUNT GRANTS				6,000	6,000	5,269	633	731	1,400	---	1,000
LOANS				6,000	6,000	5,269	633	731	1,400	---	1,000
				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
MALAWI POLYTECHNIC INSTITUTE	G 612-0201	80	85	8,314	8,314	5,580	462	2,234	2,400	---	1,000
TOTAL FOR ACCOUNT GRANTS				8,314	8,314	5,580	462	2,234	2,400	---	1,000
LOANS				8,314	8,314	5,580	462	2,234	2,400	---	1,000
				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				28,174	48,171	24,706	7,476	7,000	5,810	10,000	8,690
LOANS				28,174	48,171	24,706	7,476	7,000	5,810	10,000	8,690
				---	---	---	---	---	---	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

## MALAWI

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	-	-	-
Grants .....	1947	5810	8690
<b>Total AID .....</b>	<b>1947</b>	<b>5810</b>	<b>8690</b>
<b>P.L. 480**</b>			
Title I .....	-	-	-
(of which Title III is)	( )	( )	( )
Title II .....	118	123	183
<b>Total P.L. 480 .....</b>	<b>118</b>	<b>123</b>	<b>183</b>
<b>Total AID and P.L. 480 .....</b>	<b>2065</b>	<b>5933</b>	<b>8873</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	3	5	5
PASA <sup>c</sup> .....	-	-	-
Contract .....	1	2	2
<b>Total .....</b>	<b>4</b>	<b>7</b>	<b>7</b>
<b>Participants <sup>d</sup></b>			
Noncontract .....	15	10	12
Contract .....	7	10	12
<b>Total .....</b>	<b>22</b>	<b>20</b>	<b>24</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	-	-	-	-	-	-
Feedgrains .....	-	-	-	-	-	-
Vegoli .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>						
(of which Title III is)	( )	( )	( )	( )	( )	( )
<b>Title II</b>						
Voluntary Agencies .....		-		-		-
World Food Programs .....		118		123		183
Gov't-to-Gov't .....		-		-		-
<b>Title II Total .....</b>		<b>118</b>		<b>123</b>		<b>183</b>
<b>Total P.L. 480 .....</b>		<b>118</b>		<b>123</b>		<b>183</b>

party officials participate in development committees that present the collective desires of villagers to appropriate government officials.

The GOM has maintained low expenditures for health, water, education and housing relative to other priority budget line items. During the period from 1978/79 to 1980/81, these sectors absorbed about 8% of development expenditures, roughly the same share as they absorbed on the average over the decade of the 1960s. In several important health statistics, Malawi is below that of other sub-Saharan African countries with similar per capita GNPs. The estimated life expectancy at birth of 44.2 years (1980) is somewhat below other sub-Saharan African countries and the total absence of any family planning effort is reflected in Malawi's population growth rate of 3.2% (1980). The infant mortality rate is 171.9 per 1000 (1980). Malawi's adult literacy rate at 25% (1979) is below the average level for all less developed countries.

Malawi with a per capita income of \$233.90 (1980) has remained in the relatively least developed category

## MALAWI

RESOURCE FLOWS (in thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	-	-	-
Grants .....	1947	5810	8690
<b>Total Aid</b> .....	1947	5810	8690
<b>P.L. 480**</b>			
Title I .....	-	-	-
(of which Title III is)	( )	( )	( )
Title II .....	118	123	183
<b>Total P.L. 480</b> .....	118	123	183
<b>Total Aid and P.L. 480</b> .....	2065	5933	8873

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	3	5	5
PASAC <sup>c</sup> .....	-	-	-
Contract .....	1	2	2
<b>Total</b> .....	4	7	7
<b>Participants<sup>d</sup></b>			
Noncontract .....	15	10	12
Contract .....	7	10	12
<b>Total</b> .....	22	20	24

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	-	-	-	-	-	-
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total</b> .....						
(of which Title III is)	( )	( )	( )	( )	( )	( )
<b>Title II</b>						
Voluntary Agencies .....		-		-		-
World Food Programs .....		118		123		183
Gov't-to-Gov't .....		-		-		-
<b>Title II Total</b> .....		118		123		183
<b>Total P.L. 480</b> .....		118		123		183

party officials participate in development committees that present the collective desires of villagers to appropriate government officials.

The GOM has maintained low expenditures for health, water, education and housing relative to other priority budget line items. During the period from 1978/79 to 1980/81, these sectors absorbed about 8% of development expenditures, roughly the same share as they absorbed on the average over the decade of the 1960s. In several important health statistics, Malawi is below that of other sub-Saharan African countries with similar per capita GNPs. The estimated life expectancy at birth of 44.2 years (1980) is somewhat below other sub-Saharan African countries and the total absence of any family planning effort is reflected in Malawi's population growth rate of 3.2% (1980). The infant mortality rate is 171.9 per 1000 (1980). Malawi's adult literacy rate at 25% (1979) is below the average level for all less developed countries.

Malawi with a per capita income of \$233.90 (1980) has remained in the relatively least developed category

Swaziland

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FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: SWAZILAND

\*BASIC DATA\*

TOTAL POPULATION.. (THOUSANDS, MID 1982) 589  
 PER CAPITA GNP..... (DOLLARS, 1981) 840  
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 1.9%  
 AVERAGE ANNUAL RATE OF INFLATION (1970-80) 10.6%  
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.  
 LIFE EXPECTANCY AT BIRTH, IN YEARS  
     (1981) TOTAL 47.5 MALE 45.9 FEMALE 49.1  
     (1968) TOTAL 41.0 MALE N.A. FEMALE N.A.  
 ADULT LITERACY RATE (1976) TOTAL 55% MALE 57% FEMALE 54%

\*AGRICULTURE\*

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE  
 (1970-1979) 2.1%  
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1981) 23%  
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 108  
 MAJOR CROP(S) ARABLE LAND YEAR  
     SUBSISTENCE: CORN LIVESTOCK SORGHUM 44% (1981)  
     CASH: SUGARCANE FRUIT BEEF & VEAL 17% (1981)  
 MAJOR AGRICULTURAL EXPORTS:(1981) SUGAR CITRUS FRUIT  
 MAJOR AGRICULTURAL IMPORTS:(1981) CORN DAIRY PRODUCTS  
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 75%

\*CENTRAL GOVERNMENT FINANCES\*

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)  
     (1978) 127 (79) 162 (80) 191  
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)  
     (1978) 194 (79) 181 (80) 181  
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)  
     (1978) -67 (79) -19 (80) 10  
 DEFENSE EXPENDITURES,  
     AS % OF TOTAL EXPENDITURES.. (1978) 3.3% (79) 7.1% (80) 7.8%  
     AS % OF GNP..... (1978) 1.9% (79) 3.1% (80) 3.2%  
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,  
 (\$ MILLIONS, U.S.) (1979) 117 (80) 162 (81) 104  
 EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1979)

\*FOREIGN TRADE\*

MAJOR EXPORTS... (1981) SUGAR CHEMICALS PULP AND WAX  
 EXPORTS TO U.S.  
     (\$ MILLIONS, US, FOB) (1979) 22 (1980) 56 (1981) 65  
     AS % OF TOTAL EXPORTS (1979) 10% (1980) N.A. (1981) N.A.  
 MAJOR IMPORTS... (1981) MOTOR VEHICL UIL PRODUCTS FOODSTUFF  
 IMPORTS FROM U.S.  
     (\$ MILLIONS, US, CIF) (1979) 2 (1980) 7 (1981) 8  
     AS % OF TOTAL IMPORTS (1979) 1% (1980) N.A. (1981) N.A.  
 TRADE BALANCE(\$ MILLIONS, U.S.)(1977) -44(78) -114(79) -155  
 MAIN TRADING PARTNERS: UNITED KINGDOM UNITED STATES SAUDI ARABIA  
 EXTERNAL PUBLIC DEBT AS % OF GNP (1981) 30.5%  
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,  
     (\$ MILLIONS, U.S.)..... (1980) 6  
     AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980) 1.5%

\*SOCIAL DATA\*

POPULATION GROWTH RATE...(1970) 2.8% (1975) 2.7% (1982) 2.9%  
 POPULATION IN URBAN AREAS..... (1976) 11%  
 LIVE BIRTHS PER 1,000 POPULATION.....(1970) 49 (1982) 47  
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.  
 POPULATION (1981) IN AGE GROUP:  
     (0-14YRS) 45.2% (15-64YRS) 51.9% (65+ YRS) 2.9%  
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 140  
 PEOPLE PER PHYSICIAN..... (1976) 9,148  
 MAJOR CAUSES OF DISEASE (1979)GASTROINTESTINAL RESPIRATORY  
 DEATH.. (1979)GASTROINTESTINAL TUBERCULOSIS RESPIRATORY  
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1973) 92%  
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 57%  
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:  
     PRIMARY..... (1980) TOTAL 78.4% MALE 75.2% FEMALE 77.7%  
     SECONDARY..... (1980) TOTAL 48.8% MALE 52.1% FEMALE 45.8%  
     POST SECONDARY.. (1980) TOTAL 3.2% MALE 3.1% FEMALE 3.3%  
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 87%

Main Trading Partners: Countries shown are main partners according to IMF data. According to Mission data, last year's main partners were South Africa (90 percent of imports, 25 percent of exports), the U.K. and the U. S.

**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 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	SWAZILAND							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	1.4	14.2	7.0	9.0	11.5	55.1	0.5	54.6
Loans	-	5.4	2.0	2.6	-	10.8	0.5	10.3
Grants	1.4	8.8	5.0	6.4	11.5	44.3	-	44.3
<b>a. A.I.D. and Predecessor Agencies</b>	0.2	12.0	6.0	7.5	9.7	37.3	0.5	36.8
Loans	-	5.4	2.0	2.6	-	10.8	0.5	10.3
Grants	0.2	6.6	4.0	4.9	9.7	26.5	-	26.5
(Economic Support Fund)	-	12.0	-	-	-	12.8	-	-
<b>b. Food for Peace (PL 480)</b>	0.1	0.4	0.5	0.2	0.6	7.0	-	7.0
Loans	-	-	-	-	-	-	-	-
Grants	0.1	0.4	0.5	0.2	0.6	7.0	-	7.0
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.1	0.4	0.5	0.2	0.6	7.0	-	7.0
Emerg. Relief, Econ. Develop. & World Food Program	0.1	0.4	0.5	0.2	0.6	6.8	-	6.8
Voluntary Relief Agencies	-	-	-	-	-	0.2	-	0.2
<b>c. Other Economic Assistance</b>	1.1	1.0	1.3	1.3	1.2	10.6	-	10.6
Loans	-	-	-	-	-	-	-	-
Grants	1.1	1.0	1.3	1.3	1.2	10.6	-	10.6
Peace Corps	1.1	1.0	1.3	1.3	1.2	10.6	-	10.6
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE - TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	1.4	14.2	7.0	9.0	11.5	55.1	0.5	54.6
Loans	-	5.4	2.0	2.6	-	10.8	0.5	10.3
Grants	1.4	8.8	5.0	6.4	11.5	44.3	-	44.3
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	-	-	-	-
<b>a. Export-Import Bank Loans</b>	-	-	-	-	-	-	-	-
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	11.6	12.7	7.0	137.6
IBRD	10.1	10.0	0.0	60.7
IFC	0.0	0.0	0.0	8.5
IDA	0.0	0.0	0.0	8.4
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AIDB	0.0	0.0	0.0	27.6
UNDP	1.1	0.7	0.0	11.4
OTHER-UN	0.4	0.0	0.0	2.0
EEC	0.0	2.0	7.0	19.0

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	11.0	7.0	22.0
U.K.	15.0	8.4	66.0
Germany	2.5	2.2	31.6
Sweden	1.6	4.1	10.6
Canada	1.4	1.0	7.4
Other	2.7	2.6	12.6
<b>Total</b>	<b>34.2</b>	<b>25.3</b>	<b>150.2</b>

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

	CY 1980	CY 1981	CY 1976-81
	-	-	-

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
	-	-	-

SWAZILAND

PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982	-	-	-	-	-	-	-	-
Loans ....	-	-	-	-	-	-	-	-
Grants ....	8677	5297	-	-	3380	-	-	-
Total ....	8677	5297	-	-	3380	-	-	-
1983	2000	2000	-	-	-	-	-	-
Loans ....	2000	2000	-	-	-	-	-	-
Grants ....	4157	500	-	1057	2600	-	-	-
Total ....	6157	2500	-	1057	2600	-	-	-
1984	2000	2000	-	-	-	-	-	-
Loans ....	2000	2000	-	-	-	-	-	-
Grants ....	6000	2006	-	-	3994	-	-	-
Total ....	8000	4006	-	-	3994	-	-	-

CP 84-13 (8-82)

**FY 84 PROGRAM HIGHLIGHTS**

- Strategy aims to increase agricultural productivity, combat rising unemployment, improve health, and promote awareness of effects of rapid population growth.
- Program emphasizes human resources development as a major factor for achievement of overall assistance objectives.
- One new project planned: Swaziland Manpower Development, \$1.5 million in FY 1984.

Development Overview

Swaziland's economy is characterized by rapid expansion of economic activity and by diversification. Its agricultural, manufacturing and services sectors are making excellent progress. The government's goals are economic growth, self-reliance and social justice with stability. These are being achieved through a balanced program of government services and of support for private entrepreneurs, both foreign and domestic, and training programs to encourage localization in skilled and managerial jobs.

Since Independence in 1968, Swaziland's per capita GNP has risen from less than \$300 to \$840 in 1981, a real annual growth rate of 4.2%. Agriculture's share of the GDP rose from 19% to 23% during the period. Manufacturing contributes nearly 25% of GDP, and non-governmental services account for 31%.

Agriculture remains the most important economic sector in Swaziland. Modern plantations, producing mainly for export, provided about 65% of total 1981/82 exports and generated significant employment. This modern element of the sector is primarily responsible for Swaziland's rate of growth in agriculture output being among the highest in Sub-Saharan Africa. The more traditional part of the agricultural sector is also important since it provides a livelihood for the great majority of Swazi people. However, productivity and income of the traditional farmers have lagged far behind.

Since 1960, industrial expansion has averaged 8.4% per year. It now provides over a fourth of all paid employment in the country and has accounted for over half the growth in paid jobs during the past five years. Initially the industrial base served agricultural exports (fruit boxes, sugar mills, wood processing) and local consumption (bakeries, bottlers, food processing). It has expanded to include production for outside markets



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RESOURCE FLOWS (In thousands of dollars)			
Program	CP 84-08 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	120	4000	3030
Grants .....	6206	8473	9436
<b>Total AID .....</b>	<b>6326</b>	<b>12473</b>	<b>12466</b>
<b>P.L. 480**</b>			
Title I .....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II .....	-	-	-
<b>Total P.L. 480 .....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total AID and P.L. 480 .....</b>	<b>6206</b>	<b>12473</b>	<b>12466</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	CP 84-17 (8-82)		
	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel <sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	12	12	12
PASA <sup>c</sup> .....	-	-	-
Contract .....	25	23	20
<b>Total .....</b>	<b>37</b>	<b>35</b>	<b>32</b>
<b>Participants <sup>d</sup></b>			
Noncontract .....	76	50	55
Contract .....	13	25	31
<b>Total .....</b>	<b>89</b>	<b>75</b>	<b>86</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY						
(IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	-	-	-	-	-	-
Rice .....	-	-	-	-	-	-
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	-	-	-	-	-	-
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<b>Title II</b>						
Voluntary Agencies .....	-	-	-	-	-	-
World Food Programs .....	-	-	-	-	-	-
Gov't-to-Gov't .....	-	-	-	-	-	-
<b>Title II Total .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total P.L. 480 .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(fertilizers, electronics) and other industries (engineering, repairs, construction). In 1981 industrial exports came to over 15% of total exports.

The Government of Swaziland (GOS) is committed to a free enterprise economic system and actively encourages private investment, both foreign and domestic, while insisting that for larger enterprises Swazi interests be represented through either loan or equity participation. The government rarely interferes with market forces.

By virtue of its geographical situation and membership in the Rand Monetary Area and the South African Customs Union (SACU), Swaziland's economy is closely linked to that of South Africa. Although this permits very limited scope for Swaziland in setting independent fiscal and monetary policies, the relationship also offers important market opportunities, and customs receipts are a major factor in the public sector budget.

Despite overall progress, the rural area--where 85% of Swazis live--lags far behind. In 1978, average annual per capita farm production on Swazi Nation Land, where

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traditional agriculture is practiced, was less than \$150. Total per capita rural income averaged \$250, including remittances from non-resident workers. By contrast, the minimum wage for general laborers in the modern sector was about \$800. This has contributed to increased migration to urban areas and a growing concern about the capacity of the economy to accommodate anticipated additions to the labor force in the 1980s.

Swaziland's adult literacy rate of 65% and its primary school enrollment of 78% compare favorably to those of other developing countries with similar income levels. However, the pass rate for students taking standardized high school examinations has been falling and is now only 26%. Of the students who start primary school, only half finish. Swaziland has a high infant mortality rate (135 per thousand) and a life expectancy at birth of only 48 years. A high population growth rate (between 2.6% and 3.4% per year) contributes to these problems.

As the forgoing statistics indicate, the major constraints to development for the majority of the population are found in four key interrelated problem areas: low agricultural productivity, low health status, rising unemployment and rapid population growth. These problem areas and A.I.D.'s plans for helping Swaziland deal with them are described in detail in the A.I.D. Assistance Strategy section .

### Total Resources

The GOS estimates that average annual government revenues during 1978-81 were \$151 million, while expenditures averaged \$187 million. SACU provided an average of \$84 million (55%), and income taxes provided an additional \$40 million (27%). Recurrent plus statutory expenditures averaged \$92 million, and capital spending \$95 million. The average deficit of \$36 million was financed mainly through foreign grants and external borrowing.

Donor assistance to Swaziland is concentrated in agriculture, industry and education, with smaller amounts for

health, communications and transportation. Major donors are the United States, the United Kingdom and the United Nations group. Most donors sponsor activities in some area of agriculture/rural development. The GOS Department of Economic Planning and Statistics coordinates donor assistance for Swaziland. Donor representatives also meet frequently on an informal basis to exchange information on program development and implementation. In early FY 1983 the Trade and Development Program approved financing for a U.S. firm to carry out a feasibility study in preparation for establishing a brick and tile factory in Swaziland.

There are approximately 100 Peace Corps volunteers who serve primarily as math, science and agriculture teachers. While there is no current EXIM Bank program and only one OPIC investment insurance project in Swaziland, the GOS is actively seeking an expansion of U.S. private sector investments.

### U.S. Interests and Objectives

The U.S. seeks to support a continuation of the significant development gains made since independence, to encourage the existing expansion and a more equitable distribution of the benefits of free enterprise economy, and to be responsive to a government which plays an active and constructive role in key international issues. The A.I.D. program is geared to these interests and reflects U.S. support for majority-ruled countries of southern Africa and particularly those which serve as a model of the free enterprise system.

### A.I.D. Assistance Strategy

A.I.D.'s strategy is directed toward helping Swaziland attain its goal of self-sufficiency and meet the basic needs of its people by attacking the four major interrelated problem areas mentioned earlier. Heavy emphasis on the development of Swaziland's human resources is an integral element in this strategy. In addition, the base for wider participation by individual Swazis in economic and social development will be laid through greater

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emphasis on the private sector and on efficient communication of useful technology.

Agricultural productivity is very low on Swazi Nation Land (SNL), the 60% of Swaziland's total land area falling under the traditional system of land tenure. Crop yields are significantly below those on individually tenured farms. Under current agricultural conditions (small farm size, traditional land tenure system, reliance on rain-fed agriculture and lack of appropriate agriculture research and extension services), the income potential of the average SNL farm, even if worked intensively, is less than for alternative forms of employment. If agricultural conditions can be improved to a point where labor can earn a reasonable return, employment opportunities and incomes for this poorest segment of the population can be significantly increased. The strategy is to encourage movement from subsistence to semi-commercial farming.

A.I.D. will help Swaziland to increase agricultural productivity by expanding development of the country's abundant water resources, converting many SNL farms from dryland to irrigated farming. This will allow double or triple cropping and higher yields per acre. In preparation for this effort, A.I.D. is encouraging extensive conservation measures and is supporting research to determine the most profitable cropping patterns. A.I.D. is also helping to improve the quality and size of Swaziland's agricultural extension service, which forms the link between research and farmers.

Low health status in the country is primarily the result of a high rate of infectious disease, especially gastrointestinal diseases, tuberculosis and respiratory illnesses. Although health facilities are reasonably accessible to the majority of the population, the health care system is understaffed and does not have planning and administrative capabilities adequate for effective delivery of health services. The health system's focus on curative rather than preventive services results in a system that does not meet the most important needs of the

population. Unsafe water sources contribute to the problem.

A.I.D.'s health programs are directed at factors contributing to the very high level of mortality among children under two years of age. A.I.D. is assisting the GOS to institute more effective health planning and organization, improve the country's potable water and sanitation facilities, and increase the knowledge among Swazis of disease prevention. The A.I.D.-financed Institute of Health Sciences is a prime example of institution building and has made great strides in training new health workers and upgrading the skills of those already in service. Recent activities by the GOS indicate that there is increasing awareness of the efficiency and effectiveness of the media in transmitting health and other development messages to the general population.

Rising unemployment is an emerging problem. Employment in the modern sector has been growing by an impressive 3.3% or 3,000 jobs per year. However, the labor force is growing by 8,000 per year. In the past, excess labor was absorbed in traditional agriculture, but this is now less possible because of shortages of arable land due to population increases and to low income potential associated with the current agricultural situation. The country's education system emphasizes academic subjects and is not training Swazis for the agricultural and manual skills jobs that the economy will generate. Only 2% of Swaziland's students study agriculture, and only 6% take vocational training courses.

A.I.D. is taking a long-range, institution-building approach to this problem by encouraging fundamental changes in the primary education system, establishing a national capacity for producing curricula which will better reflect Swaziland's practical educational needs and goals, and training better quality teachers. A.I.D. also proposes to continue and expand its training programs for employees in both the public and private sectors.

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Swaziland's high rate of population growth is forcing increased spending on social services, placing severe strains on limited arable land, and contributing to rising unemployment. The factors contributing to rapid population growth are a traditional value system which emphasizes large families, a high infant mortality rate which stimulates higher birth rates to ensure that an adequate number of children survive, inadequate knowledge of modern contraceptive methods, and a lack of awareness on the part of Swazi leaders regarding the impact of population growth.

Current A.I.D. strategy in the population area is to focus on increasing awareness among Swazi leaders and the general public and to stimulate changes in attitudes which would encourage many more Swazis to take advantage of existing family planning services. Training in population education and family planning techniques is being provided to Swazi health professionals and primary health care workers as an important element of this strategy.

Both to assist Swaziland's private sector and to deploy its human and capital resources for more efficient national development, A.I.D. plans to undertake an analysis of the needs and opportunities in the private sector. Initial private sector program activities are expected to include local management training for Swazi entrepreneurs using managers in the private sector to teach courses.

### A.I.D. Program (FYs 1982-1983)

A.I.D. is concentrating its program activities in Swaziland on agriculture/rural development, health and human resources. In addition, initial steps are being taken to increase awareness of the adverse developmental impact of rapid population growth and to research needs and opportunities for private sector programs. Central and regional funding mechanisms will be used for population and private sector activities through FY 1984, and some development efforts in those fields will also be

incorporated into ongoing and planned projects in the areas described below.

FY 1982: \$8.7 million in Development Assistance funds was provided to Swaziland in FY 1982 which included \$5.3 million for agricultural/rural development and \$3.4 million in the education and human resources development sector.

The following three projects are currently underway in the agricultural/rural development sector:

The Rural Development Areas - Infrastructure Support Project (645-0068) is establishing soil conservation systems and is constructing rural access roads, dams, small irrigation schemes and rural water systems. It forms part of a multi-donor program to accelerate and expand the process of rural development. The A.I.D. loan portion of this project provides heavy equipment to carry out needed construction and land preparation works, while the A.I.D. grant finances technical assistance in land use planning and development and in equipment use and maintenance. \$2.3 million was provided for this project in FY 1982.

\$3 million was provided for the Cropping Systems Research and Extension Training Project (645-0212), which aims to develop, through applied local-level research, recommendations for improved cropping systems for both dryland and irrigated crops and to make these recommendations available to small farmers through improved extension services. As a result of such research and improved extension services, it is believed the returns from small-scale agriculture can be made competitive with returns of other employment opportunities.

An Operational Program Grant to the National Council of Negro Women, Inc., is helping that organization to enhance income-generating opportunities, especially for women, through the Lundzi-Mpuluzi Pig Production Project (645-0213).

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Three projects underway in the education and human resources development sector:

The Primary Curriculum Development Project (645-0009) received final funding of \$980 thousand in FY 1982. That project is making fundamental changes in the Swazi educational system by developing the institutional capabilities of the GOS to produce improved curricula for math, science, social studies, language arts and practical studies for all seven grades of the primary school system.

The fully funded University College of Swaziland Project (645-0081) is increasing the capacity of the University's Division of Extra Mural Studies to meet mid-level manpower training needs. In-service and after-hours programs are being developed for adults in education, business/commercial studies and general management. The program is being broadened to include management training for private as well as public sector employees.

The Southern Africa Manpower Development Project (645-0069) assists the GOS to upgrade the management capabilities and technical skills of its employees through a broad range of training programs in Swaziland, elsewhere in Africa, and in the United States. If the GOS is unable to release a staff member for training without a significant drop in the pace of development, the project also provides operational technical assistance personnel to fill key positions until Swazi participants return from training. In FY 1982, \$1.4 million was provided for this project.

Three projects are currently underway in the health sector:

The fully funded Health Manpower Training Project (645-0062) continues to train nurses and other paramedical personnel and develop an improved health services support system. Evaluation of this project found that lack of capacity for planning and administration at the ministry level was a major constraint to efficient,

effective delivery of health services. The evaluation led to the development of an A.I.D. Operational Program Grant (645-0215) to International Human Assistance Programs, Inc., under which that organization is now working with the Ministry of Health to improve its health planning and management capabilities.

The Rural Water-Borne Disease Control project (645-0087) is helping the GOS to establish a program for basic health education which will foster improved practices related to water use and sanitation, demonstrate the construction of low-cost, technically appropriate pit latrines, and incorporate health criteria into the design of irrigation systems in Swaziland. In addition, a nationwide survey of schistosomiasis and other parasitic diseases is being conducted under this project.

FY 1983: In FY 1983, A.I.D. plans to provide \$6.157 million to the Government of Swaziland. This will include \$2.5 million in the agriculture/rural development sector to fund a new project, Pilot Small Farmer Irrigation (645-0217), requiring \$2 million in loan funds and \$500 thousand in grant funds. This project will develop small irrigation schemes which will increase employment opportunities, agricultural productivity and income on Swazi Nation Land.

For the education/human resources sector \$2.6 million is requested to provide funding for two projects. The ongoing Southern African Manpower Development Project (645-0069) will receive \$1.257 million to allow continued training of Swazis.

