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REPORT AND RECOMMENDATION

OF THE

PRESIDENT OF THE

INTERNATIONAL DEVELOPMENT ASSOCIATION

TO THE

EXECUTIVE DIRECTORS

ON A

PROPOSED IDA CREDIT

IN AN AMOUNT OF SDR 166.1 MILLION

US$165 MILLION EQUIVALENT

TO INDIA

FOR THE

NATIONAL SOCIAL FORESTRY PROJECT

May 22, 1985

CURRENCY EQUIVALENTS

US$1.00	=	Rs 12
Rs 1.00	=	US$0.08
Rs 1 million	=	US$80,000

The US Dollar/Rupee exchange rate is subject to change. Conversions in the Staff Appraisal Report were, except as otherwise noted, made at the rate of US$1.00 = Rs 12.00.

FISCAL YEAR

April 1 - March 31

Abbreviations and Acronyms

ACF	-	Assistant Conservator of Forests
Addl. CCF	-	Additional Chief Conservator of Forests
Addl. IGF	-	Additional Inspector General of Forests
CCF	-	Chief Conservator of Forests
CF	-	Conservator of Forests
DCF	-	Deputy Conservator of Forests
DFO	-	Divisional Forest Officer
DIGF	-	Deputy Inspector General of Forests
FR	-	Forest Ranger
FRI	-	Forest Research Institute
GOG	-	Government of Gujarat
GOHP	-	Government of Himachal Pradesh
GOR	-	Government of Rajasthan
GOUP	-	Government of Uttar Pradesh
HP	-	Himachal Pradesh
ICAR	-	Indian Council of Agriculture Research
ICFRE	-	Indian Council of Forestry Research and Education
ICRAF	-	International Center for Research on Agroforestry
IGF	-	Inspector General of Forests
NCA	-	National Commission on Agriculture
NCAER	-	National Council of Applied Economic Research
SAU	-	State Agricultural University
VFW	-	Village Forestry Worker

INDIA

NATIONAL SOCIAL FORESTRY PROJECT

CREDIT AND PROJECT SUMMARY

Borrower:	India.
Beneficiaries:	The States of Gujarat, Himachal Pradesh, Rajasthan, and Uttar Pradesh and the Government of India's Ministry of Environment and Forests.
Amount:	SDR 166.1 Million (US$165 million equivalent).
Terms:	Standard.
On-lending Terms:	From GOI to the Governments of Gujarat, Himachal Pradesh, Rajasthan, and Uttar Pradesh as part of Central assistance for State development projects on terms and conditions applicable at the time. GOI would bear the foreign exchange risk.
Project Description:	The project would provide continuing assistance initiated under earlier credits to two states (Uttar Pradesh and Gujarat) to expand and improve their social forestry activities, and would initiate investment in two other states (Himachal Pradesh and Rajasthan). It would increase supplies of fuelwood, small timber, poles, bamboo, fodder and other minor forest products. It would also strengthen institutional capabilities including the strengthening of the Central Social Forestry Support Office for better planning and management of forestry resources, through provision for additional staff, training of existing personnel, research and additional vehicles and equipment. Wood balance and other studies would be carried out, and programs would be conducted to promote fuel saving devices. There are no major project risks. However, shortage of funds could become a problem if the States over-extend themselves on forestry programs. To minimize this risk the States would inform the Association of any major developments concerning their social forestry programs to enable the Association to evaluate the impact, if any,

which these developments might have on project-financed activities. An additional risk is that farmers may favour planting of and saturate the market for higher value products. However, wood balance studies to be undertaken and continuous monitoring, including the proposed mid-term review would effectively minimize this risk.