A new Teacher Training Project (645-0214) will be initiated in FY 1983 with a planned obligation of \$1.343 million. A high proportion of under-qualified primary teachers has been a major factor leading to decreasing pass rates and large numbers of drop-outs. This project will improve and expand the capacity of Swaziland's teacher training institutions to train both new and in-service teachers and equip them to teach practical skills to prepare students for employment in the Swazi economy.

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Findings from the evaluation of the Primary Curriculum Development Project were a factor in the decision of the GOS and A.I.D. to develop a teacher training activity.

In the health sector \$1.057 million is requested to continue funding for the Rural Water-Borne Disease Control Project (645-0087).

Requested Year Program (FY 1984)

In FY 1984, A.I.D. proposes to provide \$8 million to Swaziland to fund six ongoing projects incrementally and begin one new project.

The new project, Swaziland Manpower Development (645-0218), will continue the work of the Southern Africa Manpower Development Project and broaden the scope of available training to include the private sector. It will attempt to reduce critical manpower shortages at the middle and upper levels in both the public and private sectors and to build the capacity to define training requirements in both sectors. A.I.D. proposes to begin this new project with \$1.5 million in FY 1984.

Final funding will be provided for one ongoing project in FY 1984: \$578 thousand for Rural Development Areas - Infrastructure Support (645-0068).

Additional increments of funding will be provided for four projects: \$1.428 million for Cropping Systems Research and Extension Training (645-0212), \$994 thousand for Southern Africa Manpower Development (645-0069), \$1.5 million for Teacher Training (645-0214), and \$2.0 million for Pilot Small Farmer Irrigation (645-0217).

Mission Director - Robert Huesmann

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

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PROGRAM: SWAZILAND

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
RURAL DEV AREA INFRASTRUCTURE SUPPORT	G 645-0068	78	84	5,070	5,070	4,492	1,195	---	1,309	578	1,064
RURAL DEV AREA INFRASTRUCTURE SUPPORT	L 645-0068	78	80	4,600	4,600	4,600	---	---	2,728	---	1,872
CROPPING SYSTEMS RESEARCH AND EXT TRNG	G 645-0212	81	86	12,900	12,900	6,406	444	---	2,102	1,428	2,207
SWINE PRODUCTION AND COOP DEV (PVO)	G 645-0213	80	80	309	309	309	155	---	154	---	---
PILOT SMALL FARMER IRRIGATION	G 645-0217	83	87	---	3,600	---	---	500	---	---	457
PILOT SMALL FARMER IRRIGATION	L 645-0217	83	84	---	4,000	---	---	2,000	---	2,000	1,158
TOTAL FOR ACCOUNT GRANTS				22,879	30,479	15,807	1,794	2,500	6,293	4,006	6,758
LOANS				18,279	21,879	11,207	1,794	500	3,565	2,006	3,728
				4,600	8,600	4,600	---	2,000	2,728	2,000	3,030
HEALTH											
HEALTH MANPOWER TRAINING	G 645-0062	77	81	2,442	2,442	2,442	1,447	---	416	---	579
RURAL WATER BORNE DISEASE CONTROL	G 645-0087	79	83	3,297	3,297	2,236	1,264	1,057	878	---	765
HEALTH PLANNING AND MANAGEMENT	G 645-0215	81	81	996	996	996	125	---	268	---	299
TOTAL FOR ACCOUNT GRANTS				6,735	6,735	5,674	2,836	1,057	1,562	---	1,643
LOANS				6,735	6,735	5,674	2,836	1,057	1,562	---	1,643
				---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES											
CURRICULUM DEVELOPMENT	G 645-0009	75	82	5,364	5,352	5,352	4,426	---	800	---	137
MANPOWER DEVELOPMENT AND TRAINING	G 645-0069	78	85	7,637	7,637	4,700	1,817	1,257	1,666	994	1,790
UNIVERSITY COLLEGE OF SWAZILAND	G 645-0081	78	80	375	375	375	---	---	---	---	375

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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02/10/83

PROGRAM: SWAZILAND

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG EXPENDI ATIONS TURES	-ESTIMATED FY83- OBLIG EXPENDI ATIONS TURES	-PROPOSED FY84- OBLIG EXPENDI ATIONS TURES				
TEACHER TRAINING	G 645-0214	83	87	---	9,142	---	---	1,343	---	1,500	1,603
SWAZILAND MANPOWER DEVELOPMENT	* G 645-0213	84	87	---	8,000	---	---	---	---	1,500	125
TOTAL FOR ACCOUNT GRANTS LOANS				13,376	30,506	10,427	6,243	2,600	2,466	3,994	4,030
				13,376	30,506	10,427	6,243	2,600	2,466	3,994	4,030
				---	---	---	---	---	---	---	---
SECURITY SUPPORTING ASSISTANCE											
RURAL DEV AREA INFRASTRUCTURE SUPPORT	G 645-0068	78	80	2,077	2,077	2,077	2,015	---	62	---	---
RURAL DEV AREA INFRASTRUCTURE SUPPORT	L 645-0068	78	80	5,400	5,400	5,400	4,128	---	1,272	---	---
MANPOWER DEVELOPMENT AND TRAINING	G 645-0069	78	80	1,655	1,655	1,655	1,397	---	258	---	---
UNIVERSITY COLLEGE OF SWAZILAND	G 645-0081	78	80	1,684	1,684	1,684	1,385	---	299	---	---
TOTAL FOR ACCOUNT GRANTS LOANS				10,816	10,816	10,816	8,925	---	1,891	---	---
				5,416	5,416	5,416	4,797	---	619	---	---
				5,400	5,400	5,400	4,128	---	1,272	---	---
TOTAL FOR COUNTRY GRANTS LOANS				53,806	78,536	42,724	19,798	6,157	12,212	8,000	12,431
				43,806	64,536	32,724	15,670	4,157	9,212	6,000	9,401
				10,000	14,000	10,000	4,128	2,000	4,000	2,000	3,030

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



TITLE Swaziland Manpower Development		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 645-0218 GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/>		POPULATION:	ED. & HR: 1,500	SEL. ACT.:	FY 84 1,500	LIFE OF PROJECT FUNDING: 8,000	
NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>					INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To reduce critical manpower shortages at the middle and upper levels in both the public and private sectors and to institutionalize the capacity to define training demands in both of the sectors.

Project Description: The social and economic development of Swaziland continues to be constrained by the lack of qualified middle and upper level manpower in both the public and private sectors. Consequently, Swaziland does not have the capacity to plan and execute health, education and agriculture programs in order to alleviate rising unemployment. The process of replacing expatriates with trained and capable Swazis in the private sector is difficult because there are few qualified Swazis and no overall training plan to guide private sector training needs.

Since 1973, A.I.D. has trained approximately 240 Swazis in the U.S. and third countries and funded in-country training programs for approximately 500 Swazis. These programs are vitally important both to increase the knowledge and abilities of Swazis in key fields and as a means of transferring improved technology. Training under the current project, Southern Africa Manpower Development, has been directed toward improving the quality and quantity of personnel engaged in public sector efforts in the major areas of agriculture, health and education.

This proposed follow-on project, Swaziland Manpower Development, will continue to train key individuals at the middle and upper levels of the public sector. It will provide training to meet critical private sector needs and seek to promote private and public sector cooperation in the efficient utilization of scarce trained manpower resources. Specifically, the project will support the creation and operation of a National Training Council to identify training requirements in both the public and private sectors; to emphasize institution building by training a nucleus of people required to perform key functions (e.g. manpower analysis, population policy formulation). The project will provide a

number of individuals within a particular office or functional division with the type and level of training necessary to enable that office, as opposed to an individual, to perform its function effectively.

Relationship of Project to A.I.D. Country Strategy: USAID/Swaziland's overall strategy is directed toward ameliorating four major interrelated development problems: rapid population growth, high under-two mortality, low agricultural productivity and rising unemployment. The current training project is designed to train personnel in the public sector engaged in programs which deal with these problem areas. The proposed project will try to improve specific key functions, in both the private and public sectors, that have a direct impact on these problem areas.

Host Country and Other Donor Contributions: The GOS is expected to provide approximately \$2,500,000 out of the total estimated cost of the project of \$10,500,000. The GOS contribution will be for the provision of in-country training sites, staff, a portion of in-country participant costs, support for technical assistance, travel for all out-of-country trainees and basic staffing and support for the National Training Council. In addition, the United Kingdom, Canada, Germany, the EEC and other donors are also supporting training programs.

Beneficiaries: The project is expected to benefit directly more than 100 Swazis who will receive training in the U.S. or third countries and approximately 1,500 Swazis who will be trained in-country. Through the improved capacity of the 1,600 people trained and the increased effectiveness of the offices where they work and the functions they perform, it is expected that a far larger impact in the form of indirect benefits will be made on the lives of Swazis living in both rural and urban areas and working in both the public and private sectors.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: ZAMBIA

-----				-----			
*BASIC DATA*				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	6,222			MAJOR EXPORTS... (1981)	COPPER	NON-FER META	TOBACCO
PER CAPITA GNP..... (DOLLARS,1981)	590			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	0.2%			(\$ MILLIONS, US. FOB) (1979)	141	(1980) 187	(1981) 107
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	7.6%	(1970-80)	8.1%	AS % OF TOTAL EXPORTS (1979)	10%	(1980) 13%	(1981) 10%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1976)	3.4%			MAJOR IMPORTS... (1981)	MACHINERY	TRANSPORT EQ	FOODSTUFFS
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL	49.9	MALE 48.3	FEMALE 51.6	(\$ MILLIONS, US. CIF) (1979)	77	(1980) 108	(1981) 75
(1968) TOTAL	43.5	MALE 41.9	FEMALE 45.1	AS % OF TOTAL IMPORTS (1979)	11%	(1980) 8%	(1981) 6%
ADULT LITERACY RATE (1977)	TOTAL 44%	MALE N.A.	FEMALE N.A.	TRADE BALANCE(\$ MILLIONS, U.S.)(1979)	646(80)	91(81)	-201
(1969) TOTAL	47%	MALE 61%	FEMALE 35%	MAIN TRADING PARTNERS: UNITED KINGDOM	JAPAN	UNITED STATES	
-----				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	51.2%		
*AGRICULTURE*				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.			
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE				(\$ MILLIONS, U.S.)..... (1980)	335		
(1970-1981)	-0.8%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)	24.4%		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	15%			-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	46			*SOCIAL DATA*			
MAJOR CROP(S)		ARABLE LAND	YEAR	POPULATION GROWTH RATE...(1970)	3.1%	(1975) 3.1%	(1982) 3.2%
SUBSISTENCE: CORN MILLET SORGHUM		27%	(1981)	POPULATION IN URBAN AREAS..... (1969)	30%	(1979) 40%	
CASH: CORN SUGARCANE TOBACCO		23%	(1981)	LIVE BIRTHS PER 1,000 POPULATION....(1970)	50	(1982) 49	
MAJOR AGRICULTURAL EXPORTS:(1981) TOBACCO GROUNDNUTS				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977)	1%		
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT CORN VEG. OIL				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	67%			(0-14YRS) 47.3%	(15-64YRS) 50.1%	(65+ YRS) 2.6%	
-----				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	111		
*CENTRAL GOVERNMENT FINANCES*				PEOPLE PER PHYSICIAN..... (1975)	10.553		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF			
(1978) 739 (79) 812 (80) 974				DISEASE (1979)MALARIA TUBERCULOSIS			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DEATH.. (1968)HEART DISEASE ACCIDENTS SYPHILIS			
(1978) 852 (79) 1,091 (80) 1,556				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977)	90%		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975)	42%		
(1978) -113 (79) -279 (80) -582				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFENSE EXPENDITURES,				PRIMARY..... (1979) TOTAL 95.0%	MALE 101.0%	FEMALE 89.0%	
AS % OF TOTAL EXPENDITURES.. (1978) 9.2% (79) 14.9% (80) 8.6%				SECONDARY..... (1979) TOTAL 17.0%	MALE 22.0%	FEMALE 12.0%	
AS % OF GNP..... (1978) 2.9% (79) 5.1% (80) 3.7%				POST SECONDARY.. (1975) TOTAL 2.1%	MALE 3.6%	FEMALE .6%	
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	58%		
(\$MILLIONS, U.S.) (1979) 91 (80) 89 (81) 66							
EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1981)							

**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 1946-81	REPAY-MENTS AND INTEREST 1946-81	TOTAL LESS REPAY-MENTS AND INTEREST 1946-81
	ZAMBIA							
	PROGRAM	1977	1978	1979	1980			
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>	25.0	38.5	33.4	46.4	30.0	213.1	38.7	174.4
Loans	25.4	38.5	30.0	32.5	25.0	183.7	38.7	145.0
Grants	0.2	-	3.4	13.9	5.0	29.4	-	29.4
<b>a. A.I.D. and Predecessor Agencies</b>	20.0	30.0	20.4	24.0	20.0	129.4	10.8	118.6
Loans	20.0	30.0	20.0	20.0	20.0	114.2	10.8	103.4
Grants	*	*	0.4	4.0	5.0	15.2	-	15.2
(Economic Support Fund)	20.0	30.0	20.0	24.0	20.0	114.6	-	-
<b>b. Food for Peace (PL 480)</b>	5.0	8.5	13.0	22.4	10.0	61.3	0.8	60.5
Loans	5.4	8.5	10.0	12.5	10.0	47.1	0.8	46.3
Grants	0.2	-	3.0	9.9	-	14.2	-	14.2
Title I - Total Sales Agreements	5.4	8.5	10.0	12.5	10.0	47.1	0.8	46.3
Repayable in U.S. Dollars - Loans	5.4	8.5	10.0	12.5	10.0	47.1	0.8	46.3
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	0.2	*	3.0	9.9	-	14.2	-	14.2
Emerg. Relief, Econ. Develop. & World Food Program	0.2	*	3.0	9.9	-	14.2	-	14.2
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
<b>c. Other Economic Assistance</b>	-	-	-	-	-	22.4	27.1	4.7-
Loans	-	-	-	-	-	22.4	27.1	4.7-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE - TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	25.0	38.5	33.4	46.4	30.0	213.1	38.7	174.4
Loans	25.4	38.5	30.0	32.5	25.0	183.7	38.7	145.0
Grants	0.2	-	3.4	13.9	5.0	29.4	-	29.4
<b>Other U.S. Government Loans and Grants</b>	-	-	24.7	-	-	100.1	73.7	26.4
<b>a. Export-Import Bank Loans</b>	-	-	24.7	-	-	100.1	73.7	26.4
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS	FY 1980	FY 1981	FY 1982	FY 1946-82
	TOTAL	98.9	46.1	87.1
IBRD	25.0	26.0	11.7	576.0
IFC	37.6	0.0	34.4	75.8
IDA	15.0	0.0	0.0	37.3
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	19.4	9.7	9.5	62.2
UNDP	1.7	0.9	0.0	28.9
OTHER-UN	0.2	1.5	0.0	3.8
EEC	0.0	8.0	31.5	42.0
<b>B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE</b>				
<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Donor	CY 1980	CY 1981	CY 1977-81	
U.S.	41.0	31.0	166.0	
U.K.	44.2	38.7	188.7	
Germany	35.6	18.0	99.4	
Sweden	31.1	28.8	127.5	
Netherlands	27.8	18.8	73.8	
Other	59.2	46.7	245.8	
Total	238.9	182.0	901.2	
<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
	CY 1980	CY 1981	CY 1976-81	
	-	-	9.5	
<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
	CY 1980	CY 1981	CY 1954-81	
USSR	-	-	20	
Eastern Europe	30	-	165	
China	5	-	340	
Total	35	-	525	

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CP 84-07(9-82)

ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>		CP 82-21(8-82)		
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed	
Loans	15.0	15.0	16.0	
Grants	5.0	-	4.0	
Total	20.0	15.0	20.0	

Development Overview

Zambia's population of 6.0 million is growing at a rate of about 3.2% per annum. Some 40% of the population lives in urban areas, making Zambia one of the most urbanized societies in Africa south of the Sahara. Mining is the most important sector and accounted for 32% of gross domestic product (GDP) in 1974. However, in recent years, mining's relative share of GDP has fallen to only 8% in 1981 as a result of the depressed world market demand for copper, sharply declining copper prices (the lowest in 30 years) and production difficulties. Despite its reduced relative contribution to GDP in recent years, the copper industry remains the primary determinant of Zambia's economic and financial performance since the mining sector earns over 90% of Zambia's foreign exchange. Other major contributors to GDP in 1981 included manufacturing, 19%; and agriculture, 17%.

Zambia's per capita GNP was about \$500 in 1981. While this suggests a moderately high income compared to that of many African countries, it does not indicate the dualism that exists between the urban-oriented modern sector, dominated by mining, and the rural agricultural sector. Indicative of modern versus traditional income

**FY 84 PROGRAM HIGHLIGHTS**

-A.I.D.'s objective is to assist Zambia through its financial and economic crisis by providing balance of payments support while continuing a development-oriented program to promote increased food production and small farm income.  
 -\$16 million for commodity imports; \$7.0 million for PL 480 Title I; and \$4 million for training, institutional development and agricultural research and extension will assist in meeting external and internal resource needs.

disparities is a 1980 survey which showed that 80% of all rural households received income below a minimum level to meet basic needs while the same was true for 25% of all households in urban areas. Other socio-economic indicators show per capita caloric supply as a percentage of total requirements at 87%; literacy 39%; and life expectancy 48 years.

Zambia's mineral resources and large land area offer considerable potential for development. At currently projected rates of extraction, the country's known resources of copper will last about 20 years. During this period, financial resources generated by the mining sector can support diversification efforts, especially in agricultural and rural development, in order to lessen the country's dependence on copper. Zambia's land area and low population density of 44 persons per square mile of agricultural land offer good potential for development. Of the total land area of 290,410 square miles, about 90% is potentially suited to continuous cultivation, pasture

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans .....	13,877	15,000	17,000
Grants .....	-	5,332	7,799
<b>Total Aid .....</b>	<b>13,877</b>	<b>20,332</b>	<b>24,799</b>
<b>P.L. 480**</b>			
Title I .....	7,000	7,000	7,000
(of which Title III is)	( - )	( - )	( 7,000 )
Title II .....	-	-	-
<b>Total P.L. 480 .....</b>	<b>7,000</b>	<b>7,000</b>	<b>7,000</b>
<b>Total Aid and P.L. 480 .....</b>	<b>20,877</b>	<b>27,332</b>	<b>31,799</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	6	6	6
PASA <sup>c</sup> .....	-	-	-
Contract .....	8	11	13
<b>Total .....</b>	<b>14</b>	<b>17</b>	<b>19</b>
<b>Participants<sup>d</sup></b>			
Noncontract .....	2	-	-
Contract .....	12	66	44
<b>Total .....</b>	<b>14</b>	<b>66</b>	<b>44</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat .....	20.6	3,100	18.0	2,800	15.6	2,700
Rice .....	6.5	2,000	6.0	1,800	5.5	1,800
Feedgrains .....	-	-	-	-	-	-
Vegoil .....	4.3	1,900	5.0	2,400	3.3	2,500
Non-food .....	-	-	-	-	-	-
<b>Title I Total .....</b>		<b>7,000</b>		<b>7,000</b>		<b>7,000</b>
(of which Title III is)		( - )		( - )		( 7,000 )
<b>Title II</b>						
Voluntary Agencies .....		-		-		-
World Food Programs .....		-		-		-
Gov't-to-Gov't .....		-		-		-
<b>Title II Total .....</b>		<b>-</b>		<b>-</b>		<b>-</b>
<b>Total P.L. 480 .....</b>		<b>7,000</b>		<b>7,000</b>		<b>7,000</b>

and forestry. At present only a small percentage of this land is under production at any one time. Moreover, subsistence farmers using traditional practices account for 85% of total cereal production and 90% of all cattle slaughtered. Significant production increases are possible through both the expansion of area suitable for cultivation and through higher levels of productivity as traditional farmers adopt more modern technological practices. Enhancing this potential is Zambia's favorable climate for a wide variety of crops and livestock in varied ecological zones. Thus, with still significant known reserves of mineral deposits, large areas of uncultivated arable land, the absence of population pressures in rural areas, and favorable growing conditions, Zambia has significant potential for development.

While possessing this potential, Zambia also faces formidable development constraints. The overdependence of the economy on copper is, perhaps, the most serious. This dependence, together with the chronic volatility of copper prices, has perpetrated instability in foreign exchange earnings and tax revenues and has made long-term

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planning difficult.

Transportation is also a major problem for land-locked Zambia. Because of regional political developments in recent years, border closings have often cut off traditional, less costly routes to the sea while operational inefficiencies have plagued alternative routes. Except for the Benguela Line through Zaire and Angola to the Atlantic Ocean and Mozambican ports, traditional outlets are now open but remain costly and difficult to maintain.

Another major constraint facing Zambia is the lack of adequately trained personnel. This is evident in the continued dependence upon expatriate technical and managerial personnel, the limited institutional capacity of many local entities, and the inefficient management of several key organizations.

All of these constraints have had an adverse impact on the country's economic growth. Between 1965 and 1981, the average annual per capita real GDP growth rate was a negative 1.7%. While the mining sector continues to play a predominant role in the economy, total production remains below the 1977 level of 660,000 metric tons due to inadequate investments, rising costs and shortages of skilled personnel. In the agricultural sector, adverse weather conditions; inappropriate policies (especially price policy); lack of spare parts, credit, transport, and input delivery have been among the problems impeding the growth of this potentially dynamic sector. Serious drought conditions contributed to large crop losses in 1982 although acreage planted increased by 20%.

The Government has undertaken a series of corrective measures to stabilize the economy since the onset of the economic crisis in the mid-1970s. These have included an initial stabilization program in 1976, a standby arrangement with the International Monetary Fund (IMF) from 1978 to 1980 and a three year \$800 million SDR extended fund facility beginning in May of 1981. (The latter agreement was suspended, however, after one year and the drawing of

300 million SDRS.) In addition, the Third National Development Plan (1979-1983) and a three year investment plan (1981-1983) have provided the basic framework for diversifying the economy. Nationwide food production programs are being launched, and certain agricultural policies have been changed.

During the past few years, these stabilization efforts have bought time, but the long-term exploitation of Zambia's development potential will depend upon the determination with which the Government of the Republic of Zambia (GRZ) adopts policies conducive to structural change and economic growth. Bringing about the change needed requires perseverance in several difficult areas. These include efforts to maintain the financial stability of the economy; the restructuring of relative domestic prices, particularly of agricultural products, to improve resource allocation; the adjustment of fiscal and monetary policies; improvement in the performance of parastatals and the strengthening of institutions supportive of structural diversification. Additional support of the Government's development planning capacity at national, ministerial and provincial levels is especially needed to better plan overall development policies and investment programs; allocate scarce resources in accordance with established priorities; and enhance decision making, particularly with respect to agricultural and rural development.

### Total Resources

The financial situation of the government reflects the difficulties which the economy has experienced during the past few years. Until 1975, taxation of the copper mining sector represented an important source of revenue for the Government. Mining revenues in the 1960s represented as much as 60% of all Government revenues. Because of the high losses in earnings resulting from the collapse of copper prices in 1975, Government income from mining fell in 1976 to less than 3% of total revenue. From 1977 through 1979, there was virtually no revenue from the mining sector. Mining taxes rose in 1980 to about 6% of total revenue but fell to nearly zero again

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in 1981. To offset the loss in mining revenue since 1976, the GRZ has successfully diversified its revenue base. Taxes on income nearly doubled during the same period. However, when revenues declined, expenditures were not adjusted downward and large government deficits resulted. The deficits were largely financed by the Domestic Banking System. In 1978 and 1979, during the period of the IMF standby arrangement, discipline over budgetary expenditures was generally maintained with the exception of subsidies. However, after the budget deficit fell from \$199 million in 1977 to \$122 million in 1978 it increased to \$251 million in 1979. Central Bank financing fell from \$341 million in 1978 to \$91 million in 1979 and then climbed to \$398 million in 1980.

Revitalization of the economy will take several years. The country continues to encounter a number of difficulties related to low copper prices, declining productivity in the mining sector, sizeable commercial arrears and under-utilized industrial capacity. Given these pressures the GRZ will find it hard to move toward its stated objectives of agricultural and rural development. Nevertheless, the government has, in the last three years, taken a number of steps (e.g., producer price increases, tax incentives) which have led to significant increases in agricultural production. Only a region wide drought kept Zambia from reaching self-sufficiency in corn (the principal staple) in 1982.

Zambia signed assistance agreements amounting to \$446.4 million in 1980. Of this total, \$119.7 million was commodity assistance, \$218.1 million was for capital development, and \$108.6 million was for project assistance. In terms of overall aid, the United Kingdom remains the major bilateral donor, providing \$53.8 million in assistance during 1980. Other major donors in 1980 were the United States (\$43.0 million), West Germany (\$57.4 million), Japan \$27.3 million), the EEC (\$32.8 million) and Canada (\$24.5 million). Under the SDR 250 million IMF standby arrangement, SDR \$3 million was utilized in 1980. Donor assistance undoubtedly increased during 1981, with, for example, IMF drawings from the new 800 million SDR extended IMF facility amounting to 300

million SDR alone. However, Zambia's external debt has increased from about 10% of GDP in 1970 to 35% in 1980.

### U.S. Interests and Objectives

The United States has a vital interest in maintaining peace and stability in the sensitive region of southern Africa -- now more than ever before in view of the delicate stage of the peace initiative in Namibia. Traditionally, the United States has pursued policies with respect to Zambia designed to maintain access to the strategic minerals with which the country is endowed and to protect several hundred million dollars of U.S. investment. U.S. assistance is provided primarily by Economic Support Fund financing.

U.S. objectives are to encourage Zambian stability, self-reliance and development so that the country can pursue equitable economic growth and development despite the political, military and economic turmoil in the region. Given its strategic position, a secure and prosperous Zambia will serve to stabilize southern Africa as a whole to ensure continued access to Zambia's strategic minerals and to support its policy initiatives in seeking peaceful solutions of conflict in the area.

### AID Assistance Strategy

Given Zambia's severe economic difficulties and its need for additional stabilization assistance, the AID strategy is an evolutionary one supporting stabilization measures as well as increasing food production and small farm income.

For several years prior to FY 1980, the AID program in Zambia consisted primarily of commodity imports and balance of payments and budgetary support. During this period the need for diversification of the economy especially toward agricultural and rural development became evident. This objective is the central theme of the GRZ's third national development plan (1979-1983). Under this plan, priority has been given to revitalizing the agricultural sector which lies primarily in the hands



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of private farmers. This re-orientation of development focus prompted a complementary transition of the AID program. Continued commodity import programs and P.L. 480 food aid offer foreign exchange and local currency assistance to support agricultural policies and initiatives. Directly complementing these activities is a technical assistance and training program to strengthen GRZ analytical and decision-making capabilities in relevant policy areas and assist institutions involved in agricultural improvement and rural development.

### AID Program (FYs 1982-1983)

Between FY 1977 and FY 1981 resource transfers under the commodity import and P.L. 480 Title I programs amounted to \$151.4 million. By providing foreign exchange to purchase essential imports, this assistance has aided the GRZ in its efforts to recover from severe balance of payments difficulties. Most of the commodities imported under the programs were for use in the agricultural sector, e.g., food, fertilizer products, stockfeeds, spare parts and equipment for vehicles used in agricultural production and in transporting goods and services. The sale of these commodities also generated local currency to support the GRZ's development budget.