Estimated Cost 1/	(US$ Millions) Local	Foreign	Total
Project Component			
Incremental Staff	35.3	—	35.3
Civil Works	17.2	0.9	18.1
Vehicles and Equipment	8.1	1.6	9.7
Incremental Operating Costs	21.3	0.7	22.0
Training	3.8	0.4	4.1
Technical Assistance, Studies and Research	0.5	—	0.5
Plantation Activities	162.2	1.6	163.8
Total Baseline Costs	248.3	5.2	253.5
Physical Contingencies	11.2	0.3	11.5
Price Contingencies	61.8	0.9	62.8
Total Project Costs	321.3	6.4	327.8

Financing Plan:	US$ Millions Local	Foreign	Total
GOI/GOC/GOUP/GOHP/GOR	82.3	0.5	82.8
USAID	79.0	1.0	80.0
IDA	160.0	5.0	165.0
TOTAL	321.3	6.5	327.8

1/ Including taxes and duties of US$3.93 million equivalent.

Estimated Disbursements:

IDA FY	(US$ Millions) FY86	FY87	FY88	FY89	FY90	FY91
Annual	17.1	25.9	32.4	37.0	36.1	16.5
Cumulative	17.1	43.0	75.4	112.4	148.5	165.0

Rate of Return: 27%.

Appraisal Report: No. 5591b-IN, dated May 21, 1985.

INTERNATIONAL DEVELOPMENT ASSOCIATION
REPORT OF THE PRESIDENT TO THE
EXECUTIVE DIRECTORS ON A PROPOSED CREDIT TO INDIA
FOR THE NATIONAL SOCIAL FORESTRY PROJECT

1. I submit the following report and recommendation on a proposed credit to India for SDR 166.1 million (US$165 million equivalent) on standard IDA terms, to help finance a national social forestry project in order to increase supplies of fuelwood and other forest products to rural and semi-urban areas in the States of Gujarat, Himachal Pradesh, Rajasthan and Uttar Pradesh and to strengthen the Central government's capability to support social forestry activities in all States. The proceeds of the credit would be channeled to the Governments of the participating States in accordance with the Government of India's standard terms and arrangements for financing State development projects. The exchange risk would be borne by the Government of India. The United States Agency for International Development (USAID) is expected to support the project with a grant of US$3 million and a loan of US$77 million on standard USAID terms.

PART I - THE ECONOMY 1/

2. An economic report, "India: Structural Change and Development Perspectives" (5593-IN, dated April 24, 1985), was distributed to the Executive Directors on May 1, 1984. Country data sheets are attached as Annex I.

Background

3. India is a large and diverse country with a population of about 750 million (in mid-1984) and an annual per capita income of US$260. The economy is dominated by agriculture which employs more than two-thirds of the labor force. However, the land base is not sufficient to provide an adequate livelihood to everyone engaged in agricultural activities, especially those who own little or no land. Growth of value-added in agriculture -- 2.2% since 1950/51 -- has been slower than growth of industrial value-added (5.3% per annum). As a result, there has been a gradual decline in the share of agriculture in GDP (at factor cost) from 52% in 1950/51 to about 33% in 1981/82, while the share of industry rose from 20% to around 26%. But industrialization has not been rapid enough to absorb the growing labor force, or to bring about a rapid economic transformation, with significantly higher productivity and income levels. As a result economic growth has been slow over the past three decades, averaging about 3.6% per annum since 1950/51.

4. Nevertheless, there has been steady progress, with per capita income rising by about 1.4% per year in the period 1950 to 1980. Despite the large population base and its relatively rapid growth, India has been able to eliminate persistent dependence on foodgrain imports through significant improvements in agricultural production. Savings and investment have increased

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1/ Parts I and II of the report are similar to Parts I and II of the President's Report for the Rihand Power Transmission Project (No. P-4062-IN), dated May 7, 1985.

markedly since 1950/51: the gross national savings rate more than doubled from 10.8% of GDP (at factor cost) to 22.7% in 1983/84, while the gross domestic investment rate rose from 12.5% of GDP to 24.8% in 1983/84. Foreign savings (balance of payments deficit on current account) have never financed a major portion of domestic investment: a peak of about 20% was reached during the early 1960s. Currently, foreign savings account for about 8% of investment. External assistance has been low both as a percentage of GDP and in per capita terms, never rising above 3% of GDP and averaging below 1% for the past five years. Net use of foreign savings has never risen above 3% of GDP, and presently stands at 2.1%.