Because of Zambia's difficult economic situation, balance of payments support, especially through a commodity import program, is continuing. In FY 1982, project activities consisted primarily of technical assistance and training in the United States. AID assistance is strengthening the GRZ's capacity to analyze, define and implement development policy and improving the effectiveness of the country's agricultural research and extension services. These activities are continuing under the Zambia Agricultural Training, Planning and Institutional Development Project (611-0075), and the Agricultural Development, Research and Extension Project (611-0201). An OPG with AFRICARE for a pilot agricultural production project in the north-eastern part of the country continued during FY 1982. In FY 1979, FY 1981 and FY 1982, PL 480 Title I and Title II programs were provided to alleviate severe food deficits,

provide balance of payments relief and support the GRZ's development budget. In addition, the PL 480 agreements, through the self-help provisions, encouraged the GRZ to adopt agricultural policies which improve farmers' terms of trade and reduce GRZ subsidies.

In FY 1983, PL 480 and Commodity Import Program resources will continue to be used directly to complement AID's development strategy; \$15.0 million will be obligated for the Commodity Import Program (611-0070) and \$7.0 million committed under the PL 480 Title I program. These two programs will continue to provide short-term balance of payments relief, while contributing to the GRZ's longer term objectives to accelerate agricultural development and diversify the structure of the economy, particularly toward agricultural and rural development. AID will continue to emphasize incentives, especially producer price increases and subsidy reductions through these loans.

### Requested Year Program (FY 1984)

Twenty million dollars in ESF is requested in FY 1984 and \$7.0 million in PL 480 Title I Program. AID will continue to (a) assist Zambia's economic recovery and policy reform efforts through the Commodity Import Program (\$16.0 million), the PL 480 Program and support GRZ objectives of increasing food production and small farm income through the ongoing projects in Agricultural Training, Planning and Institutional Development - 611-0075 (\$2.7 million) and Agricultural Research and Extension - 611-0201 (\$1.2 million).

A.I.D. Representative - John A. Patterson

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

PROGRAM: ZAMBIA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ACTIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ACTIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ACTIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
COMMODITY IMPORT PROGRAM	L 611-0070	77	84	119,965	151,043	119,965	103,308	15,000	15,000	16,000	17,000
AG TRAINING/PLANNIN/INSTITUT ION DEV	G 611-0075	80	85	4,785	9,775	4,785	534	---	2,000	2,818	2,900
AGRICULTURE DEV RESEARCH AND EXTENSION	G 611-0201	80	85	12,515	12,515	8,583	1,164	---	3,000	1,182	4,600
CHAMA AREA DEVELOPMENT (PVO)	G 611-0204	81	82	1,166	1,166	1,167	497	---	332	---	299
TOTAL FOR ACCOUNT GRANTS				138,431	174,499	134,500	105,503	15,000	20,332	20,000	24,799
LOANS				18,466	23,456	14,535	2,195	---	5,332	4,000	7,799
				119,965	151,043	119,965	103,308	15,000	15,000	16,000	17,000
TOTAL FOR COUNTRY GRANTS				138,431	174,499	134,500	105,503	15,000	20,332	20,000	24,799
LOANS				18,466	23,456	14,535	2,195	---	5,332	4,000	7,799
				119,965	151,043	119,965	103,308	15,000	15,000	16,000	17,000

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: ZIMBABWE

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*BASIC DATA*				*FOREIGN TRADE*			
-----				-----			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	8,090			MAJOR EXPORTS... (1981)	TOBACCO	ASBESTOS	IRON & STEEL
PER CAPITA GNP..... (DOLLARS,1981)	820			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	0.7%			(\$ MILLIONS, US. FOB) (1977)	47	(1980)	38 (1981) 100
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.3%	(1970-80)	8.8%	AS % OF TOTAL EXPORTS (1977)	6%	(1980)	N.A. (1981) N.A.
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	1.3%	(1970-80)	8.8%	MAJOR IMPORTS... (1981)	MACHINERY	OIL PRODUCTS	CHEMICALS
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			IMPORTS FROM U.S.			
LIFE EXPECTANCY AT BIRTH, IN YEARS				(\$ MILLIONS, US. CIF) (1979)	1	(1980)	20 (1981) 119
(1981) TOTAL 55.0 MALE 53.3 FEMALE 56.9				AS % OF TOTAL IMPORTS	N.A.		
(1968) TOTAL 48.9 MALE 47.3 FEMALE 53.3				TRADE BALANCE(\$ MILLIONS, U.S.)(1977)	145(78)	213(79)	94
ADULT LITERACY RATE (1982) TOTAL 45% MALE 52% FEMALE 38%				MAIN TRADING PARTNERS: SOUTH AFRICA, UNITED KINGDOM	UNITED STATES		
(1962) TOTAL 39% MALE 48% FEMALE 31%				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	13.8%		
-----				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,			
*AGRICULTURE*				(\$ MILLIONS, U.S.)..... (1980)	44		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE	(1970-1981) -1.1%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980)	2.6%		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	12%			-----			
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	287			*SOCIAL DATA*			
MAJOR CROP(S)	ARABLE LAND YEAR			POPULATION GROWTH RATE...(1970)	3.5%	(1975)	3.4% (1982) 3.5%
SUBSISTENCE: CORN MILLET CATTLE	70% (1981)			POPULATION IN URBAN AREAS..... (1969)	17% (1979) 20%		
CASH: CORN TOBACCO COTTON	61% (1981)			LIVE BIRTHS PER 1,000 POPULATION....(1970)	47 (1982) 47		
MAJOR AGRICULTURAL EXPORTS:(1981) TOBACCO COTTON SUGAR				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1979)	14%		
MAJOR AGRICULTURAL IMPORTS:(1981) BEEF & VEAL RICE				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	60%			(0-14YRS) 47.4% (15-64YRS) 50.0% (65+ YRS)	2.6%		
-----				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	79		
*CENTRAL GOVERNMENT FINANCES*				PEOPLE PER PHYSICIAN..... (1976)	7,106		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				MAJOR CAUSES OF DISEASE (1974)MALARIA DEATH..	N.A.		
(1978) 949 (79) 902 (80) 1,051				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977)	109%		
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY	N.A.		
(1978) 1,185 (79) 1,351 (80) 1,596				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				PRIMARY..... (1976) TOTAL 72.0% MALE 78.0% FEMALE 66.0%			
(1978) -236 (79) -449 (80) -545				SECONDARY..... (1976) TOTAL 9.0% MALE 10.0% FEMALE 7.0%			
DEFENSE EXPENDITURES,				POST SECONDARY.. (1970) TOTAL .2% MALE .3% FEMALE .1%			
AS % OF TOTAL EXPENDITURES.. (1978) 20.2% (79) 19.7% (80) 25.9%				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	84%		
AS % OF GNP..... (1978) 6.7% (79) 6.6% (80) 8.4%							
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$MILLIONS, U.S.)	N.A.						

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

**ECONOMIC PROGRAMS OF ALL DONORS**  
(Millions of Dollars)

COUNTRY ZIMBABWE

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	1977	1978	1979	1980	1981			
<b>I. ECONOMIC ASSISTANCE – TOTAL</b>	-	-	-	22.9	27.8	57.7	6.4	51.3
Loans	-	-	-	-	-	5.0	6.4	1.4-
Grants	-	-	-	22.9	27.8	52.7	-	52.7
<b>a. A.I.D. and Predecessor Agencies</b>	-	-	-	22.9	25.0	54.9	6.4	48.5
Loans	-	-	-	-	-	5.0	6.4	1.4-
Grants	-	-	-	22.9	25.0	49.9	-	49.9
(Economic Support Fund)	-	-	-	22.9	25.0	47.9	-	47.9
<b>b. Food for Peace (PL 480)</b>	-	-	-	-	2.8	2.8	-	2.8
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	2.8	2.8	-	2.8
Title I - Total Sales Agreements	-	-	-	-	-	-	-	-
Repayable in U.S. Dollars - Loans	-	-	-	-	-	-	-	-
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	-	-	-
Title II - Total Grants	-	-	-	-	2.8	2.8	-	2.8
Emerg. Relief, Econ. Develop. & World Food Program	-	-	-	-	2.8	2.8	-	2.8
Voluntary Relief Agencies	-	-	-	-	-	-	-	-
<b>c. Other Economic Assistance</b>	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Peace Corps	-	-	-	-	-	-	-	-
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>	-	-	-	-	-	-	-	-
Credits or Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
<b>a. MAP Grants</b>	-	-	-	-	-	-	-	-
<b>b. Credit Financing - FMS</b>	-	-	-	-	-	-	-	-
<b>c. Military Assistance Service-Funded (MASF) Grants</b>	-	-	-	-	-	-	-	-
<b>d. Transfers from Excess Stocks</b>	-	-	-	-	-	-	-	-
<b>e. Other Grants</b>	-	-	-	-	-	-	-	-
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>	-	-	-	22.9	27.8	57.7	6.4	51.3
Loans	-	-	-	-	-	5.0	6.4	1.4-
Grants	-	-	-	22.9	27.8	52.7	-	52.7
<b>Other U.S. Government Loans and Grants</b>	-	-	-	-	33.3	33.3	0.1	33.2
<b>a. Export-Import Bank Loans</b>	-	-	-	-	33.3	33.3	0.1	33.2
<b>b. All Other Loans</b>	-	-	-	-	-	-	-	-

\* LESS THAN \$50,000.

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	2.9	134.4	12.2	240.9
IBRD	0.0	92.0	0.0	179.0
IFC	0.0	38.0	0.0	38.0
IDA	0.0	0.0	0.0	0.0
IDR	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	12.2	12.2
UNDP	0.5	1.3	0.0	5.6
OTHER-UN	2.4	3.1	0.0	6.1
EEC	0.0	0.0	0.0	0.0

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	24.0	26.0	50.0
U.K.	81.2	34.8	138.0
Germany	8.2	21.2	34.0
Sweden	11.5	11.0	22.5
Netherlands	7.7	8.3	16.3
Other	13.0	35.9	49.6
<b>Total</b>	<b>145.6</b>	<b>137.2</b>	<b>310.4</b>

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

	CY 1980	CY 1981	CY 1976-81
	5.0	-	5.1

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	-
Eastern Europe	-	-	-
China	25	-	25
<b>Total</b>	<b>25</b>	<b>-</b>	<b>25</b>

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ECONOMIC SUPPORT FUND PROGRAM SUMMARY <i>(In millions of dollars)</i>			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	75	75 <sup>A/</sup>	40
Loans	-	-	35

A/ Includes \$15 million supplemental

Development Overview

Dualism is the dominant feature of most less developed countries, but in few countries are the differences between the modern and traditional economies as marked as in Zimbabwe. The modern economy produces 95% of GDP, probably 98% of domestic savings, approximately 95% of tax revenues, and 97% of export earnings, while the traditional economy provides the main source of livelihood for over 60% of the population. The modern economy is highly diversified, with important agricultural, mining, manufacturing and service sectors. The traditional economy is largely concentrated in agriculture, although informal sector activities in manufacturing and services are important. The modern sector is characterized by specialization of labor, and the use of modern technology (obsolescent in some areas because of a long-standing inability to import new capital equipment), while the traditional sector is characterized by vulnerable self-subsistence, limited specialization of labor and rudimentary technologies. The two economic areas are as different as the tractor and the hoe. Consequently, income per capita is 28 times as high in the modern economy as it is in the traditional one.

There are, however, flows of income, inputs, goods and services, and information between the two economies which mitigate, to some extent, the differences. The most

FY 84 PROGRAM HIGHLIGHTS
-Commodity Import Program to provide capital resources while assisting the private sector - \$35 million
-Agricultural Development to improve small farmer productivity - \$15 million
-Human Resources Development to expand and improve the cost-effectiveness of primary/secondary and technical training programs \$15 million
-Assistance to Child Spacing and Fertility Association to expand programs aimed at a voluntary reduction in the birthrate - \$3 million

important flows are those of labor from the traditional to the modern sector (for wage income), and government services from the modern to the traditional. In addition, the traditional economy does market some 20% of its output, and purchases a substantial portion of goods and services, both for consumption and investment, from the modern economy.

The thrust of the Mugabe Government policies since independence has been to reduce the inherited dualism, which also extended into the areas of education, health and social services, while maintaining a basis for continuing growth and private sector development. Zimbabwe's pragmatic policies were very successful in 1980 and 1981 when, fueled by increased demand, a bumper agricultural crop, improved terms of trade and excess industrial capacity, real GDP rose by an average of 15% per year and per capita income by about 11% per year. Simultaneously school enrollments more than doubled and all other social services were expanded to reach popu-

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RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
Aid*			
Loans.....	-	-	20,000
Grants.....	5,724	48,830	57,882
<b>Total AID.....</b>	<b>5,724</b>	<b>48,830</b>	<b>77,882</b>
P.L. 480**			
Title I.....	-	-	-
(of which Title III is)	( - )	( - )	( - )
Title II.....	-	-	-
<b>Total P.L. 480.....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total AID and P.L. 480.....</b>	<b>5,724</b>	<b>48,830</b>	<b>77,882</b>

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
AID Personnel <sup>a</sup>			
Direct Hire <sup>b</sup> .....	7	8	8
PASA <sup>c</sup> .....	-	-	-
Contract.....	1	9	18
<b>Total.....</b>	<b>8</b>	<b>17</b>	<b>26</b>
Participants <sup>d</sup>			
Noncontract.....	12	75	50
Contract.....	-	21	150
<b>Total.....</b>	<b>12</b>	<b>96</b>	<b>200</b>

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<i>Title I</i>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(of which Title III is)	( - )	( - )	( - )	( - )	( - )	( - )
<i>Title II</i>						
Voluntary Agencies.....	-	-	-	-	-	-
World Food Programs	-	-	-	-	-	-
Gov't-to-Gov't.....	-	-	-	-	-	-
<b>Title II Total.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total P.L. 480.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

lations not previously served. In 1982 there has been continued growth, but the world recession, domestic inflation and drought-reduced agricultural production are expected to slow GDP growth to about 4%.

Beyond 1982 Zimbabwe seems well equipped to continue on a path of growth, assuming that certain constraints can be alleviated. This optimism stems from the good physical infrastructure which is in place, the relatively efficient and effective government service and the active and dynamic private sector. The diversity of the economy with industry, agriculture, mining and distribution each providing sizable shares of GDP also is a positive feature. Finally, despite the apparent absence of petroleum, the vast coal resources and expanding ethanol production provide some energy security.

There are, however, a number of serious problems to be overcome if this potential is to be realized and the optimism justified. The most immediate and pressing problem is the shortage of foreign exchange constraining the modern sector's ability to act as an engine of growth

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and employment for the entire economy. Being highly dependent on imports of raw materials and capital equipment, the economy responded during the first two years of independence when imports increased 47% and 27% respectively. But beginning in 1981 and continuing into 1982, export earnings stagnated, largely due to lower prices and demand on world markets and due to transport problems. The stagnation in commodity export earnings has not been offset by increased foreign assistance and investment flows or a corresponding decline in imports. This has required a drawdown in reserves, a rapid increase in external borrowing and severe controls on imports. Reserves are now less than U.S. \$290 million (two months import cover), external debt is approaching and may have exceeded \$1.0 billion and quarterly foreign exchange allocations for commercial imports have dropped nearly 20% within the past year. For the longer-term, if the world economy again improves with additional demand for Zimbabwean exports, foreign exchange earning prospects are reasonably bright. In the short-term (1982-84) foreign exchange shortages will be the major constraint on growth; but with careful management of debt and stewardship of exchange allocations, Zimbabwe should be in a good position for growth once world economic recovery starts. In this situation concessional assistance flows and new external investment are critically needed over the next few years.

A second major constraint to economic growth is skilled manpower. Although Zimbabwe is relatively well endowed with trained people (over 12,000 black University graduates), economic expansion and the broad extension of social and development programs requires retraining and additional kinds of staff. The trained manpower pool is not well correlated to the needs of such a diversified economy. There are serious shortages of engineers, electricians, agricultural scientists, mechanics, secondary school teachers, etc. The situation is worsening with the continuing departure, albeit at a reduced rate, of skilled white Zimbabweans. In 1981 the net loss of skilled manpower was about 4,700 workers.

The effects of the problem are compounded by high job turnover rates as skilled artisans and technicians move from one employer to another to improve their wage position.

The Government of Zimbabwe has moved quickly to expand training capacity within the country since Independence. Enrollments in agricultural colleges, technical colleges, and the university nearly doubled from 1980 to 1982. If, however, the economy continues to lose skilled workers at the current rate, the expansion in local training capacity will be able to reverse the decline in skilled manpower only after three or four years. Although the drain will have stopped, there will exist a considerable backlog of vacancies in the mid-level technical, administration, and production positions.

A third group of development constraints is inequitable land distribution and the limited quantity of high quality land. Agriculture is not the largest economic sector, but it is the largest source of wage employment and provides a source of income for 50%-60% of the population. Land, however, is unequally distributed between the commercial farmers and the very densely settled African communal areas. The 5,000 or so commercial farms encompass about 40% of the total land area and over 72% of the higher quality land (17% of total land area). Most of these commercial farms exceed 500 hectares in size while average smallholder farms are 2-3 hectares. A significant resettlement program has been started based on the purchase of largely unutilized land from willing sellers. Some 10,000 families have now been resettled with some 40-50,000 families to be resettled in the next 2-3 years. But whether the deliberate program currently underway will prove sufficient to meet land reallocation needs and expectations while improving smallholder productivity remains to be seen. What is clear is that there is not enough high-quality land for all current rural residents to achieve a reasonable income level from agriculture. On the other hand, the low yields in communal lands suggest that considerable growth in production and incomes in these areas is possible with increased farmer access to credit,



inputs, marketing depots, extension help and other farmer services. However, population densities on marginal lands will demand some rational pace of resettlement for both productivity and environmental reasons. Hence resettlement will remain a high government priority.

Another set of problems relates to population growth and employment. Based on preliminary data from the 1982 population census, it appears that there are more people in Zimbabwe than earlier estimated, perhaps 9 million instead of 7.6 million, and that Zimbabwe's population is growing at about 4% per annum. The prospect is for a doubling of population in 15 years and higher than expected costs in providing social services, placing an extra strain on government budgets. Also, the levels of GNP growth necessary to achieve significant general improvements in living standards for the majority of the population will have to be very high. But the most serious implications are for employment, which is the preferred means of spreading the benefits of growth. As indicated, there is insufficient land for agriculture to provide productive employment for a much higher rural population, and already about two-thirds of the small-holder areas have population densities exceeding long run sustainable levels. Resettlement is only a temporary and limited measure as the government does not wish to affect the high productivity and export earnings of the commercial farming sector. This suggests that modern sector employment must be expanded. However, during the high growth period of 1980 and 1981 only a net of some 47,000 jobs was created. If the proportion of workers in the modern versus the traditional sector is to remain constant, the modern sector needs to produce 35-40,000 jobs annually since each year the labor force is growing by over 100,000 people, with this number destined to increase rapidly. Growth of 5%-6% annually in the modern sector employment seems the minimum requirement to reduce the pressure on already over-populated rural lands, but a level of this magnitude will be difficult to attain without new investment, foreign exchange, and much improvement in skills training.

#### Total Resources

Despite rapidly expanding education and health expenditures (up 300% between 1978/79 and 1982/83), long-standing subsidies and an inability to significantly reduce defense expenditure, the GOZ budget is now in somewhat better shape than it was in 1978/79. Although the overall budget has more than doubled during this period, total outlays as a percentage of GDP have not appreciably increased, and the Government has been able to increase revenues over 25% faster than the increase in GDP. Therefore, by 1980/81 the budget deficit (exclusive of debt servicing) had fallen from 11.8% of GDP to 6.6%.

Assuming a GDP growth rate of 4% this trend will continue in 1982/83. Excluding debt servicing the deficit will decline to about 3.5% of GDP with revenues fully covering recurrent expenditures. However, a much higher capital budget and increased loan repayments will raise the overall deficit to an estimated \$1.17 billion. The GOZ expects to restrict many of these capital expenditures during the year and to cover the rest through external assistance inflows (\$300 million), loan recoveries (\$14 million) and domestic/external borrowing. What is important is that no government borrowing will be needed for recurrent costs. However, it leaves virtually all development and capital investment to external assistance and private sector flows.

The GOZ is expecting sizable flows of donor resources to assist in implementing its ambitious development program. But, whereas donors in their initial attempt to respond immediately to post-war needs in Zimbabwe provided assistance with the barest of documentation and accountancy requirements, there is much less flexibility now. For many donors commitments and expenditures have been slow because of their insistence on project assistance. A few other donor programs contain some balance of payments aid in the form of tied commodity assistance, mainly as soft or commercial loans. Most donors also assist with human resources development through the provision of scholarships, in-country training and personnel (teachers, trainers, short-term consultancies); and

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institutional development through technical assistance, equipment, service and studies.

For the period 1980-84, a gross amount of over \$900 million has been earmarked by other donors for Zimbabwe. The leading other donors are the United Kingdom (\$242 million in 1980-83), EEC, (\$129 million 1980-84), World Bank (\$229 million 1981-83), Germany (FDR) (\$65 million 1980-82), France (\$40 million 1980-82) and Sweden (\$30 million 1980-82).

British assistance includes \$54 million for land re-settlement, \$40 million for debt cancellation, \$18 million for commodity imports, a \$16 million railway loan, \$37 million for scholarships and \$27 million for training and technical assistance.

EEC assistance allocates \$40 million for agriculture and rural development, human resources, infrastructure improvement, (including a coal utilization study and alternative energy projects) and trade promotion and tourism; \$38 million is the estimate for European Investment Bank participation in the Wankie II energy project following the coal utilization study. Under consideration is a line of credit to assist small to medium scale industries and mining.

World Bank assistance has been targeted thus far for a Manufacturing Rehabilitation Imports Program (\$65 million), Transport Rehabilitation (\$42 million), and participation in the Wankie II energy project at a level of up to \$90 million. A \$70 million manufacturing export loan is in the final stages of negotiation. Bank studies are underway in the areas of health, forestry, telecommunications, highways, irrigation and engineering.

German assistance to date is 99% loan and focuses on rural reconstruction (\$25 million), commodity imports (\$8 million), railways and electrification, irrigation and small farmer loans (\$15 million). The small grant portion of German assistance provides scholarships and technical assistance.

French assistance of about \$40 million per year consists of commercial credits (60%), and soft loans (40%) for equipment and technical assistance in areas of civil aviation, roads, broadcasting, electricity generation, electrification of locomotives and rehabilitation of diesel locomotives. A similar \$40 million protocol has just been signed with more emphasis on rural development activities i.e., irrigation, village hydro-electricity, etc.

Swedish assistance includes development projects in health and education (\$11.7 million) and reconstruction (\$17 million).

Other donors with programs include Italy (planning assistance), the Dutch (education) the African Development Bank (resettlement and water development), Canada (training, reconstruction) and Australia (education).

### U.S. Interests and Objectives

The establishment of a non-racial and democratic Zimbabwe with a stable, majority-rule government has long been an objective of American policy toward the strategic and unsettled region of Southern Africa. Zimbabwe's pragmatic commitment to growth, to greater equity and to development of both the private and public sectors will, if it succeeds, serve as a model for both white and black-ruled neighboring states. Zimbabwe will have an important influence on the pace and direction of political and economic change within the entire region. As an active member of the Southern Africa Development Coordination Conference (SADCC), and of the Front Line States, Zimbabwe is also playing a key role in attempts to arrive at a peaceful settlement in Namibia, an effort in which the United States is deeply involved. Zimbabwe is the natural economic leader for regional cooperation and coordination for the benefit of all countries in the region.

The United States is the third largest of Zimbabwe's trading partners (after South Africa and the United

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Kingdom) with the volume of two-way trade increasing each year. Zimbabwe is a major producer of chrome, nickel, asbestos, gold and coal, all important to the industrial and strategic planning of the United States and its allies. American investment in Zimbabwe, especially in the strategic minerals sector, is significant. The Heinz Corporation has recently made a sizable investment in the food industry and a number of other potential U.S. investors are watching developments in Zimbabwe carefully with an eye to future investments.

Finally, the United States has developmental interests and objectives in Zimbabwe. Although ranking as a lower middle income country, the extraordinarily dualistic economy and society mean that a large proportion of the population have little or no access to minimum social services and suffer the same effects of poverty, illiteracy, high infant mortality, and low agricultural productivity as populations in the least developed nations. These problems are solvable in Zimbabwe and development clearly manageable. Helping to improve this situation and raising general living standards is in the interest of the United States on humanitarian grounds as well as in support of our economic and political interests and objectives.

### A.I.D. Assistance Strategy

The A.I.D. assistance strategy for Zimbabwe is aimed at fulfilling two general requirements: (a) marshalling foreign and domestic resources into the most competitive growth sectors, thus providing a firm basis for sustainable poverty alleviation and development growth; (b) raising living standards, expanding agricultural output, rural incomes, and increasing employment opportunities while narrowing the stark dualism in the economy.

Eight themes provide the content of the strategy, to: (1) expand the productive capacity of the modern sector (manufacturing, industry, mining and commercial agriculture) by provision of foreign exchange channelled largely through the private sector; (2) enlarge

agricultural productivity, particularly in smallholder areas; (3) improve human capital in Zimbabwe through skills development, improving education qualitatively, enlarging it quantitatively and making it more cost effective. Also to strengthen local institutions designed to expand human productivity; (4) expand employment both in the modern and rural sectors, while strengthening linkages between training, employment and business. Special emphasis will be placed on assisting emerging small entrepreneurs; (5) moderate population growth rates, thereby relieving, over time, pressure on land, energy resources, job creation and social services; (6) provide capital resources to open up access to home ownership for low income families, and to involve the private sector as a source of lending for low income housing; (7) engage the Government of Zimbabwe in policy dialogue which will maintain an environment conducive to growth, investment and export-led development; (8) work more closely with other donors in policy dialogue and in building more coherent approaches to Zimbabwe's major development problems.

A.I.D. plans to implement this strategy with a very small staff, relative to the size of the program, largely by relying on program and sector support rather than a more traditional project approach. This reflects the judgment that Zimbabwe has greater implementation capacity than most developing countries and that a non-project assistance mode with flexibility in programming and reprogramming resources will be effective, allowing A.I.D. to engage the GOZ in substantive dialogues on development issues rather than on the minutiae of implementing numerous small projects. Thus, major implementation responsibility will rest with the GOZ. This approach has proven successful to date in the reconstruction program of 1980/81. Resources have been rapidly and effectively used and the United States has gained a reputation for being among the most responsive of donors. A.I.D. will continue to monitor implementation closely and conduct evaluations and audits with the government.