5. Before the 1970s, India placed relatively less emphasis on export promotion and more on import substitution. The volume growth of exports between 1950/51 and 1969/70 averaged only 2.2% per annum, while the volume growth of imports over the same period was 4.3%. In the early to mid-1970s, however, India's terms of trade, which had remained roughly constant during the 1960s, deteriorated sharply. In response, the Government introduced various policy measures designed to stimulate exports. As a result, the volume of India's exports grew on average about 7.3% per annum for the 1970s as a whole, a performance which demonstrates that sustained rapid growth is possible. While expanding world markets, particularly in the nearby Middle East, contributed to this growth, liberalized access to imported inputs and more effective export incentives played a major role.

6. Moving into the second half of the 1970s, the Indian economy was buoyed by higher levels of investment and an expanding level of foodgrain output. As a result, growth in real GDP and in agricultural and industrial value-added substantially exceeded the historical 30-year trends (paragraph 3) averaging 5.3%, 3.3% and 8.1%, respectively, during the 1975/76 to 1978/79 period. In 1979/80, however, this momentum was broken when the worst drought in recent years, combined with a doubling of international oil prices and domestic supply shortages, led to a sharp fall in foodgrain production, a decline in GDP, and the opening up of a relatively large trade deficit. Severe inflationary pressures also emerged after several years of virtual price stability. These setbacks coincided with the preparation of the Sixth Five-Year Plan which laid down a program of adjustment that aimed at improving the trade deficit, removing infrastructural bottlenecks and ensuring price stability with an overall growth of the economy of 5.2% per annum.

Recent Trends

7. Despite the effects of two severe droughts in 1979/80 and 1982/83, India's economy in the early 1980s continued to grow at the faster pace of the second half of the 1970s. Between the two droughts (from 1979/80 to 1982/83), GDP growth averaged almost 5% per annum, while between the two recovery years (from 1980/81 to 1983/84), it was 4.5% per annum -- substantially higher than India's long-term growth rate of 3.6%. Continued rapid economic growth has resulted from a development strategy which includes higher investment levels and liberalized policies on imports, industrial licensing, prices, and commercial borrowing. These policies, by easing constraints on the supply of infrastructure and basic commodities, were a determining factor in the improved performance of the economy and the industrial sector. This overall improvement in performance, combined with a more restrictive monetary policy in 1981/82 and 1982/83, resulted in a sharp decline in the rate of inflation. The growth rate of wholesale prices declined from over 18% in 1980/81 to only 2.6% in 1982/83,

but rose to over 9% in 1983/84, mainly due to the effect of the 1982/83 drought on food prices. Further improvements in the policy environment will be required to maintain these higher levels of economic growth and investment without putting undue pressure on the balance of payments or reviving inflationary expectations.

8. Economic growth in the early 1980s has not been steady, mainly because of the effect of uneven rainfall on agricultural production during the period. In 1980/81 and 1981/82, the economy substantially recovered from the 1979 drought, with real GDP growing by 7.6% and 5.3%, respectively. While industrial output expanded by 4% in 1980/81 and 8.6% in 1981/82, recovery was particularly robust in agriculture where normal weather helped output to rise by more than 15% and 5.5%, respectively. The supply of power, coal, and rail transport, already improved in 1980/81, was further expanded in 1981/82, recording growth rates of about 10%, 9.6% and 12.5%, respectively. This overall improvement in the Indian economy was halted in 1982/83 by a severe drought in mid-1982 which reduced agricultural production by 4%, brought down the GDP growth rate to 1.8%, and put further strains on the already difficult balance of payments and domestic resource situation. The timely implementation of various economic policies relating to foodgrain imports, procurement and distribution, and the allocation of power to irrigation pumps mitigated the otherwise very distressing effects of the poor monsoon. The economy recovered in 1983/84, led by a robust agricultural sector - GDP grew by about 6.5% to 7% with agricultural production growth in the 9%-10% range and industrial growth of 4.5%. The major factors contributing to the good economic performance during 1983/84 were the excellent monsoon, combined with adequate agricultural policies and programs, and satisfactory performance of the coal and transport sectors. The power sector, however, emerged again as a constraint on higher growth, especially in industry.