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### A.I.D. Program (FYs 1982-1983)

Since United States assistance to Zimbabwe started in FY 1980 a total of \$183.1 million has been obligated (including a \$50 million low income housing guaranty). Prior to FY 1982 this assistance totalled \$57.4 million and consisted primarily of cash grants with counterpart local currency allocated toward a variety of construction and development activities with an emphasis on education, health and rural development. Virtually all FY 1980 and FY 1981 dollar funds have been disbursed with over 81% of the generated local currency from that period also expended.

Fiscal Year 1982 marked the transition year to a normal development program in response to the constraints and strategy themes outlined in the CDSS. Building on the experience gained under cash grants, and to help meet the serious foreign exchange shortage, while also expanding the productive and employment capacity of the private sector, \$50 million was provided for a Commodity Import Program (613-0216). Over \$36 million of this amount has already been obligated for the importation of U.S. manufactured equipment. Local currency generated from this program is being allocated to a number of programs including the development of private sector cooperatives, the completion of a much needed teacher training college, the construction of bulk grain storage facilities, the reconstruction of schools and clinics, the beginnings of a low income housing scheme for local private building societies and the development of agricultural and technical training centers. A policy of flexibility in programming and reprogramming these allocations continues to be followed to allow rapid support for locally identified and designed projects that meet the A.I.D. strategy.

Based on a sector review by several U.S. and Zimbabwean experts, an Agricultural Sector Assistance Program (613-0209) was obligated late in FY 1982. This five-year, \$45 million program (\$15 million obligated in 1982) aims to raise agricultural productivity, particularly in smallholder areas. Budget support under the program is

being directed to seven identifiable constraint areas that have restricted smallholder production, including research, extension, input supply and marketing, credit, small scale irrigation and agricultural training from certificate to post-graduate levels. The program includes technical assistance, training, commodities and the funding of local costs. A unique feature of the program is the generation of necessary local currency through a commodity import mechanism for the importation, primarily by the private sector, of equipment and capital items needed by the modern agricultural sector to maintain its high productive capacity and major employment role.

To help increase and improve human capital in Zimbabwe, \$4 million was obligated in FY 1982 for a new project, Zimbabwe Manpower Development (613-0215). This five year, \$13 million project emphasizes the training of trainers and staff development in key fields relevant to the GOZ's development priorities. The majority of the funding is for long and short-term training in the United States and related costs, although local and third-country training in specialized areas will also be provided.

To support the GOZ efforts to moderate population growth \$5.25 million was obligated in FY 1982 for a Child Spacing and Fertility Project (613-0219). Over a four year period this project will significantly extend the coverage of child-spacing information and services by increasing the management, technical and training capacity of the Child Spacing and Fertility Association of Zimbabwe.

To provide capital resources for an expansion of privately owned low income housing a Housing Investment Guaranty Program was launched in FY 1982. Of the \$25 million in loan funds underwritten by a USG Guaranty almost \$20 million has already been expended for the construction of some 4,000 homes. In support of the program a grant (613-0205) of \$750,000 was also provided to cover technical assistance to the GOZ to help in the design and implementation of low income housing

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programs. Other miscellaneous assistance including self-help, TDP and centrally funded activities totalled \$700,000.

In developing and implementing the programs, continuous dialogue is maintained with the GOZ on pricing, private sector development, government budgets, and various other issues. Coordination with other donors has enabled the reinforcement of common policy positions such as the application of market rates for small farmer lending, the reduction of food subsidies and narrowing the budget deficit.

For FY 1983 the largest portion of the \$75 million programmed will be directed toward continuing the activities started in FY 1982. A \$36.7 million Commodity Import Program (613-0216) will provide critically needed foreign exchange to support growth in the modern sector and to generate local currency for the government's capital and public sector investment programs which face a serious budget gap. To boost smallholder agricultural productivity a second tranche of \$15 million will be provided to the Zimbabwe Agricultural Sector Assistance Program (613-0209). A total of \$5.1 million will be supplied to the Zimbabwe Manpower Development Project (613-0215) to continue long and short-term training in fields critical to development. The Child Spacing and Fertility Project (613-0219) will be continued although FY 1983 funding is not required. Also planned is an additional Housing Investment Guaranty at a level of \$25 million with the loan funds going largely to smaller urban centers throughout Zimbabwe.

The major new program in FY 1983 will be a Human Resources Sector Grant (613-0208). Initial funding of \$15 million will enable the program to assist the GOZ in expanding its human resources training infrastructure with an emphasis on technical education and reducing the cost of formal education. Additional funding to complete the program will be provided in subsequent years. A second new activity will be a grant enabling local Zimbabwean private voluntary organizations to secure needed technical assistance and to establish linkages

with U.S. and international PVO's. This Community Development Support Grant (613-0223) of \$2.9 million will also cover training for PVO personnel. Finally, following on a very positive evaluation of the Adult Literacy Organization of Zimbabwe project (613-0220), Books for New Literates (613-0224), an operational program grant of \$300,000, is being provided to enable this private organization to expand its printing capacity to meet the growing demands for adult literacy materials and to eliminate the subsidy now paid on them.

### Requested Year Program (FY 1984)

A total of \$75 million in bilateral assistance is requested in FY 1984. The largest share of the funding, \$35 million, will be used for the Commodity Import Program (613-0216) utilizing the same strategy employed in previous years, i.e., most of the foreign exchange will be allocated to the private sector with the local currency generated channelled to activities consistent with A.I.D.'s strategy themes. It is expected that spare parts, industrial equipment, earthmoving equipment, computers and business machines will make up the majority of the imports.

The Agricultural Sector Assistance Program (613-0209) will be amended in FY 1984 to provide the final tranche of funding (\$15 million). This will enable the importation of additional capital items for the agricultural sector and the allocation of local currency resources for on-going programs aimed at directly providing, or equipping the GOZ to provide, additional opportunities for small farm producers to expand output and income. By the end of FY 1984 the program will have resulted in additional cooperative facilities, expanded agricultural training capacity, changes in the research program to increase its relevance for smallholders, an improved extension system reaching more farmers and greater credit facilities for more smallholders.

The Human Resources Sector Program (613-0208) will also be amended to add \$15 million. These resources will enable further expansion in facilities for technical

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training, continued development of improved teaching techniques/materials and testing innovations to reduce costs per student and make additional improvements in the relevance of education.

Supporting these efforts will be the final increment of funding for the Zimbabwe Manpower Development Project (613-0215). The \$4 million proposed will permit continuation of U.S. training and technical assistance needs for the development of local training institutions. Roughly 180 participants will be in training at the end of FY 1984 with 90 already having returned from long or short-term courses.

Also proposed for final funding in FY 1984 are the Child Spacing and Fertility Program at \$3.3 million (613-0219) and Community Development Support Program (613-0223) at \$2.1 million. Both grants will enable the expansion of ongoing activities aimed at the important areas of birth rate reduction and mobilization of PVO expertise in Zimbabwean development. Finally, an additional \$600,000 will be provided to the Adult Literacy Organization's Books for New Literates Grant (613-0224) to enable continuation of work underway.

Mission Director - Roy A. Stacy

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

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02/15/83

PROGRAM: ZIMBABWE

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
ECONOMIC SUPPORT FUND											
ZIMBABWE LABOR DEVELOPMENT	G 613-0203	80	81	416	416	416	220	---	150	---	46
SCIENCE AND TECHNOLOGY COOPERATION	G 613-0204	80	80	750	750	750	.80	---	350	---	250
LOW COST SHELTER	G 613-0205	81	82	750	750	750	---	---	350	---	400
HUMAN RESOURCE SECTOR	G 613-0208	83	85	---	45,000	---	---	15,000	---	15,000	15,000
AG RURAL DEVELOPMENT SECTOR GRANT	G 613-0209	82	84	45,000	45,000	15,000	---	15,000	-10,000	15,000	20,000
ZIMBABWE MANPOWER DEVELOPMENT	G 613-0215	82	84	13,100	13,100	4,000	16	5,100	1,700	4,000	3,300
COMMODITY IMPORT PROGRAM	G 613-0216	82	83	50,000	86,700	50,000	1,014	36,700	34,000	---	14,000
COMMODITY IMPORT PROGRAM	L 613-0216	82	86	---	110,000	---	---	---	---	35,000	20,000
CHILD SPACING AND FERTILITY	G 613-0219	82	84	8,550	8,550	5,250	---	---	1,800	3,300	2,000
ADULT LITERACY TCHR TRNG AND TXTBK PROD	G 613-0220	81	81	450	450	450	184	---	180	---	86
COMMUNITY DEVELOPMENT SUPPORT	G 613-0223	83	84	---	5,000	---	---	2,900	---	2,100	2,500
BOOKS FOR NEW LITERATES	G 613-0224	83	84	300	900	---	---	300	300	600	300
TOTAL FOR ACCOUNT				119,316	316,616	76,616	1,514	75,000	48,830	75,000	77,882
GRANTS				119,316	206,616	76,616	1,514	75,000	48,830	40,000	57,882
LOANS				---	110,000	---	---	---	---	35,000	20,000
TOTAL FOR COUNTRY				119,316	316,616	76,616	1,514	75,000	48,830	75,000	77,882
GRANTS				119,316	206,616	76,616	1,514	75,000	48,830	40,000	57,882
LOANS				---	110,000	---	---	---	---	35,000	20,000

\* Refers to the planned project summary sheet

C Level of effort activity

475

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.





## SOUTHERN AFRICA REGIONAL

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ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)			
	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Grants	7,515	15,000	40,000
Loans	6,790	-	-
Total	14,305 <sup>a/</sup>	15,000 <sup>a/</sup>	40,000

<sup>a/</sup> Plus \$3.0 million in Education and Human Resources funds (grants).

Development Overview

Despite a rich natural endowment of land and minerals, southern Africa remains a poor region. Poverty is the norm for the majority of its inhabitants and years of conflict in the 1960s and 1970s have exacerbated efforts to alleviate the conditions characterizing that poverty. The region has a geographic area almost as large as the continental United States and a population size about 40% that of the United States. Its nine countries\* and the territory of Namibia are faced with major problems of deteriorating transport systems; poor health conditions; illiteracy; limited pools of trained and experienced manpower; food deficits and stagnating agricultural productivity; fast growing populations, and severe constraints on new investment capital and foreign exchange needed to finance the massive development required to rectify these circumstances. The region's developing economies have been severely affected by their heavy dependence upon primary commodity exports at a time when markets are depressed. At the same time the costs of their essential imports have been driven up by world inflation and their worsening terms of trade. Political

\*Angola, Botswana, Lesotho, Malawi, Mozambique, South Africa, Swaziland, Zambia and Zimbabwe.

**FY 84 PROGRAM HIGHLIGHTS**

- Assist regional food productivity program, particularly in institutional linkages.
- Develop administrative and management training capacity to meet southern Africa's demand.
- Help establish program to collect, collate and distribute technical information and data for development.
- Support business development and expansion of intra-regional trade.

conflict in parts of the region has combined with these economic factors to virtually curtail real development. Governments have assumed heavy debt service burdens as they have been forced to turn increasingly to commercial money sources just to maintain the status quo. The real danger exists that the worsening economic problems will further political instability in an already excessively volatile region. The problems presented by apartheid policies in South Africa add further cause for concern.

Progress in resolving Namibia's status may offer only a temporary respite from conflict if the region's governments are not able to handle the multiple tasks of achieving some economic growth, greater equity and tangible intra-regional cooperation. Each country has chosen its own model for carrying out these tasks and each has begun with a different resource base. Reality and time have tempered some of the extreme ideological approaches and many national leaders are now looking at economic development in more pragmatic terms.

SOUTHERN AFRICA REGIONAL

RESOURCE FLOWS (In thousands of dollars)			
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>Aid*</b>			
Loans.....	-	10,000	7,300
Grants.....	21,320	25,730	36,075
<b>Total AID</b> .....	21,320	35,730	43,375
<b>P.L. 480**</b>			
Title I.....	-	-	-
(of which Title III is)	( )	( )	( )
Title II.....	-	-	-
<b>Total P.L. 480</b> .....	-	-	-
<b>Total AID and P.L. 480</b> .....	21,320	35,730	43,375

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

PERSONNEL/PARTICIPANTS DATA			
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)
<b>AID Personnel<sup>a</sup></b>			
Direct Hire <sup>b</sup> .....	-	-	-
PASAC <sup>c</sup> .....	-	-	-
Contract.....	-	-	-
<b>Total</b> .....	-	-	-
<b>Participants<sup>d</sup></b>			
Noncontract.....	-	-	-
Contract.....	-	100	150
<b>Total</b> .....	-	100	150

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (IN 000 MT/\$000)						
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)	
	MT	\$	MT	\$	MT	\$
<b>Title I</b>						
Wheat.....	-	-	-	-	-	-
Rice.....	-	-	-	-	-	-
Feedgrains.....	-	-	-	-	-	-
Vegoil.....	-	-	-	-	-	-
Non-food.....	-	-	-	-	-	-
<b>Title I Total</b> .....						
(of which Title III is)	( )	( )	( )	( )	( )	( )
<b>Title II</b>						
Voluntary Agencies.....	-	-	-	-	-	-
World Food Programs	-	-	-	-	-	-
Gov't-to-Gov't.....	-	-	-	-	-	-
<b>Title II Total</b> .....						
<b>Total P.L. 480</b> .....						

One manifestation of this pragmatism has been the emergence of regional cooperation. The nine majority ruled countries\* agreed in 1980 to form the Southern Africa Development Coordination Conference (SADCC) to consult in areas of development in which shared knowledge and experience, or coordinated investments, could result in more efficient use of available resources. A marked feature of SADCC is its realistic attitude as to what is achievable and its acceptance of the long term nature of the effort required to solve basic problems.

First priority in SADCC's program has been the restoration of the region's transportation infrastructure which had suffered extensive damage and deterioration as a result of past neglect and the effects of the fight for

\* Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania (geographically in East Africa), Zambia and Zimbabwe.

## SOUTHERN AFRICA REGIONAL

majority rule in Zimbabwe. The transport network today suffers from sabotage carried out by the National Resistance Movement, Mozambican dissidents believed to be supported by the Republic of South Africa. In appealing to donors for support, SADCC has had commitments of assistance for transport rehabilitation and improvement projects amounting to \$850 million. Many of these projects however are as yet unimplemented.

SADCC's other priority sectors include agriculture, manpower development, industrialization, and energy. Each member state of SADCC has responsibility for directing and coordinating initiatives in one of the sectors. In agriculture, Zimbabwe has overall responsibility for developing a regional program for food security. Botswana is charged with animal disease control and agriculture research; Malawi, with fisheries and forestry; and Lesotho, with soil conservation. Tanzania is developing a plan for rationalizing industrial development to ensure that investments are made in an efficient manner with some attention to comparative advantage and economies of scale. Swaziland is engaged in assessing manpower requirements and means through which training institutions in the region can be improved and made more accessible to students from member states. Transportation has been the responsibility of Mozambique, which occupies a pivotal position in the region's network as a result of its ports and road and rail links which can provide less costly access to international markets for five of the six landlocked countries within SADCC. The Southern Africa Transportation and Communications Commission (SATCC) in Maputo is the only permanent SADCC institution to date with the exception of the Secretariat located in Botswana. The Executive Secretary of SADCC, a Zimbabwean, has recently been appointed and has assumed his regional duties in Botswana.

SADCC is now an established feature of development in southern Africa. Its momentum is building as programs are being formulated and presented to member states and to donors for their consideration. As a forum for

examining alternatives and as a mechanism for pursuing more cost effective development approaches, SADCC offers a unique opportunity to overcome many of the shared problems facing southern Africans.

### U.S. Interests and Objectives

The southern Africa region is a vitally important part of Africa for the United States and other western countries. This importance stems from the region's strategic location, mineral resources, political dynamics and economic relationships with western countries. The region's stability and economic growth are essential conditions in ensuring the realization of these interests. Today, however, both the economic and human conditions in southern Africa portend continued instability which could threaten United States and western interests. The ongoing struggle for Namibian independence and threats to internal security in Angola, Mozambique, and Lesotho are testimony to the forces of instability at work in the region. The apartheid policies of South Africa remain a significant potential source for additional unrest. The deterioration of economic conditions in all countries and the failure of governments to succeed in their efforts to achieve growth and satisfy their peoples' demands for improved social conditions are becoming increasing causes for concern. These conditions not only affect the well-being of the people, but can also lead to the undermining of governments, and to the opening of adventurist opportunities for those advocating more radical solutions. It thus becomes very important for the United States to commit itself to assist in resolving the region's political and economic problems.

The United States has supported the resolution of political conflicts in southern Africa through negotiation. This is evidenced by its part in the achievement of majority rule in Zimbabwe and its leading role in the effort to achieve Namibian independence. The United States has also increased markedly its bilateral assistance to the region in recent years. The principal channel for U.S. assistance in southern Africa in the

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past rightly has been bilateral aid. The United States has also recognized that the emergence of regional cooperation, as exemplified by SADCC, offers an important opportunity for addressing a number of problems more effectively. The fragmentation of Africa into narrow-based economic units has long been recognized as a major constraint to development. It is in the United States' interest to support sub-regional cooperation and African institution building that seeks to reverse these centrifugal forces. The pragmatism and willingness for dialogue shown by SADCC introduces a healthy factor into a region which has in the past engaged in conflict, sanctions and ideological solutions that have seriously damaged intra-regional trade and cooperation and thwarted development. The long term objectives of SADCC fit with those of the United States - to develop a region of more secure governments and healthy economies able to compete in the world marketplace.

### A.I.D. Assistance Strategy

The Southern Africa Regional Program began with a request from Congress in 1977 that A.I.D. conduct a comprehensive analysis of the region's development needs. This study with its recommendations was presented to Congress in March 1979. The regional program responds both to the Congressionally mandated study and to initiatives by the countries of the region to coordinate aspects of their development, a process which culminated in the formation of SADCC. The underlying thesis of both the United States study and SADCC is that while development must in the first instance be a national undertaking, there is another logical dimension - regional coordination - for countries contiguous to each other and sharing other problems and assets. Cost savings and greater efficiency were seen as possible benefits if countries would work on common problems together, share their experiences and facilities and avoid duplication of effort. A regional program allows A.I.D. to assist such an approach.

Having experienced two years of slow development, SADCC has taken significant steps during the past year to strengthen its organizational capacity. SADCC appointed

in July 1982 its first Executive Secretary. A.I.D. expects the January 1983 SADCC meeting, scheduled in Maseru, Lesotho to restate development priorities and SADCC's agenda for action.

The strategy of the U.S. Southern Africa Regional Program is not totally based on SADCC, although the organization has become the forum for examining and implementing regional development activities, and the key regional institution requiring reinforcement. There are areas in which SADCC is not active or not necessarily the appropriate vehicle through which to pursue A.I.D.'s strategy. One example is the promotion of private enterprise development and trade in the region. Although SADCC will deal with this area eventually, possibilities exist in advance of SADCC to stimulate intra-regional trade and assist private entrepreneurship.

The basic theme of A.I.D.'s regional strategy is to assist regional food self-supply, open up market forces, facilitate intra-regional trade, and promote information and technology sharing while supporting the essential regional institutions. For reasons of management efficiency and to ensure that the regional program complements A.I.D. bilateral assistance in SADCC member countries, the strategy has been limited in the areas of activity it addresses. Regional program projects will concentrate on assisting SADCC's food security program, manpower training, transportation and technology transfer, in addition to initiatives to be undertaken outside of SADCC.

Agriculture, particularly for food production, is the foundation for the region's economy. It is the major employer and the region depends on export crops for a significant portion of its foreign earnings. Unfortunately, productivity by farmers has been stagnating or declining in most of the countries of southern Africa. This is partly the result of exogenous factors such as the high cost of imported inputs, external market demand and weather.

Other contributing factors, however, have been misguided

policies, poor agronomic practices, and the inability of governments or the private sector to provide the range of services needed to support and stimulate productivity. Only Zimbabwe has managed to produce surpluses, a result of excellent infrastructure and pricing policies favorable both to the large scale commercial sector and small farmers. Yet much of its surplus sits in storage unused because Zimbabwe's SADCC neighbors do not have the foreign exchange to purchase at Zimbabwe's unsubsidized export prices. The high cost and unreliability of transport have made marketing outside of the region uneconomic. SADCC has made agriculture one of its highest priorities. A comprehensive program is being put together which would over time guarantee the food self-sufficiency of southern Africa as a region. Elements of the program will include systems for crop failure early warning, storage and distribution, and market/pricing and policy coordination. Also included will be a rationalization of national agriculture research programs to ensure intra-regional coordination, training, sharing of results, and linkages to international research centers.

Manpower is the most pervasive long term constraint on the ability of southern African countries to develop. The availability of trained and experienced personnel affects every area in which human capital is required. Both government and private efforts to address development problems and manage their administrative systems and production enterprises are stymied by insufficient numbers of qualified personnel. Long-standing bilateral programs have focused on trying to create national training capabilities by improving and expanding existing institutions and building and staffing new ones. This approach has been slow and has proved inadequate to the task. SADCC is examining ways by which more efficient use can be made of the region's extant education/training structures. Under the A.I.D. strategy, emphasis is being given to assisting in training managers and administrators. Economies of scale in training are clearly possible, particularly in specialized areas, so the region can better manage and share training institutions with lower cost per trainee

and a higher quality of instruction. Courses can be made much more appropriate to the region's development needs.

The quality of education available to black (African, Asian and so-called colored) South Africans is not only inferior to that available to white South Africans, but also woefully inadequate to meet the social and economic development needs of that country's black community. To meet these development needs, black South Africans require access to training opportunities beyond those that are likely to be provided by the South African Government. Provision of scholarships for academic training at U.S. colleges and universities will address long-term human resources development needs. In-country training projects, e.g., high school tutorial, small business managers training, and trade unionist training will address high priority short-term development needs.

Transport has been the most active sector in SADCC to date and is included in A.I.D.'s strategy for support. Much of the activity has been directed to rehabilitating existing routes and facilities. The fact that six of the nine developing countries of the region are landlocked gives particular importance to the need for efficient and reliable movement of goods. The ability of SADCC countries to be competitive in the world economy and to trade more actively amongst themselves is dependent in part upon reducing the high cost of transporting their exports and their essential capital imports. The work to be done involves both the rehabilitation and expansion of infrastructure and the introduction of more efficient and reliable systems for moving goods. A coherent program of regional priorities has been prepared by SADCC's transport commission (SATCC) in Maputo with the assistance of a Danish engineering firm. With so much of the existing infrastructure damaged or rundown, the overall requirements are in the range of \$2.0 billion.

A final area of emphasis is that of technology transfer. Often in the past, the cost of development has been much higher than necessary because planners and implementors of programs and projects have not had access to or have not used existing information, data or evaluation

results. This has led to time wasting and costly duplication of effort and experiences. Various attempts have been made by donors to facilitate the transfer of knowledge to potential users, but the record to date has not been totally satisfactory. The southern Africans have undertaken to establish an interlinked information collection and distribution system to be called the Southern Africa Development Information System (SADIS). When operational it will allow program planners and implementors in SADCC countries to quickly gain access to existing information relevant to their area of interest. This will include data being held in SADCC countries' national information systems or in any of a number of affiliated international data banks.

A.I.D. Program: (FYs 1982 and 1983)

Assistance under the Southern Africa Regional Program in support of SADCC has focused on agriculture, manpower development, transportation and technology transfer. Other areas of activity outside of SADCC have included trade and private sector development, training for disadvantaged South Africans, support for private voluntary organizations, and funding for self-help activities.

Agriculture - A grant made to Zimbabwe's Ministry of Agriculture in FY 1982 will enable the agricultural authorities of the SADCC countries to begin developing a comprehensive program for achieving food security. The grant permitted the newly formed food security unit in the Ministry to convene three regional Consultative Technical Committees in the areas of research, extension and agriculture economics for purposes of reviewing and drafting proposals for inclusion in the SADCC program. These projects are based upon the findings of eight feasibility studies. During FY 1983 one of the first major SADCC projects in the area of agriculture research will be assisted through a grant to the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) for the establishment of a research center for sorghum and millet, two important crops in southern Africa. This will be followed by a broader southern

African agricultural research program in cooperation with the seven Coordination for Development in Africa (CDA) donor countries to be started in early 1983.

Manpower Development - Based upon the findings of a study to examine the regional capacity to train managers and administrators, a project will be designed and initiated in late FY 1983 which will provide technical assistance and training to upgrade the quality and appropriateness of offerings by training institutions throughout the region. Also in the manpower area are projects which offer training opportunities for South Africans who are disadvantaged by virtue of legal restrictions on their ability to get an adequate education in South Africa. Scholarships will be provided for participants to do undergraduate and professional study in U.S. colleges and universities. Other projects will focus on providing better quality education and training through projects within South Africa.

Transportation - U.S. assistance in FY 1982 in rehabilitating the region's transportation infrastructure included a loan to Zimbabwe and the second tranche of a loan to finance the reconstruction of the Zambesi valley section of the Harare/Lusaka road. This route, a major commercial route had deteriorated badly during the Rhodesian sanctions period when it was closed to through traffic. SADCC had identified this route as its first priority project. During FY 1983, A.I.D. will conduct feasibility studies and provide funding to finance the establishment of high-frequency radio links between inland rail terminals and coastal ports. Without such direct communication links, information on goods movement between the ports and the inland terminals are sporadic at best, leading to a chaotic situation for shippers and much higher transport costs than necessary.

Technology Transfer - Following on earlier deliberations, in part funded by A.I.D., southern African governments have decided to proceed with establishing a regional system for collecting and disseminating technical information and data related to SADCC's priority

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development areas. Responding to a request in early FY 1983, the regional program provided funding for technical assistance to the Government of Zimbabwe (GOZ), acting on behalf of other SADCC members. The GOZ will conduct a study of current capabilities to determine the feasibility of putting national development information into an easily accessible regional data system with affiliated international information links. This Southern African Development Information System (SADIS) project will be presented by SADCC to donors for consideration in September 1983.

Private Sector and Trade Development - Two activities are to be initiated during FY 1983 which are intended to make the private sector in southern Africa a more active contributor to the region's development. The first is a project to provide necessary technical assistance and training to upgrade the ability of various public and private entities engaged in the region in assisting businesses and business development. A second activity, which evolves from conclusions of an A.I.D. study of regional economic relationships, is a project to support the growth of intra-regional trade. The limited amount of such trade stems from a variety of causes besides transport problems, including trade policies, foreign exchange restrictions, and ignorance of opportunities and procedures. It has resulted in imposing restrictions on businesses and forcing many to operate inefficiently because of the limited market size of a confined national economy. The project, which would be multi-donor funded and involve initially only a limited number of southern African countries, provides a trade financing clearing house and trade promotion capability.

Other Program Areas - Beyond sectoral project activities, the regional program also provides through the private voluntary organizations project (690-0202) a mechanism for support to such organizations involved in the areas that are complementary to the regional strategy. The Planning, Management and Research Project (690-0206) provides support for program development. The Special Self-Help Project (690-9901) assists activities which

demonstrate United States support for small scale local initiatives to carry out development activities. Finally, the regional program includes a Human Rights Fund (690-9801) to assist in promoting and protecting the rights of individuals under the law.