9. Agricultural production rebounded strongly in 1983/84 in response to the monsoon, improved use of inputs and continued expansion of irrigation. Overall foodgrain production rose by 10%-12% over the previous year, reaching a new record of 142-144 million tons, a substantial increase over the previous peak of 133 million tons in 1981/82. Corrected for weather variations, foodgrain production continues to grow at a trend of 2.6% per annum--sufficient to maintain a broad balance between supply and steadily increasing domestic demand. Nonetheless, the balance remains delicate, and the need for foodgrain imports to maintain consumer supplies or adequate buffer stocks could arise from time to time. Thus, adequate management of foodgrain stocks and programs to expand irrigation, strengthen extension and encourage the efficient use of other agricultural inputs continue to receive high priority.

10. Basic infrastructure services had a mixed performance in 1983/84, partially because of sluggish demand from industry during the first half of the year but also due to a failure to maintain the productivity gains of 1980-82. Electricity generation grew only by about 3.7% due to low reservoir water levels during the first half of the year, delays in the commissioning of new capacity, and a deterioration of capacity utilization in thermal plants. As a result, power generation was about 11.5% below requirements and constituted a major bottleneck in the economy. Key industries which were adversely affected by power constraints included steel, fertilizers, cement, and coal. To improve performance in the power sector, the Government recently increased incentives for higher labor and management productivity in thermal plants. Railway freight traffic, measured in ton-kms, grew by only 0.5% in

1983/84, reflecting sluggish demand. Coal production increased by about 6.5% in 1983/84 reaching 139 million tons. When combined with stocks already available this level of production was sufficient to meet the relatively slow demand growth. Infrastructural constraints would have emerged much more sharply had the pace of industrial growth and demand been more rapid. It is therefore critically important that India maintain the pace of investment in these key sectors, mobilize sufficient resources to do so, and implement programs to enhance productivity.

11. The Indian economy has reverted from a situation of resource surplus in the late 1970s to an aggregate resource deficit. The gap between gross investment and national savings increased from negligible levels during the late 1970s to an average equivalent to 2.1% of GDP in 1980-84. India's gross national savings rate, which averaged 22.6% of GDP in the last four years, is high by any standard, particularly considering India's low income and the large proportion of its population below the poverty line. The scope for a substantial increase in the savings rate is therefore quite limited. If India is to maintain investment at about 25% of GDP, a major effort will be required to raise additional domestic resources particularly in the public sector. Future increases in savings will depend heavily upon the enhanced profitability of public sector enterprises which would require better utilization of capacity, more efficient operations and adequate pricing policies. This would also allow a marginal decline in the use of foreign savings from the recent 2.1%-2.3% of GDP to 1.5%-1.8%, to ensure a sustainable external debt service burden.

12. India's external resource position has changed notably since the late 1970s. The current account balance, which recorded surpluses from 1976/77 to 1978/79, reverted to deficits averaging US$3.5 billion and 2.1% of GDP during 1980/81 to 1983/84. Several developments contributed to these relatively larger current account deficits. First, the terms of trade deteriorated sharply in 1979/80 due to the second round of oil price increases and continued to move against India during the first three years of the 1980s. Second, a more liberal import policy towards industrial inputs was pursued. Third, net invisibles declined as travel receipts fell off, workers' remittances stagnated (reflecting slower development activity in the Middle East), and payment of interest on higher levels of foreign debt increased. Faced with severe infrastructural constraints and a deterioration in its balance of payments, India initiated an adjustment program in 1980/81 designed to raise the growth rate from its historical level of 3.6% to 5.2% while adjusting the country's external balance to the adverse price developments in the world markets. The main elements of this strategy, which is being successfully implemented, are export promotion, import substitution where economically justifiable, implementation of a coherent energy policy designed to meet the energy needs of the economy while curbing the growth of oil imports, and continued movement toward a more liberal import policy aimed at providing producers with access to inputs for higher capacity utilization, greater efficiency, improved technology and capacity expansion.

13. A positive development in India's balance of payments is the reduction in the trade deficit from US$7.7 billion in 1980/81 to US$5.9 billion in 1983/84 despite unfavorable world market conditions and import liberalization. Export volume growth and import substitution of oil and petroleum products, metals and fertilizers more than offset the substantial increase in "other" imports. These "other" imports consist mainly of industrial imports and capital goods which historically have been in chronic short supply and which are of

critical importance to capacity utilization, product quality, and plant modernization and expansion. A major factor in the decline of the trade deficit was the lower net import bill for petroleum, which dropped from US$6.7 billion in 1980/81 to US$3.4 billion in 1983/84 in response to a successful oil development program that reduced import needs and allowed crude oil exports, which totalled about US$1.5 billion in 1983/84. These structural changes in the balance of payments are to a significant degree the result of India's development and adjustment efforts over the past three years. It is expected that the balance of payments will continue to be under strain for the next several years, since the adjustment strategy will continue to require high levels of imports.

14. Even assuming a favorable export performance, India will need external capital flows to augment its own resources for the foreseeable future, given the low per capita income level in the country, the already high savings rate, and the structural adjustment process. Faced with a growing need for external capital inflows and stagnation in the availability of concessional assistance, India decided at the start of the Sixth Plan to increase borrowings from the International Monetary Fund (IMF) and commercial banks to substantial levels. In the period covering the fiscal years 1981/82 to 1983/84, India drew SDR 3.9 billion from the Extended Fund Facility of the IMF. In addition, India borrowed significant amounts on commercial terms from the Euro-dollar market and increased the use of suppliers' and export credits. In the period 1980-84, India contracted commercial loans totalling over US$6,000 million and suppliers' credits of over US$1,000 million. The bulk of this borrowing has been used for specific development projects in the public and private sector (mostly for petroleum exploration and development, steel, power, aluminum and shipping). India's favorable debt service position and the nature of its borrowings, for project-related purposes instead of direct balance of payments support, enabled it to tap commercial capital markets at favorable spreads. This larger commercial borrowing and transfer of funds under the arrangement with the IMF has stemmed the use of foreign exchange reserves which had fallen to less than four months of import coverage in 1981/82.

Development Prospects

15. The experience of recent years illustrates that India has the capacity to grow and develop at a more rapid pace. Although the industrial sector is small compared to the size of the economy, it nevertheless is large in absolute terms and has a highly diversified structure, capable of manufacturing a wide variety of consumer and capital goods. Basic infrastructure -- irrigation, railways, telecommunications, power, roads and ports -- is extensive compared to many countries, although there is considerable need for additional capacity as well as improvement in the utilization of existing capacity. India also has a wide range of institutions capable of fostering development and is well-endowed with human resources. Finally, India has an extensive natural resource base in terms of land, water, and minerals (primarily coal and ferrous ores, but also gas and oil). With good economic policies and reasonable access to foreign savings, India has the capability for managing these considerable resources to accelerate its long-term growth.

16. The Government is currently preparing the Seventh Plan which will lay down the development strategy for 1985/86-1989/90. This strategy is expected to continue the emphasis of the Sixth Plan on agriculture, energy development, export promotion, domestic import substitution where economically justifiable

and the removal of infrastructural bottlenecks. Overall Sixth Plan performance has been encouraging, with aggregate real investment projected to be about 30% higher than in the period 1975-80--a creditable performance indeed. The Sixth Plan expenditure targets, however, will not be fulfilled as resource mobilization by the public sector will fall short of the financing requirements of planned public investment. Actual aggregate real investment is projected to be about 7% below the original target for the period 1980-85, private investment being 5% to 10% higher and public investment about 20% lower in real terms than actually projected. In terms of meeting Plan expenditure targets, the performance of the Central Government is considerably better than that of the State Governments. The Central Government's Plan outlays are likely to reach about 80% to 90% of the original Plan allocation in real terms, while the States' will probably achieve only about 50% of their targets, due principally to shortfalls in resource generation. Bottlenecks in key sectors such as power, transport and irrigation are likely to persist as a consequence of real investment shortfalls relative to original Plan allocations.