### Requested Year Program: FY 1984

In order to carry out the planned activities under the Southern Africa Regional Program in FY 1984, a total of \$40 million in Economic Support Funds is requested. This level is required in order to continue activities begun in FYs 1982 and 1983 in the areas of agriculture, manpower training, transportation, technology transfer, private sector and trade development, private voluntary organizations, self-help and human rights.

In agriculture, \$5.5 million will be used for the Agricultural and Livestock Development Project (690-0207) to provide additional funds for the establishment of the sorghum and millet research center, and to assist SADCC in coordinating and networking regional agricultural research. For manpower training, \$3.5 million will be used to further fund the regional management training project (690-0208) to incorporate additional institutions in the region. For South African education, \$4.0 million will provide continued financing of U.S. scholarships under the Training for Disadvantaged South Africans Project (690-0213). In-country (South Africa) training projects will be provided continued funding as follows: University Preparation Program (690-0222) - \$1.0 million; Entrepreneurial Training for Disadvantaged South Africans (690-0220) - \$1.0 million; and Labor Union Training in South Africa (690-0223) - \$725,000. In the transportation sector, \$14.2 million is planned for the regional transportation support project (690-0212) to further rehabilitate and upgrade the transport network infrastructure. To assist in the equipping, staffing, training and related technical assistance to SADIS, \$2.0 million is planned for the technology/development information transfer project (690-0216). Support for private sector and trade development will include \$1.5

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million to expand assistance to business promotion organizations (690-0214), and \$3.0 million in incremental funding for the trade promotion credit financing facility (690-0217). For continued assistance to private voluntary organizations (690-0202), \$1.0 million is requested. To carry out project design, analysis, and study requirements, \$1,725,000 is requested for the Planning, Management and Research project (690-0206). Also requested is \$750,000 for Self-Help project (690-9901) activities, and \$100,000 for Human Rights Fund (690-9801) activities.



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

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PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO	PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
EDUCATION AND HUMAN RESOURCES											
SOUTHERN AFRICA ACADEMIC AND SKILL TRNG	G 690-0033	77	79	1,816	1,763	1,763	1,630	---	133	---	---
TRAINING OF DISADVANTAGED SOUTH AFRICANS	G 690-0213	82	83	6,000	6,000	3,000	3,000	3,000	1,500	---	1,500
TOTAL FOR ACCOUNT GRANTS LOANS				7,816	7,763	4,763	4,630	3,000	1,633	---	1,500
				7,816	7,763	4,763	4,630	3,000	1,633	---	1,500
				---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND											
SOUTHERN PERIMETER ROAD	G 690-0076	78	82	8,000	8,000	8,000	1,561	---	2,000	---	2,000
PRIVATE VOLUNTARY ORGANIZATIONS (PVO)	G 690-0202	82	C	---	---	---	---	1,000	1,000	1,000	1,000
SOUTHERN AFRICA PLNG MANAGEMENT/RESEARCH	G 690-0206	80	C	---	---	2,650	1,914	1,215	1,215	1,725	1,725
AGRICULTURE AND LIVESTOCK DEVELOPMENT	G 690-0207	82	86	675	10,000	675	---	2,500	2,000	5,500	5,000
MANPOWER DEVELOPMENT	G 690-0208	83	86	---	12,000	---	---	1,500	1,000	3,500	3,000
TRANSPORT AND STORAGE DEVELOPMENT	L 690-0209	81	82	17,300	17,300	17,300	---	---	10,000	---	7,300
REGIONAL TRANSPORTATION SUPPORT	G 690-0212	83	84	---	16,000	---	---	1,800	1,500	14,200	11,000
TRAINING OF DISADVANTAGED SOUTH AFRICANS	G 690-0213	82	88	24,000	24,000	1,047	1,000	1,000	1,000	4,000	2,000
PRIVATE ENTERPRISE	G 690-0214	82	84	150	2,400	150	---	750	650	1,500	1,000
TECHNOLOGY / DEV INFORMATION TRANSFER	G 690-0216	83	87	---	5,000	---	---	1,000	750	2,000	1,800
INTRA-REGIONAL TRADE AND BUSINESS DEV.	G 690-0217	83	85	---	8,000	---	---	1,500	1,000	3,000	2,000
ENTREPRENEURIAL TRNG-DISADVANTAGED SO. A	G 690-0220	83	85	---	3,000	---	---	950	650	1,000	950

\* Refers to the planned project summary sheet

C Level of effort activity

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FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on the authorized date.

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

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02/10/83

PROGRAM: SOUTHERN AFR REG

CP 84

PROJECT TITLE	L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY32- OBLIG ATIONS	FY32- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
UNIVERSITY PREPARATION PROGRAM	G 690-0222	83	84	--- 2,000	---	---	1,000	300	1,000	900	
LABOR UNION TRAINING FOR SOUTH AFRICANS	G 690-0223	83	86	--- 4,000	---	---	85	85	725	600	
HUMAN RIGHTS FUND	G 690-9501	79	C	--- ---	73	---	100	100	100	100	
SPECIAL SELF-HELP DEV-ESF	G 690-9901	80	C	--- ---	1,283	943	600	800	750	800	
TOTAL FOR ACCOUNT GRANTS				50,125 111,700	31,178	5,418	15,000	24,550	40,000	41,175	
LOANS				32,825 94,400	13,878	5,418	15,000	14,550	40,000	33,875	
				17,300 17,300	17,300	---	---	10,000	---	7,300	
SECURITY SUPPORTING ASSISTANCE											
SOUTHERN PERIMETER ROAD	G 690-0076	78	82	26,000 26,000	26,000	15,805	---	9,402	---	---	
SOUTHERN AFRICA ACADEMIC AND SKILL TRNG	G 690-0083	77	79	2,338 2,338	2,319	2,197	---	141	---	---	
TOTAL FOR ACCOUNT GRANTS				28,338 28,338	28,319	18,002	---	9,543	---	---	
LOANS				28,338 28,338	28,319	18,002	---	9,543	---	---	
				---	---	---	---	---	---	---	
TOTAL FOR COUNTRY GRANTS				86,279 147,801	64,260	28,050	18,000	35,726	40,000	42,675	
LOANS				68,979 130,501	46,960	28,050	18,000	25,726	40,000	35,375	
				17,300 17,300	17,300	---	---	10,000	---	7,300	

\* Refers to the planned project summary sheet

C Level of effort activity

487

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized data. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



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PROGRAM SUMMARY (In thousands of dollars)								
Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other <sup>a/</sup>
1982								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	57,583	19,137	1,898	16659	12,890	6,999	-	-
Total ....	57,583	19,137	1,898	16659	12,890	6,999	-	-
1983								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	53,455	13,754	1,325	17125	10,231	11,020	-	-
Total ....	59,455	13,754	1,325	17125	10,231	11,020	-	-
1984								
Loans ....	-	-	-	-	-	-	-	-
Grants ....	58,300	11,050	2,150	15763	9,619	13,718	-	6,000
Total ....	58,300	11,050	2,150	15763	9,619	13,718	-	6,000

<sup>a/</sup> Migration and Refugee Assistance for Africa; P.L. 97-121

#### Development Overview

Projects carried out under the Africa regional program fall into two categories:

- They fill a gap between central or world-wide projects and those implemented on a bilateral basis. Within this category they address problems within Africa which cross over national boundaries, and work with regional institutions to strengthen their capacity to mount coordinated, cost-effective programs to address regional problems.

- Regional projects support bilateral programs by facilitating more rapid and coordinated implementation of new A.I.D. policies such as private enterprise promotion and energy development. Frequently A.I.D. bilateral mis-

#### FY 84 PROGRAM HIGHLIGHTS

- Increase production of major food crops.
- Strengthen the role of African private enterprise in development.
- Expand production of renewable energy and conserve non-renewable energy resources.
- Expand control of childhood communicable and diarrheal diseases.
- Launch a regional demographic analysis and maternal child health/family planning program.
- Enhance the capability of African regional institutions to assist regional and country development efforts.

sions cannot respond quickly to changes in policy owing to the long lead time in project design, a long-term commitment to ongoing projects, and/or a lack of technical expertise in the new areas, especially in smaller missions.

The Africa regional program also permits A.I.D. to work with other donors and encourage their wider participation in efforts such as the Cooperation for Development in Africa (CDA). This grouping of seven Western donors is cooperating through technical committees and projects which address Africa-wide needs in agricultural research, control of childhood communicable diseases and other fields.

Also included in this section of the Africa Bureau's Congressional Presentation are activities which support overall program development and design; funds for projects carried out by private and voluntary organizations; the Entente Fund which promotes economic development in

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RESOURCE FLOWS (In thousands of dollars)				CP 84-06 (8-82)
Program	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)	
<b>Aid*</b>				
Loans.....	1,300	2,200	2,200	
Grants.....	47,274	64,331	59,689	
<b>Total AID.....</b>	<b>48,574</b>	<b>66,531</b>	<b>61,889</b>	
<b>P.L. 480**</b>				
Title I.....	5,000	3,000	6,000	
(of which Title III is)	( - )	( - )	( - )	
Title II.....	13,916	11,109	3,508	
<b>Total P.L. 480.....</b>	<b>18,916</b>	<b>14,109</b>	<b>9,508</b>	
<b>Total AID and P.L. 480.....</b>	<b>67,490</b>	<b>80,640</b>	<b>71,397</b>	

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

PERSONNEL/PARTICIPANTS DATA				CP 84-17 (8-82)
Category	FY 1982 (Actual)	FY 1983 (Estimated)	FY 1984 (Proposed)	
<b>AID Personnel<sup>a</sup></b>				
Direct Hire <sup>b</sup> .....	78	78	78	
PASA <sup>c</sup> .....	17	24	32	
Contract.....	20	16	16	
<b>Total.....</b>	<b>115</b>	<b>118</b>	<b>126</b>	
<b>Participants<sup>d</sup></b>				
Noncontract.....	190	211	176	
Contract.....	169	130	100	
<b>Total.....</b>	<b>359</b>	<b>341</b>	<b>276</b>	

<sup>a</sup>U.S. nationals on duty at the end of the fiscal year.  
<sup>b</sup>FY 1983 and FY 1984 position levels.  
<sup>c</sup>Participating agency technicians.  
<sup>d</sup>Programmed during the fiscal year.

P.L. 480 PROGRAM SUMMARY (In 000 MT/\$000)							CP 84-14 (8-82)
Program	FY 1982 (Actual)		FY 1983 (Estimated)		FY 1984 (Proposed)		
	MT	\$	MT	\$	MT	\$	
<b>Title I<sup>a/</sup></b>							
Wheat.....	-	-	-	-	-	-	
Rice.....	16,000	5,000	11,000	3,000	18,200	6,000	
Feedgrains.....	-	-	-	-	-	-	
Vegoil.....	-	-	-	-	-	-	
Non-food.....	-	-	-	-	-	-	
<b>Title I Total.....</b>		5,000		3,000		6,000	
(of which Title III is)		( - )		( - )		( - )	
<b>Title II<sup>b/</sup></b>							
Voluntary Agencies.....		3,884		3,792		1,528	
World Food Programs		1,909		2,103		1,980	
Gov't-to-Gov't.....		8,123		5,214		-	
<b>Title II Total.....</b>		<b>13,916</b>		<b>11,109</b>		<b>3,508</b>	
<b>Total P.L. 480.....</b>		<b>18,916</b>		<b>14,109</b>		<b>9,508</b>	

a/ PL-480 Title I Program in Madagascar

b/ PL-480 Title II Programs in Angola, Benin, Comoros Island, Ethiopia, Madagascar and Mozambique

the Entente region (Benin, Ivory Coast, Niger, Togo and Upper Volta); the Self-Help Fund whose purpose is to demonstrate U.S. interest in the welfare and self-help efforts of local communities; the Peace Corps Small Project Assistance Program which finances small self-help activities for immediate impact at the community level; and the Human Rights Fund which seeks to expand the political, economic and social rights of the urban and rural poor.

The development context in which the Africa regional program operates is as follows:

In the agriculture sector, the 1970s witnessed declines in per capita food production in 18 of the 25 countries of sub-Saharan Africa, resulting in a volume of food imports which grew an average of 9.5% annually; rice led with an average annual growth of 12.1% (base 1969-71).

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African countries now spend more on imports of food than on imports of petroleum products. A major factor contributing to the decline in production is lack of usable technology to increase yields, brought about by weak research and dissemination capacity, poor coordination and utilization of research, scarcity of technically trained personnel and inappropriate government policies. To help increase small-farm production and reduce imports, long-term regional research efforts are required to develop new technology, improved crop varieties and extension techniques. Technology also must be applied to monitor and collect data on land-use changes, drought, deforestation, desertification and crop performance to assist in program planning and project implementation.

Africa leads the world in population growth with an average annual growth rate of 2.9% and a population doubling-time of about 25 years. Of the estimated 1982 African population of 498 million, 45% is under 15 years of age. Rapid population growth hinders social and economic development by lowering per capita GNP and placing great strain on limited resources. National activity in the population field needs to be spurred and supported by regional programs in demographic analysis, policy development information and the provision of family planning services.

Although significant strides in health improvement have been made in sub-Saharan Africa over the last 20 years, the general health status of the region remains lower than in Asia or Latin America: life expectancy averages 49 years, and for each 1,000 births approximately 120 infants die in their first year. Communicable and infectious diseases are leading causes of sickness and death, especially among children. The public health resources--human, physical and financial--available within Africa to address these problems are very inadequate. Regional and national efforts assisted by donors are necessary to fill the gaps. Common problems which lend themselves to regional attack are training of health-worker trainers, health research, introduction of health care technologies to ameliorate childhood communicable disease problems, and control of infectious diseases affecting specific

groups of countries.

In the education sector, the regional program addresses Africa's shortage of administrators, technicians, trainers and researchers. Inadequate skills are reflected in Africa's low levels of institutional and individual productivity, weak delivery systems and limited absorptive capacity. Improved skills are needed at all levels of management and labor, both in the public and private sectors, and particularly among women. The capacity and self-reliance of African universities and training institutions must be expanded if the region's human resource needs are to be met.

In the field of energy, Africa must reduce dependence on costly oil imports and find ways to relieve pressure on fast-depleting fuelwood and forest resources. The Africa Bureau's energy/forestry strategy focuses on energy efficiency and conservation; regional and national institution-building; renewable energy development; and forestry and natural resource management. In the related environment field, growing energy requirements, developing industrialization and pressure on fragile soils to raise more food for expanding populations are threatening the resource base and creating hazards to human health. African policy-makers and managers need to increase their understanding of these problems and the management techniques to overcome them.

The need for increased private economic activity has become apparent both to African governments and to donor nations and organizations. Almost without exception, Africa's sub-Saharan economies, especially the centrally planned ones, have not kept pace with the growing needs of their people. Seeing the example of relatively successful capitalist economies such as the Ivory Coast's, other African states, including some socialist-oriented ones, are beginning to allow greater scope for private initiative. However, major constraints in economic policy, organization and management, skills availability and credit financing need to be overcome in most African countries if the private sector is to make its full contribution to development. The areas of policy develop-

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ment and management training in particular lend themselves to regional project assistance which can set a framework for bilateral A.I.D. mission efforts to deal with more localized constraints.

### U.S. Interests and Objectives

It is in the United States' interest to promote cooperation for development among African states. Assistance to regional institutions helps solve pressing, continentwide problems such as inadequate food production, lack of skilled manpower, high mortality and morbidity rates, and environmental degradation. Strengthened regional institutions also serve to promote inter-African trade, exchange of ideas and information and mutual assistance.

Regional cooperation facilitates progress in a climate of political moderation favorable to the United States which looks to Africa for support in international affairs and for access to vital mineral resources. Moreover, unless Africa's declining economic indicators are reversed, in part through regional cooperation, major food deficits will occur requiring enormous humanitarian assistance to avert hunger and starvation.

### A.I.D. Assistance Strategy

In agriculture, the Africa regional program seeks to strengthen African regional and national research systems to provide small farmers with needed technology to increase per capita food production. This strategy emphasizes more effective development and dissemination of agricultural research findings within and among countries with similar agro-climatic conditions, and greater coordination and focus of donor and African regional and country efforts to ensure full utilization of scarce human and technical resources. The regional strategy also aims to provide farmers with needed climatic and weather information.

Major constraints to the development of effective population programs in Africa are educational, cultural and economic. Variables such as traditions, educational at-

tainment, status of women and income interact to produce high rates of population growth in ways not always precisely understood. The regional strategy includes research and education activities to help clarify the relationship among variables, and the provision of voluntary fertility reduction information and services through public and private health care and other systems.

The Africa Bureau regional health strategy is to concentrate resources on activities which will allow African nations to solve their health problems with a maximum degree of self-sufficiency. The nature of that aid will vary from country to country but the emphasis will be on developing local capacity, in part through regional organizations, to deal with adverse health conditions using available resources. This strategy calls for an emphasis in those areas identified as the most serious constraints, i.e., human resource development, health planning and management, and local capacity to sustain primary health care systems. The goal is improved well-being, permitting increased productivity and economic growth.

A.I.D.'s regional education strategy in Africa is to apply limited resources to overcoming shortages of trained technicians, managers and scientists in key development areas. The strategy is carried out through programs to upgrade the staffs of African universities, research organizations and other agencies that support national development programs, and through provision of grants for long and short-term training carried out, to the extent possible, within Africa.

To help develop and promote more efficient use of Africa's energy resources, A.I.D. will focus in the near term on assessing the status of national-level energy planning in individual countries and on providing planning assistance where necessary. Project assistance in proven technologies will follow for those countries with the requisite energy planning base. To improve environmental planning and management, A.I.D. is fostering a better understanding among African planners and decision-makers of environmental problems and potential solutions

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and in selected countries is helping to develop the institutional capacity to engage in resource management.

The Africa regional private enterprise strategy aims at improving the policy framework and business climate in selected countries and at increasing entrepreneurial and management skills in small and medium-sized African-owned businesses. An improved business climate will allow African businessmen to make better use of available human, economic and physical resources, improve the functioning of local and regional markets and help create local pools of investment capital. Better-trained managers and entrepreneurs also can help train an inadequately skilled labor force and promote greater use of appropriate technology.

### A.I.D. Program (FYs 1982-1983)

In the agriculture sector, improved varieties and farming practices for the semi-arid food grains of sorghum, millet, cowpeas, maize and groundnuts, which comprise the food mainstay of the people in 24 African countries, are being developed through the Semi-Arid Food Grains Research and Development (SAFGRAD) project (698-0393) (\$4.9 million in FY 1982). The SAFGRAD project was evaluated in 1981 and found to be "an appropriate resource response to the technological problem of food production in Africa." Financial management of the project is being improved as a result of an audit of the Organization of African Unity-managed portion of the project. Phase II of the project, to be designed in FY 1983, will form part of the larger Strengthening African Agricultural Research project (698-0435). Regional research on rice, extension of research results through on-farm trials, and the development of "production packages" are supported through assistance to the West Africa Rice Research Association II (WARDA) project (698-0429) (\$2.6 million in FY 1982 and \$4.120 million in FY 1983) which benefits 15 West African member countries. Extension of this research is being given greater emphasis following an evaluation of a predecessor project. That evaluation points out the following project accomplishments: (a) WARDA, where participating with a strong national research program as in

Sierra Leone, has developed improved varieties of rice; (b) WARDA is providing significant help to member countries through project identification and definition, and through training in technology and other fields.

Over the next 15-18 months A.I.D., through the Strengthening African Agricultural Research (SAAR) project (698-0435) (\$1.5 million in FY 1982 and \$3.244 million in FY 1983), will help identify and design national and zonal (multi-country) projects to increase food crop production through expanded research and information dissemination. The Farming Systems Research (698-0444) (\$1.2 million in FY 1982) and the Strengthening the Management of Agricultural Research (698-0445) (\$0.495 million in FY 1982) projects, both initiated in FY 1982, will provide assistance over the next three years and, along with SAFGRAD, will be integrated into the major SAAR effort. In addition, training of 35-40 African agricultural research scientists under the African Manpower Development II program (698-0433) (\$1.0 million in FY 1982) will continue in order to meet short and medium-term staff needs. Remote Sensing Centers projects (698-0414) (\$1.9 million in FY 1982) and (698-0420) (\$0.800 million in FY 1983) are training Africans in the application of satellite and aerial photography for land-use planning, cartography, resource inventory, rangeland and water management. The Onchocerciasis Control project, for example, has benefited from maps updated by the West African center. Over 500 Africans from 37 countries have received training to date. Graduates have conducted soil surveys, forest inventories and mineral exploration. France, Canada and the Netherlands also contribute to the program. As a result of an evaluation the East African facility modified its training programs to include more projectspecific training and took steps to increase its funding through more intensive marketing of services and solicitation of African state contributions. The West African center will be evaluated in 1983.

Under the Family Health Initiatives project (698-0662) (\$1.7 million in FY 1982 and \$0.800 million in FY 1983), population activities were launched in FY 1982 with Columbia University to conduct short-term training



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courses in population, health and nutrition; with the Bureau of Census to develop software programs for processing population data in four African countries; with Battelle Memorial Institute to complete a series of short population studies in Nigeria designed to bring problems to the attention of policy makers; and with the University of Chicago to conduct communication/social education workshops followed by two pilot field projects in family planning/health education. Activities in Tanzania and Sierra Leone are under consideration for FY 1983 funding.

The Combating Childhood Communicable Disease (CCCD) project (698-0421) (\$4.2 million in FY 1982 and \$8.083 million in FY 1983) is the lead health activity of a major CDA multi-donor effort to strengthen the capability of African governments to implement the health care technologies of: (1) immunization against diphtheria, whooping cough, tetanus, measles, polio, and tuberculosis; (2) oral rehydration therapy for dehydrating diarrhea; and (3) presumptive treatment of fevers for malaria. The A.I.D.-funded CCCD project and the support to be provided by other CDA countries is expected to involve nearly all 46 countries of sub-Saharan Africa. Country-specific support to Zaire was initiated in FY 1982 and is planned for four-six additional countries in FY 1983. Regional support to training, operations research, information systems and health education began in late FY 1982 and early FY 1983.

The Strengthening Health Delivery Systems (SHDS) project (698-0398) (\$4.0 million in FY 1982 and \$2.5 million in FY 1983) underwent a major evaluation in 1982 with the result that the project will be extended for three years in order to consolidate gains previously made. The extended effort will continue the building of regional institutional capacity, with greater emphasis placed on improved utilization of trained manpower for low-cost primary health care systems at the national level. Boston University will continue to serve as the A.I.D. contractor. The SHDS project has trained a large number of persons who are now capable of training others in primary health care within the 20-country project area. Through revision of curriculum and the development of training

materials, the project has strengthened regional training institutions in Cameroon, Liberia, Nigeria, Senegal and Togo. Training and assistance in carrying out immunization programs in Cameroon, The Gambia and Ivory Coast has been well-managed. The immunization activity, carried out with the participation of the Center for Disease Control, is being expanded to cover all of sub-Saharan Africa and has been transferred to the CCCD project.

Onchocerciasis Control II (698-0399) (\$4.6 million in FY 1982 and \$2.6 million in FY 1983) is a multi-donor project to prevent the transmission of river blindness in the Volta River Basin (portions of Ghana, Togo, Benin, Upper Volta, Niger, Ivory Coast, and Mali) where 10 million people reside. Control of the disease permits fertile river valleys to be inhabited, making more land available for food production. Epidemiological surveys show that as a result of black-fly vector control measures, nearly all children in the area under five years of age are free of the disease and children in the five-to-nine year age group are 80% free. Control has been achieved in approximately 85% of the 764,000-square-kilometer area (larger than Texas). Vector control will continue to be the principal activity during Phase II (1980-85), but increased efforts will be made to develop additional larvicides and a safe, effective drug for human use.

Under the Health Constraints to Rural Production project (698-0408) (\$1.6 million in FY 1982 and \$1.5 million in FY 1983) a surveillance methodology for schistosomiasis control is being developed in the Gezira region of Sudan (698-0408.02). A long-term U.S. biostatistician was assigned in August 1982. In December 1982 the project's mini-computer will arrive in Khartoum. An activity in Cameroon (698-0408.01), designed to test schistosomiasis control methods, is scheduled for authorization in FY 1983. The research results from the two activities will be applicable to many parts of Africa, particularly where irrigation is practiced.

Four minority health institutions, Howard University, Meharry Medical College, Charles R. Drew Postgraduate

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Medical School and Tuskegee Institute have received five-year institution-strengthening grants of \$1.25 million each under the Health Institution Improvement project (698-0412) (\$1.050 million in FY 1982 and \$0.342 million in FY 1983). The project will be evaluated in FY 1983 to assess progress achieved by each of the grantees toward the goal of strengthening their capability to respond to A.I.D. requests for technical assistance in the health development sector. The results of the evaluation will contribute significantly to A.I.D.'s decision on future action with respect to the four schools.

In the education sector, The African Manpower Development II (AMDP) project (698-0433) (\$7.479 million in FY 1982 and \$5.0 million in FY 1983) supports graduate and technical training in the United States and Africa in various development fields. As a result of a 1980 evaluation of Phase I of this project, Phase II is providing increased training opportunities for women; greater use of, and support for, African training institutions; and increased emphasis on in-country training. The project also serves Portuguese-speaking countries as a continuation of a terminating activity, Development Training for Portuguese-Speaking Africa project (698-0418) (\$0.782 million in FY 1982). Each year under AMDP, approximately 300 students begin studies to acquire technical and managerial skills that pertain directly to A.I.D. and host country development priorities. The participants return to positions in public or private development institutions, often taking over technical roles formerly filled by costly expatriate personnel. Many returned participants move rapidly into policy-making positions.

Regional projects also support management training programs at the Pan African Institute for Development (PAID) (under the Regional Rural Development Training project 698-0405) (\$0.950 million in FY 1982 and \$1.0 million in FY 1983) and at the Eastern and Southern African Management Institute (under Support to Regional Organizations project 698-0413). These regional institutes also provide technical assistance, research and other support services for national development programs. PAID, for example, has provided significant assistance for the

planning and management of rural development activities, advocating policies for greater decentralization of government services, the strengthening of local institutions and increased participation by local populations in the planning and implementation of development projects. The African Labor Development project (698-0363) (\$3.0 million in FY 1982 and \$3.0 million in FY 1983) finances the African-American Labor Center's programs to develop a free labor movement in Africa. Examples of project impact are a change in Liberian government policy to one more favorable to the organization of agricultural workers, and an emerging legal structure in Kenya that facilitates collective bargaining as an alternative to strikes.

The A.I.D.-supported contractor under the Energy Initiatives project (698-0424) (\$.468 million in FY 1982 and \$2.635 million in FY 1983) will shortly establish offices in East and West Africa. As a starting point in the process to strengthen the capacity of African governments to implement sound energy programs, inventories are planned for about 25 countries in the region. These will be followed by selected and more in-depth assessments of countries' accomplishments to date. Eight assessments are planned for FYs 1982 and 1983. Five requests for planning assistance or pilot activities have been received thus far from African countries.

The Environmental Training and Management in Africa (ETMA) project (698-0427) (\$1.1 million in FY 1982 and \$0.500 million in FY 1983) continues to carry out seminars and workshops in Africa on such topics as desertification, ecology, river basin development and tropical limnology. Eight workshops and seminars were carried out in FY 1982 and about 14 are planned for FY 1983. Three resource management programs are underway in Kenya (soil conservation), Sudan (desertification) and Tanzania (land planning). In FY 1983 resource management activities will begin in Rwanda with an analysis of erosion patterns. Partly as a result of project training, the Government of Kenya undertook and published a study on soil erosion, expanded the staff of the National Environmental Secretariat and established three pilot district

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environmental information offices. The Government of Zimbabwe was influenced to distribute seed and undertake a water development program in drought stricken Matabeleland.

The Support to Regional Organizations (SRO) project (698-0413) (\$1.6 million in FY 1982 and \$2.56 million in FY 1983) provides assistance to regional organizations engaged in agricultural research, agro-industry, river basin planning and water use, transport planning and other development fields. For example, in FY 1982 the project provided a team of scientists to help the International Center for Insect Physiology and Ecology (ICIPE) develop a research program on insect-resistant plants. The staff of the Economic Community of the Great Lakes (CEPGL) received training in grain storage and marketing, project planning and management, agricultural statistics and energy management. In FY 1983, the UN's Economic Commission for Africa (ECA) will receive support for training in manpower planning and management and for women-in-development activities.

The African Development Bank project (698-0127) is providing technical assistance to strengthen the Bank's financial and project management capabilities and to carry out pre-investment and terms-of-reference studies. An IBM computer has been provided to improve the Bank's collection capabilities and streamline its internal management systems. Following the recommendations of a May 1980 evaluation A.I.D. assistance is now focused on staff development through in-house training and improved personnel management.

The Peace Corps Small Project Assistance program (698-0506) (\$0.540 million in FY 1983) is being initiated in FY 1983, and makes available up to \$40,000 per country in the 13 African countries where there are both A.I.D. and Peace Corps staff. (A like amount has been set aside in the Sahel account for the six Sahelian countries similarly involved). No more than \$10,000 may be obligated per activity, which must be conceived and implemented in conjunction with a local community organization or group and involve development in the areas of

food, energy, competitive enterprise development and/or income-generating activities.

Through the Private Operational Program Grants (OPGs) project (698-0386) (\$5.0 million in FY 1983) the Africa Bureau has utilized the unique expertise of private and voluntary organizations (PVOs) in reaching Africa's poor majority. These PVO projects not only supplement many bilateral activities, but are often successful in areas where the bilateral programs do not extend. Additionally, a matching grant program assists U.S. PVOs in their development activities in Africa. This program represents the recognition by the United States Government that PVOs constitute an important means of mobilizing private American financial and human resources to benefit the poor in Africa.

The Program Development and Support (PDS) project (698-0135) (\$6.2 million in FY 1982 and \$5.250 million in FY 1983) provides a mechanism for financing: (1) project identification, development and design activities; (2) special analyses and surveys related to development of sector/sub-sector and country program strategies; (3) pre-feasibility and feasibility studies; (4) assessments of the environmental and social impact of proposed activities; (5) evaluation of project activities; and (6) analyses and studies related to specific problems affecting development efforts.

The Special Self-Help Development project (698-9901) (\$1.6 million in FY 1982 and \$1.675 million in FY 1983) supports a wide range of small-scale, community-initiated development efforts. It enables U.S. ambassadors to respond quickly in more than 28 African countries to worthy requests for support, thereby demonstrating American interest in improving the quality of life at the local level. In FY 1982, typical projects included purchase of building materials and equipment for a meeting hall/ community center in Burundi, piping and pumps for a water tower in Cameroon, and ceiling materials for a dispensary in Upper Volta.

The Human Rights Fund for Africa project (698-9801)

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(\$0.257 million in FY 1982 and \$0.150 million in FY 1983) encourages increased adherence to civil and political rights, as set forth in the Universal Declaration of Human Rights. The Fund enables U.S. ambassadors and A.I.D. missions to respond with relatively small funding to host country initiatives which promote civil and political rights. The Fund is similar to the Self-Help Fund. All African countries eligible for U.S. bilateral assistance can participate. In FY 1982, 19 projects were funded in 16 countries. Activities included establishment of a university law library in Botswana, publication of a new family law code in the Kirundi language in Burundi, radio discussion of human rights and development of relevant human rights material in Central African Republic, publication of a citizens' handbook on civil rights in Sudan, leadership training for women in Mauritius, and a research grant to a constitution drafting commission in Liberia.

### Requested Year Program (FY 1984)

\$11.1 million is requested for the Agricultural, Rural Development and Nutrition sector. The Semi-Arid Food Grains Research and Development project (698-0393) will terminate in FY 1984 and a Phase II of that project, integrated into the larger Strengthening African Agricultural Research project (698-0435), will begin in late FY 1984 or early FY 1985. The latter project also will absorb the Farming Systems Research (698-0444) and the Strengthening the Management of Agricultural Research (698-0445) projects to make up part of the U.S. contribution of the multi-donor, Africa-wide agricultural research supported under CDA. Support for the West Africa Rice Development Association project (698-0429) will continue for the fourth year of that five-year effort. A planned FY 1983 evaluation will be used to help guide the final two years of the project. Support for the West Africa Remote Sensing project (698-0420) will be evaluated in FY 1983, and the findings used in determining the extent and nature of further assistance.

\$2.150 million is requested for the Population sector. The new Population Planning project (698-0437) will as-

sist both private and public agencies and groups involved in population programs and policy development, focusing on provision of family planning services, demographic studies, information dissemination, applied research and other activities supporting country needs. A U.S. contractor will work closely with African institutions, both national and regional, and with A.I.D. missions in Africa to plan and implement the project.

\$15.763 million is requested for projects in the Health sector. The Combating Childhood Communicable Diseases project (698-0421) will provide extensive support to eight countries as well as regional support for training, operations research, data systems and health education in another 10-15 countries, some of which will also receive in-country support from other CDA governments. The Strengthening Health Delivery Systems (SHDS) project (698-0398) will continue training activities in FY 1984. Africans who have received Master-level academic training in the United States and Canada will replace U.S. technicians at three nursing schools in Africa. By the end of FY 1984 each of the 20 participating countries in West and Central Africa is expected to have health personnel trained through the SHDS project. Primary Health Care Development (698-0446), beginning in FY 1984, will expand and improve primary health care (PHC) programs in such key areas as health management and community involvement, and focus on policy questions such as the proper balance between fee-for-service and government financing to ensure program continuity. Building upon the achievements and lessons of the SHDS project, the PHC project will begin in countries not covered by SHDS, but will encompass the SHDS zone upon termination of that project in FY 1986. The Onchocerciasis Control project (698-0399) will be continued. It is estimated that the transmission cycle will have to be interrupted for approximately 12 more years in the current control area (for a total of 20 years) to ensure complete control. Under the Health Constraints to Rural Production project (698-0408) considerable data analysis will have been completed in Sudan. In Cameroon, the U.S. technical assistance will be in place, Cameroonian counterparts will be in training, and renovation of the project's laboratory and headquarters should

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be complete.

\$9.619 million is requested for projects in the Education and Human Resources sector. Training programs funded by the African Manpower Development project (698-0433) will continue to emphasize institutional development, technological transfer, training for women, and the use and strengthening of African training institutions. Training programs for business management will be established at selected regional institutions under the Private Entrepreneurship Promotion project (698-0438). The African Labor Development II project (698-0442) will continue to maintain the Agency's responsiveness to Section 601 of the FAA by supporting the development of free trade unions in Africa.

\$13.718 million is requested for Selected Development Activities. By FY 1984, most of the energy assessment work under the Energy Initiatives for Africa project (698-0424) should be nearing completion. Various sub-projects and training activities should be underway, and the contractor-managed information dissemination program should be functioning.

Additional workshops for policy-makers will be held under the Environmental Training and Management for Africa project (698-0427). The Rwanda activity should be established, possibly with institutional efforts in watershed management for maintenance of the agricultural base and for development of renewable energy resources. The Support to Regional Organizations (SRO) project (698-0413) will continue to assist various regional bodies performing essential development work. One of the organizations aided under SRO, the Economic Community of West African States (ECOWAS), will fall under a separate project, ECOWAS Support (698-0439), beginning in FY 1984. Technical advisors will assist ECOWAS in helping member states implement development policies, particularly those related to agriculture, energy and the private sector. FY 1984 will be the first full year of the Private Entrepreneurship Promotion project (698-0438). Long-term technical assistance, focused on policy reform, will be in place in selected African countries, and the training

noted above will be underway. The African Development Bank (AFDB) project (698-0434) will build upon A.I.D.'s present AFDB project to strengthen the Bank's capabilities. The new project will begin in FY 1984 rather than FY 1983 as originally planned. A contract with a U.S. firm or university will provide long-term experts to the Bank in such key fields as project management, evaluation, training and sectoral specialties. The new project also will fund evaluation of Bank projects, preinvestment and terms-of-reference studies, training of Bank staff and development of long-range management workplans.

A.I.D. will continue to support the Human Rights Fund for Africa (698-9801), Special Self-Help Development (698-9901), Program Development and Support (698-0135), Peace Corps Small Project Assistance (698-0506) in selected countries and the Private Operational Program Grants project (698-0386) which supports the development activities of both U.S. and indigenous African PVOs directly assisting low-income people in African countries.

AFRICA BUREAU OFFICE DIRECTOR,  
REGIONAL AFFAIRS: WILLIAM H. NAYLOR, JR.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS  
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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
ENTENTE FOOD PRODUCTION	G 626-0203	76	81	8,180	8,180	6,965	---	700	---	515	
ENTENTE FOOD PRODUCTION	L 626-0203	76	79	10,000	10,000	5,827	---	1,700	---	1,700	
ENTENTE LIVESTOCK PRODUCTION II	G 626-0204	76	81	4,810	4,810	4,523	---	287	---	---	
ENTENTE LIVESTOCK PRODUCTION II	L 626-0204	76	79	4,500	4,500	2,281	---	500	---	500	
AFRICAN DEVELOPMENT BANK	G 695-0127	68	81	6,600	4,785	4,785	3,847	---	938	---	
PROGRAM DEVELOPMENT AND SUPPORT	G 695-0135	75	C	---	---	24,144	20,750	3,000	2,400	2,750	2,400
RICE RESEARCH AND PRODUCTION	G 698-0382	75	80	6,737	6,737	6,731	6,515	---	216	---	---
PRIVATE VOL OPPOR PROGRAM GRANT (PVO)	G 693-0386	75	C	---	---	---	---	2,000	2,000	2,000	2,000
SEMI-ARID FOOD GRAIN RESEARCH AND DEV	G 693-0393	77	82	16,125	16,125	16,125	9,859	---	3,500	---	2,766
IMPROVED RURAL TECHNOLOGY	G 693-0407	78	82	6,100	2,868	2,869	1,960	---	909	---	---
ACCELERATED IMPACT PROGRAM	G 698-0410	77	C	---	---	4,942	2,732	50	1,260	---	1,000
REGIONAL REMOTE SENSING(EASTERN AFRICA)	G 698-0414	77	82	3,772	3,772	3,772	1,925	---	1,000	---	847
REG ONCHOCERCIASIS-FREE AREA PLANNING	G 698-0416	78	80	4,362	3,312	3,312	3,123	---	189	---	---
REGIONAL REMOTE SENSING(WESTERN AFRICA)	G 693-0420	77	84	2,525	4,525	2,525	2,179	800	1,146	700	700
WEST AFRICA RICE DEVELOPMENT	G 698-0429	81	85	12,000	12,000	4,600	1,863	4,120	2,600	1,080	3,100
AFRICAN MANPOWER DEVELOPMENT II	G 693-0433	82	86	1,000	1,000	1,000	---	---	1,000	---	---
STRENGTHENING AFRICAN AG RESEARCH PRGM	G 698-0435	82	88	1,850	45,000	1,502	---	3,244	1,000	4,000	2,000
FARMING SYSTEMS RESEARCH (CIMMYT)	G 693-0444	82	82	1,213	1,213	1,213	---	---	1,213	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG EXPENDI ATIONS TURES	-ESTIMATED FY83- OBLIG EXPENDI ATIONS TURES	-PROPOSED FY84- OBLIG EXPENDI ATIONS TURES	FY84- OBLIG EXPENDI TURES		
STRENGTHENING MGMT OF AGRICULTURE RESEARCH	G 698-0445	82	82	500	495	495	---	495	---		
INADES-FORMATION (PVO)	G 698-0501	80	81	700	700	631	492	139	---		
SMALL PROJECT ASSISTANCE/PEACE CORPS	G 698-0506	83	C	---	---	---	---	540	100		
TOTAL FOR ACCOUNT GRANTS				90,974	130,022	106,136	74,841	13,754	23,292	11,050	
LOANS				76,474	115,522	91,636	66,733	13,754	21,092	11,050	
				14,500	14,500	14,500	3,108	---	-2,200	---	
POPULATION PLANNING											
PROGRAM DEVELOPMENT AND SUPPORT	G 698-0135	75	C	---	---	396	267	200	175	500	
PRIVATE VOL OPPOR PROGRAM GRANT (PVO)	G 698-0386	75	C	---	---	---	---	200	200	500	
POPULATION PLANNING DEVELOPMENT	* G 698-0437	84	88	---	8,000	---	---	---	---	1,000	
FAMILY HEALTH INITIATIVE	G 698-0662	80	83	9,000	4,997	4,197	1,378	800	1,800	---	
SPECIAL SELF-HELP POPULATION ACTIVITIES	G 698-9701	79	C	---	---	193	149	125	75	150	
TOTAL FOR ACCOUNT GRANTS				9,000	12,997	4,786	1,794	1,325	2,250	2,150	3,094
LOANS				9,000	12,997	4,786	1,794	1,325	2,250	2,150	3,094
				---	---	---	---	---	---	---	
HEALTH											
PROGRAM DEVELOPMENT AND SUPPORT	G 698-0135	75	C	---	---	5,730	5,042	600	500	1,500	
PRIVATE VOL OPPOR PROGRAM GRANT (PVO)	G 698-0386	75	C	---	---	---	---	1,500	1,500	1,900	
STRENGTHENING HEALTH DELIVERY SYSTEMS II	G 698-0398	77	85	20,000	26,154	18,654	17,024	2,500	1,630	2,000	
ONCHOCERCIASIS CONTROL PHASE II	G 698-0399	74	85	23,100	23,100	16,382	13,761	2,600	2,629	2,200	

\* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS  
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PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FY32- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
HEALTH CONSTRAINTS TO RURAL PRODUCTION	G 698-0408	81	86	2,122 9,522	2,122	305	1,500	800	1,000	1,200
ACCELERATED IMPACT PROGRAM	G 698-0410	77	C	--- ---	3,529	1,745	---	1,195	---	500
HEALTH INSTITUTIONS IMPROVEMENT 122(D)	G 698-0412	78	83	5,050 5,050	4,708	3,350	342	1,000	---	700
COMBATING CHILDHOOD COMMUN DISEASES	G 698-0421	79	86	47,000 47,000	7,542	2,311	8,083	3,500	4,663	4,000
PRIMARY HEALTH CARE DEVELOPMENT	* G 698-0446	84	88	--- 10,000	---	---	---	---	2,500	500
TOTAL FOR ACCOUNT GRANTS LOANS				97,272 120,826 97,272 120,826 --- ---	58,667 43,538 58,667 43,538 --- ---	17,125 12,754 17,125 12,754 --- ---	15,763 14,700 15,763 14,700 --- ---			
EDUCATION AND HUMAN RESOURCES										
PROGRAM DEVELOPMENT AND SUPPORT	G 698-0135	75	C	--- ---	5,350	4,791	550	650	800	800
AFRICAN LABOR DEVELOPMENT	G 698-0363	71	83	27,270 30,270	27,270	24,502	3,000	1,041	---	1,950
AFRICAN MANPOWER DEVELOPMENT	G 698-0334	76	81	23,397 22,503	22,503	20,784	---	1,719	---	---
PRIVATE VOL OPPOR PROGRAM GRANT (PVO)	G 698-0386	75	C	--- ---	---	---	681	681	819	819
AFRICAN WOMEN IN DEVELOPMENT (WID)	G 698-0338	76	82	7,116 2,756	2,756	2,166	---	590	---	---
PROJECT MANAGEMENT TRAINING	G 698-0397	78	81	731 407	407	195	---	212	---	---
REGIONAL RURAL DEVELOPMENT TRAINING	G 698-0405	78	83	5,700 5,700	4,700	4,695	1,000	1,005	---	---
DEVELOPMENT TRAINING FOR PSA	G 698-0418	77	82	10,200 9,854	9,854	9,362	---	492	---	---
AFRICAN MANPOWER DEVELOPMENT II	G 698-0433	82	86	28,675 28,675	7,479	2,541	5,000	6,000	5,000	6,000
AFRICAN LABOR DEVELOPMENT II	* G 698-0442	84	88	--- 15,000	---	---	---	---	3,000	2,500

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



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PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH OBLIG ATIONS	FYS2- EXPENDI TURES	-ESTIMATED OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED OBLIG ATIONS	FY84- EXPENDI TURES
TOTAL FOR ACCOUNT GRANTS			103,039	115,165	80,319	69,036	10,231	12,390	9,619	11,969
LOANS			103,089	115,165	80,319	69,036	10,231	12,390	9,619	11,969
			---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES										
AFRICAN ENTERPRISE II	G 625-0717	76	80	1,880	1,880	1,880	1,729	---	151	---
AFRICAN DEVELOPMENT BANK	G 698-0127	68	81	6,780	6,780	6,780	3,766	---	1,100	2,056
PROGRAM DEVELOPMENT AND SUPPORT	G 698-0135	75	C	---	---	5,852	5,304	900	750	1,000
ECONOMIC COMMISSION FOR AFRICA	G 693-0340	72	81	2,962	2,962	2,962	2,407	---	555	---
PRIVATE VOL OPPOR PROGRAM GRANT (PVO)	G 698-0355	75	C	---	---	---	---	600	600	500
ACCELERATED IMPACT PROGRAM	G 698-0410	77	C	---	---	4,434	3,674	---	318	442
SUPPORT TO REGIONAL ORGANIZATIONS	G 698-0413	79	86	8,000	14,137	4,309	2,544	2,560	1,765	1,780
ENERGY INITIATIVE FOR AFRICA	G 698-0424	82	86	13,500	13,500	468	---	2,635	2,500	2,600
ENVIRONMENTAL TRAINING FOR AFRICANS	G 698-0427	80	84	7,625	5,092	3,872	2,754	500	1,000	720
AFRICAN DEVELOPMENT BANK II	• G 698-0434	84	88	---	15,000	---	---	---	---	2,268
PRIVATE ENTREPRENEURSHIP PROMOTION	G 698-0436	83	87	---	13,300	---	---	2,000	1,000	2,000
ECOWAS SUPPORT	• G 698-0439	84	88	---	10,000	---	---	---	---	1,000
AFRICARE GENERAL SUPPORT GRANT (PVO)	G 698-0443	82	82	1,032	1,032	1,032	103	---	929	---
HUMAN RIGHTS FUND FOR AFRICA	G 698-9801	79	C	---	---	1,259	870	150	354	150
SPECIAL SELF-HELP DEVELOPMENT ACTIVITIES	G 698-9901	80	C	---	---	5,022	4,264	1,675	2,260	1,700
TOTAL FOR ACCOUNT GRANTS			41,779	83,683	37,870	27,435	11,020	13,282	13,718	14,348
LOANS			41,779	83,683	37,870	27,435	11,020	13,282	13,718	14,348
			---	---	---	---	---	---	---	---

\* Refers to the planned project summary sheet

C Level of effort activity

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FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: AFRICA REGIONAL

CP 84

PROJECT TITLE	* L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
AFRICAN REFUGEE ASSIST. (SEC 495-F)										
REFUGEE ASSISTANCE	SEC495-F G 693-0422	79	81	29,920	29,920	27,357	---	2,563	---	---
TOTAL FOR ACCOUNT				29,920	29,920	27,357	---	2,563	---	---
GRANTS				29,920	29,920	27,357	---	2,563	---	---
LOANS				---	---	---	---	---	---	---
TOTAL FOR COUNTRY				372,034	492,613	317,698	53,455	66,531	52,300	61,889
GRANTS				357,534	479,113	303,198	53,455	64,331	52,300	59,689
LOANS				14,500	14,500	14,500	---	2,200	---	2,200

\* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

TITLE Population Planning Development		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 698-0437 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION: 1,000	ED. & HR:	SEL. ACT.:	FY 84 1,000	LIFE OF PROJECT FUNDING: 8,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To increase the consideration of demographic variables in social and economic development planning in Sub-Saharan African countries as well as the adoption of appropriate and acceptable fertility regulation methodologies that will enhance development gains in other sectors such as agriculture, health, nutrition, education and rural development.

Project Description: Africa as a whole has a higher overall population growth rate than any other major area of the world. Other development activities in the health and agriculture sectors designed to improve productivity, well-being and the standard of living will, if successful, lower mortality, especially among infants and children. A concomitant effort to lower population growth rates must be undertaken in order to maintain gains made in economic development. The proposed project builds on the experience of the more narrowly conceived Family Health Initiatives (FHI) project.

The new project will be designed in 1983 to respond rapidly to identified needs in the form of (1) initial or single-purpose activities such as specialized training in the provision of services; long or short-term training in such areas as demography, management, operations research; observation tours by African leaders to observe and discuss successful activities in other countries; and (2) support to locally approved private or governmental organizations to initiate activities while long-term bilateral projects are developed. These activities could include all or any combination of the following: (1) policy development; (2) demographic measurements; (3) information, education, communication; (4) social science research; (5) provision of services and (6) training. A methodology will be developed and used for submission and review of project proposals by host country private and public organizations. The active participation of appropriate U.S. private and public organizations will be encouraged.

Relationship of Project to A.I.D. Regional Strategy: This project is consistent with A.I.D.'s regional strategy. The reduction of population growth rates is a necessary adjunct to achievement of the health and agricultural sector priorities which are prominent objectives in the regional strategy.

Host Country and Other Donors: Many organizations concerned with population growth are working in sub-Saharan Africa. A.I.D. provides partial support to most of these organizations on a regional or centrally funded basis and bilaterally to a number of African countries. This project will provide a coordination mechanism to expedite and expand activity funding and implementation.

Beneficiaries: Immediate beneficiaries will be those women and children who, due to birth spacing, will lead healthier lives. In addition to improved health, the longer interbirth period should allow those women more opportunity to become actively involved in the social and economic development of their communities.

This project also includes the potential for establishing commercial retail sales of contraceptives. Where that activity takes place, there may be more economic benefit to individual entrepreneurs.

TITLE Primary Health Care Development		FUNDING SOURCE:	AG, RD & N:	HEALTH: 2,500	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 698-0446 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.:	FY 84 2,500	LIFE OF PROJECT FUNDING: 10,000	
						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To strengthen Primary Health Care (PHC) Institutions and Systems in selected African Countries.

Project Description: Life expectancy in Africa is lower than in any other region of the world. Basic health problems persist and are not yet being effectively addressed by the affected African countries. While most countries have established rudimentary primary health care systems, they are frequently under-financed, technically inadequate and poorly managed. Affordable technical solutions exist to reduce significantly the incidence of health problems, but in most cases have not been successfully adopted on a sufficient scale in Africa.

Subject to the results of an assessment to be undertaken in 1983, this project will provide, on a regional basis, technical assistance and training for those national health systems most ready to utilize the assistance and expand/improve their PHC programs. It will build upon the achievements of prior health projects which trained African trainers in most aspects of PHC. The project will, however, emphasize direct assistance to national systems working together through regional networks; it will focus on a few key PHC areas such as health management, policy questions such as the proper balance between government financing and fee-for-service to ensure program continuity, applied research and community involvement in implementing PHC projects. Africans trained will be helped in carrying out national training activities and implement PHC projects. The regional project will begin in countries not covered by the Strengthening Health Delivery Systems (SHDS) project (698-0398), but will encompass the SHDS zone in West and Central Africa upon the completion of the SHDS project in FY 1986.

A network of national and regional health training institutions will play a key role in project implementation. U.S.

consultants in health management, applied research and other specialties will work with a number of these network institutions. The national systems to be assisted will be those which have a firm commitment to expanding PHC as manifested in policy, program and budget terms.

Relationship of Project to A.I.D. Strategy: This project is consistent with A.I.D.'s regional strategy. Improvements in primary health care are essential to achieving the health sector goal of HEALTH FOR ALL BY THE YEAR 2000 and a necessary adjunct to improved agricultural production. Both sectors are prominent in the regional strategy.

HOST COUNTRY AND OTHER DONORS: Most of the African countries have subscribed to the World Health Organization's goal of HEALTH FOR ALL BY THE YEAR 2000. International organizations such as WHO and UNICEF as well as various bilateral donors are working in sub-Saharan Africa toward that goal.

BENEFICIARIES: Direct beneficiaries initially will be the Africans trained in the various aspects of project implementation such as service provision, research, activity planning and management and the women and children whose health is improved as a result of the interventions in such areas as water and sanitation, nutrition, maternal and child health and disease control and prevention. Indirect beneficiaries will be the consumers of the marginal goods and services produced as a result of fewer non-productive days due to sickness.

TITLE African Labor Development II		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
NUMBER 698-0442 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR: 3,000	SEL. ACT.:	FY 84 3,000	LIFE OF PROJECT FUNDING: 15,000
					INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To develop democratic, effective, self-managed and financially self-sufficient trade unions in African countries capable of representing the interest of workers with their employers and government organizations.

Project Description: Pursuant to Section 601 of the Foreign Assistance Act A.I.D. has been supporting the development of the labor union movement in Africa since 1962. Through the African-American Labor Center (AALC), A.I.D. has provided technical assistance and financing to African labor unions with an emphasis on education and the training of union personnel. The new project will continue this assistance. The AALC has made the following progress over the past year in accomplishing the goal of strengthening free labor unions by providing technical and financial assistance. In Zambia five credit unions and cooperatives have been established for trade union members and 60 credit union staff members and volunteer workers have received training in this area. In Senegal the Regional Institute for Higher Trade Union Studies is progressing successfully. Leadership colloquia have been organized, instructors and participants are being trained and a variety of publications are being prepared for use in francophone African worker education programs on both the local and regional levels. In Zaire assistance to a union-sponsored maternal/child health program for union members is increasing loyalty to the union. The Institute for Labor Studies has completed its third successful year of offering a four-year evening program of high level trade union studies for an intake of 50 students per year and a graduation of at least 30 students per year. Also in Zaire, a women's department in the union headquarters has been established to administer a national program serving 1,000 women each year.

Relationship to A.I.D. Regional Strategy: The project supports the A.I.D. strategy of strengthening African regional institutions. It also addresses the special sector concerns in

education and human resources, health and nutrition and agriculture and rural development through its special emphasis programs.

Host Country and Other Donors: Cooperating trade unions provide personnel, facilities and funds. The American Federation of Labor/Congress of Industrial Organizations (AFL/CIO) provides \$210,000 annually.

Beneficiaries: The direct beneficiaries of these programs are the roughly 4,000 union members who attend workshops, seminars and long-term training each year. The indirect beneficiaries are all of the union members and their families in the countries in which AALC operates, as well as non-union workers in the industrial sector whose conditions are improved as unions become more effective.

TITLE African Development Bank II		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)			
NUMBER 698-0434		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.: 2,268	FY 84 2,268	LIFE OF PROJECT FUNDING: 15,000	
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>						INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 90

Purpose: To increase the Bank's capacity to meet priority development finance requirements of economically disadvantaged African Development Bank member states, while reducing the Bank's dependence on externally funded technical assistance.

Project Description: A.I.D. grant funds will be used to finance contracts between the African Development Bank (AFDB) and U.S. firms, institutions and individuals to identify, appraise, and develop projects which will be financed by AFDB group loans, supplemented by borrowing-country and other-donor contributions to the projects. A team of U.S. technical experts will serve on the Bank staff to improve the performance of units critical to achievement of the Bank's lending targets. These AFDB organizational elements include the training center, central program unit, central projects units, evaluation division, and special studies division. U.S. short-term consultants will undertake pre-investment studies, sector studies, preparation of terms-of-reference for studies and engineering designs. They will also assist the Bank to develop training and evaluation programs. The training program will reach 2,000 African professionals within the Bank - including trainers - and among those responsible for implementing Bank-funded projects in the member countries.

The main constraints to the success of the proposed project is the uncertain financial prospects of the AFDB and the African Development Fund. The Bank's decision to open its capital to non-African nations at the end of CY 1982 will provide immediate relief. The size of the third replenishment of the Fund was, however, smaller than expected. The proposed project will enable the AFDB to manage and use more effectively the financial resources at its disposal while developing projects of sufficient quality to attract funds from other sources.

This project will follow an earlier A.I.D. grant designed to

help the Bank group start up. The first project helped the Bank group to move into sectors and countries which A.I.D. considered to have priority at different times since 1968; it introduced some 30 U.S. private sector firms and institutions to African markets; and it generated some \$400 million in investments from non-U.S. sources, in projects and countries of A.I.D.'s selection within the Bank's overall program. The new project is aimed at operational weaknesses identified in the 1980 evaluation of the earlier project.

Relationship of Project to A.I.D. Strategy: The project is consistent with the Agency's regional assistance strategy to support African development organizations. The project will strengthen the AFDB as a development banking institution. In addition, A.I.D.'s support of AFDB pre-investment and terms-of-reference studies influences the sectors and countries of Bank lending and provides opportunities for the U.S. private sector to enter new markets.

Host Country and Other Donors: A.I.D. funds and programs with the AFDB will be closely coordinated with those of the IBRD, African institutions, and U.S. and other-donor bilateral assistance. African counterparts will be available within the Bank to work with U.S. experts.

Beneficiaries: The ultimate beneficiaries of this project will be the citizens of the poor and very poor among the Bank's 50 African member states, who will benefit from more effective AFDB support through more loans for higher-quality projects, responsive to the economic needs of their countries.

TITLE ECOWAS Support		FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)		
NUMBER 698-0439 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>		NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>	POPULATION:	ED. & HR:	SEL. ACT.: 1,000	FY 84 1,000	LIFE OF PROJECT FUNDING: 10,000
					INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To strengthen the capacity of the Economic Community of West African States' (ECOWAS) Secretariat and The Fund to develop regional programs that will foster greater economic and social integration in the West African community and the involvement of the private sector in this process.

Project Description: ECOWAS became operational in 1977 and consists of 16 member nations: Benin, Cape Verde, Gambia, Ghana, Guinea, Guinea Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo and Upper Volta. Ten are among the world's poorest countries. The principal objectives of ECOWAS through 1989 are: liberalization and regularization of trade, promotion of individual freedom of movement and residence, monetary and fiscal cooperation, and development and harmonization of agriculture, natural resources, transportation, communications and energy sectors.

ECOWAS is now receiving assistance from A.I.D. through its Support to Regional Organizations project to conduct several pre-feasibility studies to assess the possibility of attracting private sector participation and investment in food processing and marketing of meat, fruit, vegetables and fish. In January 1983, a study by a consultant was completed describing the progress of ECOWAS to date, including a detailed analysis of ECOWAS's priorities, plans and capabilities as related to the Community's needs, and concluding with recommendations for assistance by A.I.D. to ECOWAS. This analysis, now under review, also examined the options for future activities upon which A.I.D. strategy may be based. Among the options are provision of technical assistance, training, pre-feasibility studies and pilot projects to be carried out through the Executive Secretariat of ECOWAS in the agriculture, energy and private industrial sectors, permitting ECOWAS to implement the policies adopted recently by the member states of the Community. The feasibility of loan assistance to the ECOWAS Fund to help finance sub-projects in the private sector will also be explored for possible implementation beginning about FY 1986.

Relationship of Project to A.I.D. Strategy: This project is consistent with A.I.D.'s regional assistance strategy to offer selective support to regional institutions and organizations which foster balanced economic development and growth. Institutional development and technology transfer will strengthen ECOWAS permitting it to promote private sector development and trade in the region, and address critical needs in agricultural production, processing and marketing and coordination and consolidation of programs and projects in the energy sector. Moreover, by responding to ECOWAS' request for greater U.S. involvement in its regional development programs, A.I.D. will also support broader U.S. foreign policy interests in West Africa including increased U.S. investment and trade, economic policy reforms and reorientation and general economic growth and balanced development.

Host Country and Other Donors: A.I.D.-assisted ECOWAS programs will be coordinated with other donor efforts and plans. Executive Secretariat personnel are recruited from member countries. Feasibility studies completed by the Executive Secretariat are referred to The Fund for implementation with funding from its own resources and that of other donors.

Beneficiaries: Direct beneficiaries will be the Executive Secretariat and The Fund through financial support and technical assistance, including training. As a result of A.I.D.-assisted studies and pilot projects target groups within the ECOWAS area and new investment and job opportunities will be identified.

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**SUMMARY OF ECONOMIC SUPPORT FUND PROGRAM**

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**OVERVIEW OF ECONOMIC  
SUPPORT FUND PROGRAM**



ECONOMIC SUPPORT FUND PROGRAM SUMMARY (In millions of dollars)		CP 82-21(8-82)	
	FY 1982 Actual	FY 1983 Estimated	FY 1984* Proposed
Botswana	10.9	10.0	10.0
Chad	2.8	-	-
Djibouti	2.0	2.0	3.0
Kenya	10.7	30.0	42.0
Liberia	35.0	32.0	35.0
Mauritius	2.0	2.0	2.0
Niger	-	2.0	5.0
Senegal	-	5.0	10.0
Seychelles	2.0	2.0	2.0
Somalia	20.0	21.0	35.0
So. Africa Regional	14.3	15.0	40.0
Sudan	100.0	95.0**	120.0
Zaire	-	7.0**	10.0
Zambia	20.0	15.0	20.0
Zimbabwe	75.0	75.0**	75.0

\*In addition, Development Assistance is requested for the following: Kenya, \$38.0; Liberia, \$13.0; Niger, \$16.0; Senegal, \$18.0; Somalia, \$19.6; Sudan, \$27.0; Zaire \$10.0.

\*\*Includes Supplemental Appropriation request of \$25.0 for Sudan; \$7.0 for Zaire; and \$15.0 for Zimbabwe.

#### Overview of Economic Support Fund Program

In response to both development opportunities and the desire to alleviate worsening economic situations in a number of African states with which the United States shares vital security interests, Economic Support Funds totalling \$409 million are requested. These funds will be used to support programs in Botswana, Djibouti, Liberia, Kenya, Mauritius, Niger, Senegal, Seychelles, Somalia, Sudan, Zaire, Zambia, Zimbabwe and Southern Africa Regional.

In common, these countries continue to suffer from the effects of the world-wide economic slowdown which has brought about severe reductions in both the quantity and prices of their exports. The severe inflation of the past several years, high interest rates on foreign loans and erosion of their terms of trade all contribute to already weak balance of payments positions.

#### Southern Africa

In Southern Africa, Economic Support Funds will support activities in Botswana, Zambia, Zimbabwe and the Southern Africa Regional Program, all key countries in an area beset by conflict and political turmoil. While all are well endowed with minerals important to Western economies, they are confronted with serious and fundamental development problems which impact adversely on the well being of their largely poor rural populations.

The principal U.S. objectives in Southern Africa remain (1) consolidation of promising gains made by the new government in Zimbabwe which has implications for the region; (2) promotion of early independence for Namibia and a process of peaceful change in South Africa; (3) continued Western access to the region's important minerals and raw materials; and (4) support for equitable economic growth that will lead to stability in the region.

In order to meet the development needs and to support U.S. interests, \$150 million in ESF is requested for the following programs:

-- Botswana: (\$10.0 million). \$4.129 million is required for continuing projects in agriculture and rural development; \$4.871 million for continuing projects in education and human

AFRICA BUREAU

resource development; \$1.0 million for a new village development project.

- Zambia: (\$20 million). \$15 million is requested for a commodity import loan which will be used to purchase U.S. fertilizer and agricultural equipment to increase food production and small farmer incomes. A \$5 million grant is required for technical assistance in agriculture planning, training and research to reinforce policy objectives pursued by both the Commodity Import and PL 480 Title I programs.
- Zimbabwe: (\$75 million). A \$35 million Commodity Import program is requested to reduce the budget deficit while assisting the private sector; \$19 million is proposed for human resources development through the strengthening of the educational system and provision of U.S. training; \$15 for rural development; \$3.3 million for family planning; and \$2.7 million for support of Private Voluntary Organizations.
- Southern Africa Regional: (\$40.0 million). \$5.5 million is requested for agricultural research and livestock development; \$3.5 million for manpower training; \$6.725 million for scholarships and in-country training for disadvantaged South Africans; \$14.2 million for regional transportation; \$2.0 million for technology/development information transfer; \$4.5 million for private sector and trade development; \$1.0 million to fund activities of private voluntary organizations in the southern Africa countries; \$1.725 million for project planning and design in the southern Africa countries; \$750,000 for self-help activities; and \$100,000 for the Human Rights Fund.

East Africa and Indian Ocean States

ESF totalling \$204 million is requested for programs in East African and Indian Ocean states to support a range of U.S. economic and political interests.

- Sudan: (\$120 million). Sudan continues to be supportive of Middle East peace initiatives and a strong voice of moderation in Africa. At the same time it is beset by severe balance of payments and debt problems for which structural adjustment assistance is required. In collaboration with the IMF and other donors, and in response to significant economic reform efforts on the part of the Sudanese, the United States proposes to continue to provide Economic Support Funds required to finance vital commodity imports.
- Somalia: (\$35 million). Support of strategically located Somalia's economic and political stability continues to be a key element of U.S. policy in the Indian Ocean area. Economic Support Funds will finance essential imports to rehabilitate agriculture and assist the commercial sector (\$20 million), and to continue the reconstruction of the key seaport of Kismayo.
- Djibouti: (\$3 million). The United States desires to continue its participation in Djibouti's economic and social development, encourage the pro-Western policy and orientation of this most strategically located nation, and maintain access to Djibouti's servicing facilities for U.S. Navy ships and aircraft assigned to the Indian Ocean area. ESF funds will finance the final phase of a fisheries development project and initiate a new port infrastructure development activity.
- Mauritius and Seychelles: (\$4 million). Both of these Indian Ocean island states are experiencing serious economic problems arising in large part from the collapse of sugar prices and sharp increases in import and energy costs. It is proposed that each receive \$2 million for balance of payments support, primarily to strengthen the agriculture sector. Mauritius continues to provide access to its excellent port to vessels of the U.S. Navy while the Seychelles is the location of a key U.S. satellite tracking station.

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-- Kenya: (\$42 million). The U.S. is vitally concerned with promoting programs which contribute to the economic development of Kenya and thus promote political stability in this key democratic state in East Africa. ESF will finance balance-of-payments support and continue a multi-year program assisting agribusiness, support of Kenya's structural adjustment program and promotion of the private sector.

Other Countries

ESF totalling \$60 million is requested in support of a broad range of other U.S. economic and political interests in Africa.

-- Liberia: (\$35 million). The United States has long standing economic, political and strategic interests in helping maintain economic and political stability in Liberia, our oldest ally in Africa and a nation with unique cultural and historical ties with the U.S.

ESF is requested to continue our provision of short-term balance-of-payments support linked to economic reform actions on the part of the Liberian government.

-- Zaire: (\$10 million). Zaire remains potentially one of the wealthiest countries in Africa because of its vast mineral resources. Its strategic location, strong western orientation and significant U.S. private investments all contribute to an important policy interest in Zaire on the part of the U.S. and a desire on our part to actively support maintenance of stability there. ESF is requested to finance imports of selected commodities in support of the private sector and to stimulate economic development.

-- Niger: (\$5 million). ESF is requested to provide short-term budgetary relief linked to a program of agricultural policy reform and development. Niger has consistently supported many of the U.S. policy concerns in Africa and remains a nation suffering from the regional threats of subversion by Libya.

-- Senegal: (\$10 million). The U.S. desires to contribute to the stability of the government of this friendly state which is committed to democracy and the peaceful resolution of conflicts in Africa and the Middle East. In common with many states however, its balance of payments situation is under pressure. The ESF requested would finance purchase of agriculture sector requirements essential to the expansion and development of agriculture production.



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

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02/15/83

PROGRAM: BOTSWANA

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
ECONOMIC SUPPORT FUND											
RANGE MANAGEMENT AND LIVESTOCK DEV	G 633-0015	73	80	1,572	1,572	1,572	1,389	---	183	---	---
SOUTHERN AFRICA DEV PERSONNEL AND TRNG	G 633-0030	73	77	1,103	1,103	928	769	---	159	---	---
BOTSWANA CROP PRODUCTION	G 633-0056	TQ	79	984	984	984	873	---	111	---	---
AGRICULTURAL PLANNING	G 633-0067	78	82	2,661	2,661	2,661	1,161	---	875	---	625
SOUTHERN AFRICA MANPOWER DEVELOPMENT	G 633-0069	78	82	8,203	8,203	8,203	3,922	---	4,281	---	---
BOTSWANA-ZAMBIA ROAD	G 633-0072	77	82	508	508	508	---	---	508	---	---
TRANSPORT SECTOR I	G 633-0073	79	79	6,000	6,000	6,000	5,352	---	648	---	---
AGRICULTURE COLLEGE EXPANSION	G 633-0074	78	83	8,649	8,399	7,930	5,502	469	1,300	---	650
RURAL SECTOR GRANT (PC)	G 633-0077	80	86	3,780	10,780	3,780	1,381	1,100	1,400	1,500	1,600
HEALTH SERVICES DEVELOPMENT	G 633-0078	78	86	4,785	4,785	4,785	1,601	---	1,200	---	1,300
SELF HELP HOUSING DEVELOPMENT (PVO)	G 633-0092	77	82	826	826	826	713	---	113	---	---
NATIONAL MIGRATION STUDY	G 633-0095	77	80	300	300	300	201	---	99	---	---
RENEWABLE ENERGY TECHNOLOGY	G 633-0209	80	82	3,304	3,304	3,304	590	---	1,200	---	800
HORTICULTURAL DEVELOPMENT (PVO)	G 633-0215	78	81	233	233	233	90	---	143	---	---
AGRICULTURAL TECHNOLOGY IMPROVEMENT	G 633-0221	81	85	9,180	9,180	3,059	116	2,049	1,200	2,629	2,200
PRIMARY EDUCATION IMPROVEMENT	G 633-0222	81	85	7,293	7,293	3,123	1,205	1,360	1,800	1,629	1,700
SMALL ENTERPRISE DEVELOPMENT (PVO)	G 633-0228	82	82	452	452	452	---	---	452	---	---
MAJOR VILLAGES	* G 633-0230	84	89	---	10,000	---	---	---	---	1,000	100
BOTSWANA WORKFORCE AND SKILLS TRAINING	G 633-0231	82	86	14,558	14,558	200	---	4,372	1,200	3,242	4,000

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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02/15/83

PROGRAM: BOTSWANA

CP 54

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHO PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
GABORONE WEST HOUSING AND FACILITIES	G 633-0238	83	83	650 650	---	---	650	300	---	350
TOTAL FOR ACCOUNT GRANTS				75,041 91,791	48,848	24,865	10,000	17,172	10,000	13,325
LOANS				75,041 91,791	48,848	24,865	10,000	17,172	10,000	13,325
TOTAL FOR COUNTRY GRANTS				75,041 91,791	48,848	24,865	10,000	17,172	10,000	13,325
LOANS				75,041 91,791	48,848	24,865	10,000	17,172	10,000	13,325

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: DJIBOUTI

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES	
ECONOMIC SUPPORT FUND											
FISHERIES DEVELOPMENT I	G 603-0003	83	83	---	1,000	---	---	1,000	600	---	400
ENERGY INITIATIVES	G 603-0013	81	82	4,000	4,000	4,000	36	---	900	---	1,500
NUTRITION OUTREACH (PVO)	G 603-0014	83	83	---	1,000	---	---	1,000	350	---	350
FISHERIES DEVELOPMENT PHASE II	G 603-0015	84	85	---	3,059	---	---	---	---	1,000	320
PORT INFRASTRUCTURE DEVELOPMENT	G 603-0016	84	84	---	2,000	---	---	---	---	2,000	200
TOTAL FOR ACCOUNT GRANTS				4,000	11,059	4,000	36	2,000	1,850	3,000	2,770
LOANS				4,000	11,059	4,000	36	2,000	1,850	3,000	2,770
TOTAL FOR COUNTRY GRANTS				4,000	11,059	4,000	36	2,000	1,850	3,000	2,770
LOANS				4,000	11,059	4,000	36	2,000	1,850	3,000	2,770

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: KENYA

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND										
COMMODITY IMPORT PROGRAM	G 615-0200	80	80	20,000	20,000	19,811	---	189	---	---
AGRIBUSINESS DEVELOPMENT	G 615-0213	83	85	---	100,000	---	30,000	30,000	42,000	42,000
KENYA PROGRAM GRANT	G 615-0227	82	82	10,714	10,714	---	---	10,714	---	---
TOTAL FOR ACCOUNT GRANTS				30,714	130,714	30,714	30,000	40,903	42,000	42,000
LOANS				30,714	130,714	30,714	30,000	40,903	42,000	42,000
TOTAL FOR COUNTRY GRANTS				30,714	130,714	30,714	30,000	40,903	42,000	42,000
LOANS				30,714	130,714	30,714	30,000	40,903	42,000	42,000

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



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

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PROGRAM: LIBERIA

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND										
LOW INCOME HOUSING PHASE II	G 669-0167	79	80	5,000	5,000	2,307	---	1,100	---	700
PROGRAM GRANT V	G 669-0179	83	83	8,000	32,000	---	32,000	32,000	---	---
PROGRAM GRANT VI	* G 669-0189	84	84	---	35,000	---	---	---	35,000	35,000
TOTAL FOR ACCOUNT GRANTS				13,000	72,000	5,000	32,000	33,100	35,000	35,700
LOANS				13,000	72,000	5,000	32,000	33,100	35,000	35,700
				---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				13,000	72,000	5,000	32,000	33,100	35,000	35,700
LOANS				13,000	72,000	5,000	32,000	33,100	35,000	35,700
				---	---	---	---	---	---	---

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: MAURITIUS

CP 34

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
ECONOMIC SUPPORT FUNO										
COMMODITY IMPORT PROGRAM	G 642-0003	82	82	2,000	2,000	1,882	---	118	---	---
COMMODITY INPUT PROGRAM II	G 642-0004	83	83	---	2,000	---	2,000	2,000	---	---
COMMODITY INPUT PROGRAM III	G 642-0005	84	84	---	2,000	---	---	---	2,000	2,000
TOTAL FOR ACCOUNT GRANTS				2,000	2,000	1,882	2,000	2,118	2,000	2,000
LOANS				---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				2,000	2,000	1,882	2,000	2,118	2,000	2,000
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: NIGER

CP 34

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
RURAL DEVELOPMENT SECTOR GRANT	G 683-0246	83	89	---	15,000	---	---	2,000	2,000	5,000	3,500
TOTAL FOR ACCOUNT GRANTS				---	15,000	---	---	2,000	2,000	5,000	3,500
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				---	15,000	---	---	2,000	2,000	5,000	3,500
LOANS				---	---	---	---	---	---	---	---

\* 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)

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PROGRAM: SENEGAL

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY32- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND										
COMMODITY IMPORT PROGRAM	G 685-0262	83	85	--- 25,000	---	---	5,000	5,000	10,000	10,000
TOTAL FOR ACCOUNT GRANTS				--- 25,000	---	---	5,000	5,000	10,000	10,000
LOANS				---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				--- 25,000	---	---	5,000	5,000	10,000	10,000
LOANS				---	---	---	---	---	---	---

\* 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)

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PROGRAM: SEYCHELLES

CP 94

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND										
AGRICULTURE SECTOR DEVELOPMENT	G 662-0003	82	82	2,000	2,000	2,000	---	---	2,000	---
AGRICULTURE SECTOR DEVELOPMENT II	G 662-0004	83	83	---	2,000	---	---	2,000	---	2,000
AGRICULTURE SECTOR DEVELOPMENT III	* G 662-0005	84	84	---	2,000	---	---	---	2,000	---
TOTAL FOR ACCOUNT GRANTS				2,000	6,000	2,000	---	2,000	2,000	2,000
LOANS				2,000	6,000	2,000	---	2,000	2,000	2,000
TOTAL FOR COUNTRY GRANTS				2,000	6,000	2,000	---	2,000	2,000	2,000
LOANS				2,000	6,000	2,000	---	2,000	2,000	2,000

\* 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)

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PROGRAM: SOMALIA

CP 54

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT AUTHO PLANNED COST	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
KISMAYO PORT REHABILITATION	G 649-0114	82	84	15,000	21,500	1,500	---	5,000	2,000	15,000	4,500
GRAIN TRANSPORT GRANT	G 649-0117	80	80	5,000	5,000	5,000	4,887	---	---	---	---
COMMODITY IMPORT PROGRAM I	G 649-0118	82	82	18,500	18,500	18,500	---	---	18,500	---	---
COMMODITY IMPORT PROGRAM II	G 649-0120	83	83	---	16,000	---	---	16,000	12,000	---	4,000
COMMODITY IMPORT PROGRAM III *	G 649-0125	84	84	---	20,000	---	---	---	---	20,000	13,000
TOTAL FOR ACCOUNT GRANTS				38,500	81,000	25,000	4,887	21,000	32,500	35,000	21,500
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				38,500	81,000	25,000	4,887	21,000	32,500	35,000	21,500
LOANS				---	---	---	---	---	---	---	---

\* 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)

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PROGRAM: SUDAN

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES
ECONOMIC SUPPORT FUND										
COMMODITY IMPORT PROGRAM I	G 650-K601	80	80	40,000	40,000	39,713	---	287	---	---
COMMODITY IMPORT PROGRAM II	G 650-K602	81	81	50,000	50,000	31,487	---	18,513	---	---
COMMODITY IMPORT PROGRAM III	G 650-K603	82	82	100,000	100,000	25,000	---	40,000	---	35,000
COMMODITY IMPORT PROGRAM IV	G 650-K604	83	83	---	75,000	---	---	75,000	---	25,000
SUDAN PROGRAM GRANT	G 650-K605	83	83	20,000	20,000	---	---	20,000	---	---
COMMODITY IMPORT PROGRAM VI	G 650-K606	84	84	---	120,000	---	---	---	---	120,000
TOTAL FOR ACCOUNT GRANTS				210,000	405,000	190,000	96,200	95,000	128,800	120,000
LOANS				---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				210,000	405,000	190,000	96,200	95,000	128,800	120,000
LOANS				---	---	---	---	---	---	---

\* 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)

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PROGRAM: ZAIRE

CP 84

PROJECT TITLE	L PROJECT / NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
AGRICULURAL MARKET SUPPORT	L 660-K025	78	78	5,400	5,400	1,046	---	2,700	---	1,287	
AGRICULTURE ECONOMIC DEVELOPMENT	G 660-0052	77	77	1,561	1,561	1,499	---	62	---	---	
ENDEMIC AND COMMUNICABLE DISEASE CONTROL	G 660-0058	76	78	1,380	1,380	1,274	---	106	---	---	
INERA SUPPORT	G 660-0064	77	78	900	900	815	---	85	---	---	
CASSAVA OUTREACH	G 660-0077	78	78	1,473	1,473	1,065	---	408	---	---	
FISH CULTURE EXPANSION	G 660-0080	78	78	464	464	370	---	94	---	---	
COMMODITY IMPORT PROGRAM	G 660-0097	83	83	---	7,000	---	---	7,000	1,000	3,000	
AGRICULTURAL INPUTS SUPPORT	* G 660-0100	84	84	---	10,000	---	---	---	---	10,000	
TOTAL FOR ACCGUNT				11,178	28,178	11,178	6,069	7,000	4,455	10,000	
GRANTS				5,778	22,778	5,778	5,023	7,000	1,755	10,000	
LOANS				5,400	5,400	5,400	1,046	---	2,700	---	
TOTAL FOR COUNTRY				11,178	28,178	11,178	6,069	7,000	4,455	10,000	
GRANTS				5,778	22,778	5,778	5,023	7,000	1,755	10,000	
LOANS				5,400	5,400	5,400	1,046	---	2,700	---	

\* 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)

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PROGRAM: ZAMBIA

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
COMMODITY IMPORT PROGRAM	L 611-0070	77	84	119,965	151,043	119,965	103,308	15,000	15,000	16,000	17,000
AG TRAINING/PLANNING/INSTITUTION DEV	G 611-0075	80	85	4,785	9,775	4,785	534	---	2,000	2,818	2,900
AGRICULTURE DEV RESEARCH AND EXTENSION	G 611-0201	80	85	12,515	12,515	8,583	1,164	---	3,000	1,182	4,600
CHAMA AREA DEVELOPMENT (PVO)	G 611-0204	81	82	1,166	1,166	1,167	497	---	332	---	299
TOTAL FOR ACCOUNT											
GRANTS				138,431	174,499	134,500	105,503	15,000	20,332	20,000	24,799
LOANS				18,466	23,456	14,535	2,195	---	5,332	4,000	7,799
				119,965	151,043	119,965	103,308	15,000	15,000	16,000	17,000
TOTAL FOR COUNTRY											
GRANTS				138,431	174,499	134,500	105,503	15,000	20,332	20,000	24,799
LOANS				18,466	23,456	14,535	2,195	---	5,332	4,000	7,799
				119,965	151,043	119,965	103,308	15,000	15,000	16,000	17,000

\* 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)

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PROGRAM: ZIMBABWE

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED		-THROUGH FY82- OBLIG ACTIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ACTIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ACTIONS	FY84- EXPENDI TURES
ECONOMIC SUPPORT FUND											
ZIMBABWE LABOR DEVELOPMENT	G 613-0203	80	81	416	416	416	220	---	150	---	46
SCIENCE AND TECHNOLOGY COOPERATION	G 613-0204	80	80	750	750	750	80	---	350	---	250
LOW COST SHELTER	G 613-0205	81	82	750	750	750	---	---	350	---	400
HUMAN RESDURCE SECTOR	G 613-0208	83	85	---	45,000	---	---	15,000	---	15,000	15,000
AG RURAL DEVELOPMENT SECTOR GRANT	G 613-0209	82	84	45,000	45,000	15,000	---	15,000	10,000	15,000	20,000
ZIMBABWE MANPOWER DEVELOPMENT	G 613-0215	82	84	13,100	13,100	4,000	16	5,100	1,700	4,000	3,300
COMMODITY IMPORT PROGRAM	G 613-0216	82	83	50,000	86,700	50,000	1,014	36,700	34,000	---	14,000
COMMODITY IMPORT PROGRAM	L 613-0216	82	86	---	110,000	---	---	---	---	35,000	20,000
CHILD SPACING AND FERTILITY	G 613-0219	82	84	8,550	8,550	5,250	---	---	1,800	3,300	2,000
ADULT LITERACY TCHR TRNG AND TXTBK PRD	G 613-0220	81	81	450	450	450	184	---	180	---	86
COMMUNITY DEVELOPMENT SUPPORT	G 613-0223	83	84	---	5,000	---	---	2,900	---	2,100	2,500
BOOKS FOR NEW LITERATES	G 613-0224	83	84	300	900	---	---	300	300	600	300
TOTAL FOR ACCOUNT GRANTS				119,316	316,616	76,616	1,514	75,000	48,830	75,000	77,882
LOANS				---	110,000	---	---	---	---	35,000	20,000
TOTAL FOR COUNTRY GRANTS				119,316	316,616	76,616	1,514	75,000	48,830	75,000	77,882
LOANS				---	110,000	---	---	---	---	35,000	20,000

\* 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: SOUTHERN AFR REG

CP 94

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
ECONOMIC SUPPORT FUND											
SOUTHERN PERIMETER ROAD	G 690-0076	78	82	8,000	8,000	3,000	1,561	---	2,000	---	2,000
PRIVATE VOLUNTARY ORGANIZATIONS (PVO)	G 690-0202	32	C	---	---	---	---	1,000	1,000	1,000	1,000
SOUTHERN AFRICA PLNG MANAGEMENT/RESEARCH	G 690-0206	80	C	---	---	2,650	1,914	1,215	1,215	1,725	1,725
AGRICULTURE AND LIVESTOCK DEVELOPMENT	G 690-0207	82	86	675	10,000	675	---	2,500	2,000	5,500	5,000
MANPOWER DEVELOPMENT	G 690-0208	33	86	---	12,000	---	---	1,500	1,000	3,500	3,000
TRANSPORT AND STORAGE DEVELOPMENT	L 690-0209	81	82	17,300	17,300	17,300	---	---	10,000	---	7,300
REGIONAL TRANSPORTATION SUPPORT	G 690-0212	83	34	---	16,000	---	---	1,800	1,500	14,200	11,000
TRAINING OF DISADVANTAGED SOUTH AFRICANS	G 690-0213	32	88	24,000	24,000	1,047	1,000	1,000	1,000	4,000	2,000
PRIVATE ENTERPRISE	G 690-0214	82	34	150	2,400	150	---	750	650	1,500	1,000
TECHNOLOGY / DEV INFORMATION TRANSFER	G 690-0216	83	87	---	5,000	---	---	1,000	750	2,000	1,800
INTRA-REGIONAL TRADE AND BUSINESS DEV.	G 690-0217	83	85	---	8,000	---	---	1,500	1,000	3,000	2,000
ENTREPRENEURIAL TRNG-DISADVANTAGED SO. A	G 690-0220	83	85	---	3,000	---	---	950	650	1,000	950
UNIVERSITY PREPARATION PROGRAM	G 690-0222	83	84	---	2,000	---	---	1,000	800	1,000	900
LABOR UNION TRAINING FOR SOUTH AFRICANS	G 690-0223	83	86	---	4,000	---	---	85	85	725	600
HUMAN RIGHTS FUND	G 690-9301	79	C	---	---	73	---	100	100	100	100
SPECIAL SELF-HELP DEV-ESF	G 690-9901	80	C	---	---	1,283	943	600	800	750	800
TOTAL FOR ACCOUNT				50,125	111,700	31,178	5,418	15,000	24,550	40,000	41,175
GRANTS				32,825	94,400	13,878	5,418	15,000	14,550	40,000	33,875
LOANS				17,300	17,300	17,300	---	---	10,000	---	7,300

\* Refers to the planned project summary sheet

C Level of effort activity

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FY of final obligation column - All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

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PROGRAM: SOUTHERN AFR REG

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82-		-ESTIMATED FY83-		-PROPOSED FY84-		
					OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	OBLIG ATIONS	EXPENDI TURES	
TOTAL FOR COUNTRY				50,125	111,700	31,178	5,418	15,000	24,550	40,000	41,175
GRANTS				32,825	94,400	13,878	5,418	15,000	14,550	40,000	33,875
LOANS				17,300	17,300	17,300	---	---	10,000	---	7,300

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

Terminating  
Program

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FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: BENIN (DAHOMEY)

\*BASIC DATA\*

TOTAL POPULATION.. (THOUSANDS, MID 1982) 3,636  
 PER CAPITA GNP..... (DOLLARS, 1981) 330  
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 0.4%  
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.9% (1970-80) 9.1%  
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.  
 LIFE EXPECTANCY AT BIRTH, IN YEARS  
 (1981) TOTAL 47.5 MALE 45.9 FEMALE 49.1  
 (1968) TOTAL 38.5 MALE 36.9 FEMALE 40.1  
 ADULT LITERACY RATE (1980) TOTAL 25% MALE 43% FEMALE 7%  
 (1962) TOTAL 8% MALE 12% FEMALE 4%

\*AGRICULTURE\*

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE  
 (1970-1981) -0.7%  
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 43%  
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 284  
 MAJOR CROP(S) ARABLE LAND YEAR  
 SUBSISTENCE: CASSAVA YAMS CORN 20% (1981)  
 CASH: PALM OIL PALM KERNELS N.A. (1981)  
 MAJOR AGRICULTURAL EXPORTS:(1981) COCOA BEANS COTTON  
 MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT RICE TOBACCO  
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 46%

\*CENTRAL GOVERNMENT FINANCES\*

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)  
 (1978) 128 (79) 135 (80) 163  
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)  
 (1978) 138 (79) 151 (80) 160  
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)  
 (1978) -10 (79) -16 (80) 3  
 DEFENSE EXPENDITURES,  
 AS % OF TOTAL EXPENDITURES.. (1978) 11.6% (79) 12.6% (80) 15.3%  
 AS % OF GNP..... (1978) 2.0% (79) 2.0% (80) 2.2%  
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,  
 (\$ MILLIONS, U.S.) (1979) 15 (80) 9 (81) 58  
 EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1978)

\*FOREIGN TRADE\*

MAJOR EXPORTS... (1981) PALM PRODUCT IC. PRODUCTS  
 EXPORTS TO U.S.  
 (\$ MILLIONS, US. FOB) (1973) 1 (1978) 1 (1979) 3  
 AS % OF TOTAL EXPORTS (1973) 2% (1978) 4% (1979) 8%  
 MAJOR IMPORTS... (1981) CLOTHING CEMENT WOOD  
 IMPORTS FROM U.S.  
 (\$ MILLIONS, US. CIF) (1979) 17 (1980) 17 (1981) 21  
 AS % OF TOTAL IMPORTS N.A.  
 TRADE BALANCE(\$ MILLIONS, U.S.) (1976) -195(77) -215(78) -241  
 MAIN TRADING PARTNERS: FRANCE AUSTRIA ITALY  
 EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 23.4%  
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,  
 (\$ MILLIONS, U.S.)..... (1980) 6  
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1979) 5.1%

\*SOCIAL DATA\*

POPULATION GROWTH RATE... (1970) 2.7% (1975) 2.7% (1982) 2.6%  
 POPULATION IN URBAN AREAS..... (1969) 12% (1979) 14%  
 LIVE BIRTHS PER 1,000 POPULATION.... (1970) 50 (1982) 49  
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1977) 1%  
 POPULATION (1981) IN AGE GROUP:  
 (0-14YRS) 46.2% (15-64YRS) 51.1% (65+ YRS) 2.8%  
 INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 160  
 PEOPLE PER PHYSICIAN..... (1977) 27,383  
 MAJOR CAUSES OF  
 DISEASE (1978) MALARIA MEASLES WHOOPING COUGH  
 DEATH.. (1975) TETANUS MALARIA INFECTIOUS DIS.  
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 100%  
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY (1979) 21%  
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:  
 PRIMARY..... (1979) TOTAL 60.0% MALE 78.0% FFEMALE 42.0%  
 SECONDARY..... (1979) TOTAL 12.0% MALE 18.0% FFEMALE 7.0%  
 POST SECONDARY.. (1979) TOTAL 1.0% MALE 1.7% FFEMALE .4%  
 ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS (U.S. Fiscal Years - Millions of Dollars)									ECONOMIC PROGRAMS OF ALL DONORS (Millions of Dollars)												
COUNTRY	PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81	A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS											
		1977	1978	1979	1980	1981				FY 1980	FY 1981	FY 1982	FY 1946-82								
<b>I. ECONOMIC ASSISTANCE - TOTAL</b>									1.1	1.1	1.3	3.7	7.5	55.9	1.9	54.0	TOTAL.....	12.5	11.4	22.8	257.8
Loans									-	-	-	-	-	23.7	1.9	21.8	IRR D	0.0	0.0	0.0	0.0
Grants									1.1	1.1	1.3	3.7	7.5	32.2	-	32.2	IFC	0.0	0.0	0.0	0.0
<b>a. A.I.D. and Predecessor Agencies</b>									*	*	0.2	2.0	4.7	36.1	1.9	36.2	IDA	10.0	0.0	0.0	84.3
Loans									-	-	-	-	-	23.7	1.9	21.8	IDB	0.0	0.0	0.0	0.0
Grants									*	*	0.2	2.0	4.7	14.4	-	14.4	ADB	0.0	0.0	0.0	0.0
(Economic Support Fund)									-	-	-	-	-	-	-	-	AFDB	0.0	9.7	22.8	74.3
<b>b. Food for Peace (PL 480)</b>									0.0	0.0	0.9	0.9	1.0	11.7	-	11.7	UNDP	0.6	1.7	0.0	22.1
Loans									-	-	-	-	-	-	-	-	OTHER-UN	1.9	0.0	0.0	6.3
Grants									0.0	0.0	0.9	0.9	1.0	11.7	-	11.7	EEC	0.0	0.0	0.0	70.8
Title I - Total Sales Agreements									-	-	-	-	-	-	-	-					
Repayable in U.S. Dollars - Loans									-	-	-	-	-	-	-	-					
Payable in Foreign Currency - Planned for Country Use									-	-	-	-	-	-	-	-					
Title II - Total Grants									0.0	0.0	0.9	0.9	1.0	11.7	-	11.7					
Emerg. Relief, Econ. Develop. & World Food Program									0.4	0.0	0.9	0.0	1.1	7.7	-	7.7					
Voluntary Relief Agencies									0.2	0.2	-	0.1	0.7	4.0	-	4.0					
<b>c. Other Economic Assistance</b>									0.5	0.5	0.2	0.2	1.0	6.1	-	6.1					
Loans									-	-	-	-	-	-	-	-					
Grants									0.5	0.5	0.2	0.2	1.0	6.1	-	6.1					
Peace Corps									0.5	0.5	0.2	0.2	1.0	0.1	-	6.1					
Narcotics									-	-	-	-	-	-	-	-					
Other									-	-	-	-	-	-	-	-					
<b>II. MILITARY ASSISTANCE - TOTAL</b>									-	-	-	-	-	0.1	-	0.1	<b>1. D.A.C. COUNTRIES (Gross Disbursements)</b>				
Credits or Loans									-	-	-	-	-	-	-	-	Donor	CY 1980	CY 1981	CY 1977-81	
Grants									-	-	-	-	-	0.1	-	0.1	U.S.	1.0	2.0	17.0	
<b>a. MAP Grants</b>									-	-	-	-	-	0.1	-	0.1	France	17.2	23.2	84.4	
<b>b. Credit Financing - FMS</b>									-	-	-	-	-	-	-	-	Germany	25.2	11.2	55.0	
<b>c. Military Assistance Service-Funded (MASF) Grants</b>									-	-	-	-	-	*	-	*	Canada	1.5	6.0	31.0	
<b>d. Transfers from Excess Stocks</b>									-	-	-	-	-	-	-	-	Denmark	1.6	0.4	15.9	
<b>e. Other Grants</b>									-	-	-	-	-	-	-	-	Other	4.5	6.8	24.9	
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>									1.1	1.1	1.3	3.7	7.5	56.0	1.9	54.1	Total	51.0	49.6	228.2	
Loans									-	-	-	-	-	23.7	1.9	21.8	<b>2. O.P.E.C. COUNTRIES (Gross Disbursements)</b>				
Grants									1.1	1.1	1.3	3.7	7.5	32.3	-	32.3	CY 1980	CY 1981	CY 1976-81		
<b>Other U.S. Government Loans and Grants</b>									-	-	-	-	-	0.2	0.2	-		1.8	-	3.9	
<b>a. Export-Import Bank Loans</b>									-	-	-	-	-	0.2	0.2	-	<b>C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES</b>				
<b>b. All Other Loans</b>									-	-	-	-	-	-	-	-	CY 1980	CY 1981	CY 1954-81		
									-	-	-	-	-	-	-	-	USSR	-	5	10	
									-	-	-	-	-	-	-	-	Eastern Europe	-	-	-	
									-	-	-	-	-	-	-	-	China	-	-	45	
									-	-	-	-	-	-	-	-	Total	-	5	55	



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

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PROGRAM: BENIN

CP 84

PROJECT TITLE	L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY32- OBLIG	EXPENDI TURES	-ESTIMATED FY83- OBLIG	EXPENDI TURES	-PROPOSED FY84- OBLIG	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
SOYA PRDTN/NUTRTRN-CATHOLIC RLF SERV(PVO)	G 630-Q207	79	80	822	822	555	---	267	---	---	
TOTAL FOR ACCOUNT GRANTS				822	822	555	---	267	---	---	
• LOANS				---	---	---	---	---	---	---	
HEALTH											
BENIN RURAL WATER SUPPLY	G 630-Q201	80	81	6,707	6,707	724	---	100	---	115	
TOTAL FOR ACCOUNT GRANTS				6,707	6,707	724	---	100	---	115	
LOANS				---	---	---	---	---	---	---	
TOTAL FOR COUNTRY GRANTS				7,529	7,529	1,279	---	367	---	115	
LOANS				7,529	7,529	1,279	---	367	---	115	

\* 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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.



FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: NIGERIA

*BASIC DATA*				*FOREIGN TRADE*			
TOTAL POPULATION.. (THOUSANDS,MID 1982)	82.396			MAJOR EXPORTS... (1981)	COCOA	PALM PRODUCT	NAT RUBBER
PER CAPITA GNP..... (DOLLARS,1981)	870			EXPORTS TO U.S.			
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80)	4.1%			(\$ MILLIONS, US. FOB) (1979)	8096	(1980)10471	(1981) 8686
AVERAGE ANNUAL RATE OF INFLATION (1960-70)	2.6%	(1970-80)	18.2%	AS % OF TOTAL EXPORTS (1979)	45%	(1980)	39% (1981) 44%
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	MACHINERY	TRANSPORT EQ	MANUFACTURES
LIFE EXPECTANCY AT BIRTH, IN YEARS				IMPORTS FROM U.S.			
(1981) TOTAL 49.1 MALE 47.5 FEMALE 50.8				(\$ MILLIONS, US. CIF) (1979)	695	(1980) 1265	(1981) 1675
(1968) TOTAL 38.5 MALE 36.9 FEMALE 40.1				AS % OF TOTAL IMPORTS (1979)	6%	(1980)	8% (1981) 9%
ADULT LITERACY RATE (1980) TOTAL 30% MALE 47% FEMALE 14%				TRADE BALANCE(\$ MILLIONS, U.S.)(1979)	6.927(80)	10.467(81)	1.206
(1962) TOTAL 15% MALE 25% FEMALE 6%				MAIN TRADING PARTNERS: UNITED STATES	GERMANY, FFD	FRANCE	
*AGRICULTURE*				EXTERNAL PUBLIC DEBT AS % OF GNP (1980)	5.5%		
AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981)	-1.4%			SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, (\$ MILLIONS, U.S.)..... (1980)	478		
AGRICULTURAL PRODUCTION AS % OF GDP..... (1980)	20%			AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO) ... (1980)	1.9%		
POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982)	476			*SOCIAL DATA*			
MAJOR CROP(S)		ARABLE LAND	YEAR	POPULATION GROWTH RATE... (1970)	3.0%	(1975)	3.1% (1982) 3.3%
SUBSISTENCE: YAMS CASSAVA		16%	(1981)	POPULATION IN URBAN AREAS..... (1963)	16%	(1976)	18%
CASH: COCOA BEANS		3%	(1981)	LIVE BIRTHS PER 1,000 POPULATION.... (1970)	51	(1982)	50
MAJOR AGRICULTURAL EXPORTS:(1981) COCOA BEANS				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	N.A.		
MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT RICE				POPULATION (1981) IN AGE GROUP:			
PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980)	54%			(0-14YRS) 47.7%	(15-64YRS) 49.9%	(65+ YRS) 2.4%	
*CENTRAL GOVERNMENT FINANCES*				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)	141		
TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)				PEOPLE PER PHYSICIAN..... (1976)	13.897		
(1978) 14,199 (79) 15,921 (80) 22.059				MAJOR CAUSES OF DISEASE (1977)MALARIA MEASLES ENTERIC DISEASE			
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)				DEATH.. (1969)NATAL DISEASES FLU & PNEUMONIA			
(1978) 19,541 (79) 23,627 (80) 25.231				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977)	83%		
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY(1970)	20%		
(1978) -5,342 (79) -7,706 (80) -3.172				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:			
DEFENSE EXPENDITURES,				PRIMARY..... (1973) TOTAL 42.0% MALE 50.0% FEMALE 33.0%			
AS % OF TOTAL EXPENDITURES.. (1978) 10.2% (79) 8.7% (80) 9.3%				SECONDARY..... (1978) TOTAL 10.0% MALE 13.0% FEMALE 7.0%			
AS % OF GNP..... (1978) 2.9% (79) 2.8% (80) 3.0%				POST SECONDARY.. (1976) TOTAL 1.0% MALE 1.8% FEMALE .3%			
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, (\$MILLIONS, U.S.) (1979) 5,582 (80) 270 (81) 3,898				ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980)	1376%		
EQUIVALENT TO 3.0 MONTHS OF IMPORTS (1981)							

**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**

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY- MENTS AND INTEREST 1946-81	TOTAL LESS REPAY- MENTS AND INTEREST 1946-81
	1977	1978	1979	1980	1981			
	<b>I. ECONOMIC ASSISTANCE – TOTAL</b>							
Loans	-	-	-	-	-	406.5	24.0	382.5
Grants	-	-	-	-	-	63.6	24.0	59.6
	-	-	-	-	-	322.9	-	322.9
<b>a. A.I.D. and Predecessor Agencies</b>					-	-	-	
Loans	-	-	-	-	-	310.1	23.8	286.3
Grants	-	-	-	-	-	83.4	23.8	59.6
(Economic Support Fund)	-	-	-	-	-	226.7	-	226.7
	-	-	-	-	-	73.0	-	-
<b>b. Food for Peace (PL 480)</b>					-	-	-	
Loans	-	-	-	-	-	67.0	-	67.0
Grants	-	-	-	-	-	-	-	-
Title I - Total Sales Agreements	-	-	-	-	-	67.0	-	67.0
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	-	-	-	-	-	67.0	-	67.0
Voluntary Relief Agencies	-	-	-	-	-	52.7	-	52.7
	-	-	-	-	-	14.3	-	14.3
<b>c. Other Economic Assistance</b>					-	-	-	
Loans	-	-	-	-	-	29.4	0.2	29.2
Grants	-	-	-	-	-	0.2	0.2	-
Peace Corps	-	-	-	-	-	29.2	-	29.2
Narcotics	-	-	-	-	-	29.2	-	29.2
Other	-	-	-	-	-	-	-	-
<b>II. MILITARY ASSISTANCE – TOTAL</b>					-	-	-	
Credits or Loans	-	-	-	-	-	1.6	0.3	1.5
Grants	-	-	-	-	-	0.3	0.3	*
	-	-	-	-	-	1.5	-	1.5
<b>a. MAP Grants</b>					-	-	-	
<b>b. Credit Financing - FMS</b>					-	-	-	
<b>c. Military Assistance Service-Funded (MASF) Grants</b>					-	-	-	
<b>d. Transfers from Excess Stocks</b>					-	-	-	
<b>e. Other Grants</b>					-	-	-	
<b>III. TOTAL ECONOMIC AND MILITARY ASSISTANCE</b>					-	-	-	
Loans	-	-	-	-	-	408.3	24.3	384.0
Grants	-	-	-	-	-	83.9	24.3	59.6
	-	-	-	-	-	324.4	-	324.4
<b>Other U.S. Government Loans and Grants</b>					-	-	-	
<b>a. Export-Import Bank Loans</b>					-	-	-	
	-	-	7.3	8.1	312.4	366.2	39.1	327.1
<b>b. All Other Loans</b>					-	-	-	
	-	-	7.3	8.1	312.4	366.2	39.1	327.1

**A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS**

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	298.4	435.7	247.0	2217.6
IBRD	286.3	388.0	247.0	1975.9
IFC	6.9	9.7	0.0	22.3
IDA	0.0	0.0	0.0	39.9
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	9.6
UNDP	5.2	2.8	0.0	83.6
OTHER-UN	0.0	13.2	0.0	36.3
SEC	0.0	25.0	0.0	50.0

**B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE**

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

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	-	-	3.0
U.K.	11.5	8.6	52.4
Japan	4.0	5.2	36.4
Germany	6.5	6.1	30.7
Netherlands	4.2	2.0	17.4
Other	8.6	14.4	41.1
Total	34.8	36.3	181.0

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

	CY 1980	CY 1981	CY 1976-81
	-	-	-

**C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES**

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	5
Eastern Europe	-	20	220
China	-	-	-
Total	-	20	225

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

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PROGRAM: NIGERIA

CP 84

PROJECT TITLE	• L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	FY84- EXPENDI TURES
EDUCATION AND HUMAN RESOURCES										
PROGRAM GRANT	G 620-0818	73	73	2,510	2,510	2,510	2,153	---	357	---
TOTAL FOR ACCOUNT GRANTS				2,510	2,510	2,510	2,153	---	357	---
LOANS				---	---	---	---	---	---	---
TOTAL FOR COUNTRY GRANTS				2,510	2,510	2,510	2,153	---	357	---
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, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

Sao Tome &  
Principe

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FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: SAO TOME AND PRINCIPE

*BASIC DATA*				*FOREIGN TRADE*						
TOTAL POPULATION.. (THOUSANDS,MID 1982)	85			MAJOR EXPORTS... (1981)	COCOA	COFFEE	COPRA			
PER CAPITA GNP..... (DOLLARS,1981)	380			EXPORTS TO U.S.						
AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE..	N.A.			(\$ MILLIONS, US. FOB)	N.A.					
AVERAGE ANNUAL RATE OF INFLATION	N.A.			AS % OF TOTAL EXPORTS	N.A.					
NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION..	N.A.			MAJOR IMPORTS... (1981)	FOODSTUFFS	MACHINERY	OIL PRODUCTS			
LIFE EXPECTANCY AT BIRTH, IN YEARS	N.A.			IMPORTS FROM U.S.						
				(\$ MILLIONS, US. CIF)	N.A.					
				AS % OF TOTAL IMPORTS	N.A.					
ADULT LITERACY RATE	N.A.			TRADE BALANCE(\$ MILLIONS, U.S.)(1976)	-2(77)	9(78)	6			
				MAIN TRADING PARTNERS:						
				EXTERNAL PUBLIC DEBT AS % OF GNP	N.A.					
				SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.						
				(\$ MILLIONS, U.S.).....			N.A.			
				AS % OF EXPORT EARNINGS (DFBT SERVICE RATIO) ...			N.A.			
				*SOCIAL DATA*						
				POPULATION GROWTH RATE...(1970)	1.3%	(1975)	1.2% (1982)	2.8%		
				POPULATION IN URBAN AREAS.....		N.A.		N.A.		
				LIVE BIRTHS PER 1,000 POPULATION....(1970)	N.A.	(1982)		39		
				MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.				N.A.		
				POPULATION	IN AGE GROUP:					
					(0-14YRS) N.A.	(15-64YRS) N.A.	(65+ YRS)	N.A.		
				INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982)				72		
				PEOPLE PER PHYSICIAN..... (1977)	1,952					
				MAJOR CAUSES OF						
				DISEASE (1978)MALARIA	ENTERIC DISEASE	FLU & PNFUMONIA				
				DEATH..	N.A.					
				PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS .				N.A.		
				POPULATION WITH REASONABLE ACCFSS TO SAFE WATER SUPPLY				N.A.		
				TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGF GROUP:						
				PRIMARY.....	TOTAL	N.A.	MALE	N.A.	FFEMALE	N.A.
				SECONDARY.....	TOTAL	N.A.	MALE	N.A.	FFEMALE	N.A.
				POST SECONDARY..	TOTAL	N.A.	MALE	N.A.	FFEMALE	N.A.
				ENERGY PRODUCTION AS % OF CONSUMPTION.....					N.A.	

\*CENTRAL GOVERNMENT FINANCES\*

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)	(1978)	12 (79)	16 (80)	22
TOTAL EXPENDITURES (\$ MILLIONS, U.S.)	(1978)	13 (79)	19 (80)	29
DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)	(1978)	-1 (79)	-3 (80)	-7
DEFENSE EXPENDITURES.				
AS % OF TOTAL EXPENDITURES.. (1978)	3.4%	(79)	2.5% (80)	2.5%
AS % OF GNP..... (1978)	1.0%	(79)	1.0% (80)	1.8%
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD.	(1977)	20 (78)	30 (79)	33
(\$MILLIONS, U.S.)				
EQUIVALENT TO 19.0 MONTHS OF IMPORTS (1978)				

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

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PROGRAM: SAO TOME/PRINCIPE

CP 84

PROJECT TITLE	* L PROJECT / NUMBER G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD PLANNED	-THROUGH FY82- OBLIG ATIONS	EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	EXPENDI TURES	
AGRICULTURE, RURAL DEV. AND NUTRITION											
CROP PRODUCTION AND DIVERSIFICATION	G 653-0001	81	81	1,580	1,580	1,580	417	---	233	---	500
TOTAL FOR ACCOUNT				1,580	1,580	1,580	417	---	233	---	500
GRANTS				1,580	1,580	1,580	417	---	233	---	500
LOANS				---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY				1,580	1,580	1,580	417	---	233	---	500
GRANTS				1,580	1,580	1,580	417	---	233	---	500
LOANS				---	---	---	---	---	---	---	---

\* Refers to the planned project summary sheet

C Level of effort activity

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