17. Although Sixth Plan expenditure targets will not be met, India's capital formation rates have increased from 22.6% in 1975-80 to 24.7% of GDP in 1980-84. Recent higher capital formation rates are encouraging for future income growth, but returns to investment have so far been relatively low. Much of this phenomenon relates to India's stage of development, in which a large and growing proportion of investment has been needed to build up basic infrastructure services which have inherently high capital-output ratios. However, there is scope to reduce capital-output ratios through improvements in efficiency. As discussed in greater detail in our recent economic reports, performance in the basic service sectors can be improved through better planning and management, thus leading to higher productivity and capacity utilization throughout the economy. At the same time, programs to expand domestic capacity are vital. In the case of tradeable commodities like coal, steel and cement, this is justified on the grounds of comparative advantage. For sectors such as irrigation, power and transportation, expansion of planned capacity in accordance with the requirements of the rest of the economy will be vital for sustained growth.

18. Under the Sixth Plan, India has an ambitious oil development program backed by substantial financial commitment. Performance under the program has been excellent with real investment and oil production levels running well ahead of Plan Targets. In 1981, and again in early 1983, resources for exploration and development were raised by successive price increases for domestic crude and products. While the gap between domestic consumption of petroleum and production remains large, India's dependence on oil imports dropped from 63% of consumption in 1979/80 to about 41% in 1983/84 and is expected to decrease to about 33% of consumption by 1984/85. The rapidly expanding level of exploration activity, combined with the possibilities for accelerated offtake from known fields, offers much encouragement for India's longer-term energy prospects. At the same time, the increases in domestic petroleum prices have helped encourage conservation and slow demand growth.

19. India's development prospects over the next few years will hinge on the extent to which the economy can be brought into both internal and external balance, while at the same time achieving more rapid growth than in the past. This will require the continuation of the current development strategy which assigns high priority to export promotion, public finance discipline, improvement of economic efficiency, and investment in infrastructure, supported by

adequate flows of external borrowing and aid. In the short term, a relatively large level of external borrowing, including an increased emphasis on commercial borrowing, will be necessary to cope with the balance of payments consequences of such a growth strategy. However, an important element in providing India with the capacity to adjust flexibly will be adequate flows of concessional assistance since India is still a very poor country with a large rural sector and enormous investment requirements for human development and basic infrastructure. Although India is currently in a position to increase borrowing on commercial terms from the very low levels of the past, there are, of course, limits beyond which India will choose to sacrifice growth objectives rather than accept debt on unfavorable or unmanageable terms. Nevertheless, with a more open trade policy and expanded efforts to remove constraints on the growth of productive capacity, supported by adequate mobilization of both foreign and domestic savings, India is demonstrating that it can sustain a rate of growth closer to 5.0% per annum than to the long-run trend of 3.6% per annum. If the rate of population growth can be brought to below 2.0% per annum, a 5.0% growth rate would mean a doubling of the trend rate of growth of per capita income of 1.4% per annum. Success in these efforts would make a significant difference to the prospects of easing poverty in India.

20. A large and growing population and severe poverty underline the need to accelerate India's development efforts. The 1981 Census indicated there was no decline in the rate of population growth, which remained about 2.2% per annum in the 1970s despite a measurable decline in fertility rates. The population growth rate failed to decline in the past decade due to a reduction in the infant mortality rate and an increase in life expectancy, reflecting larger availability of food and health services. While this is a welcome development, it implies a greater strain on the economy and re-emphasizes the need for continuing efforts to strengthen the health and family planning programs in a broad range of activities and services. These efforts are given high priority in the Sixth Plan, which aims at a rise in the proportion of protected couples in the reproductive age group from its estimated 1979/80 level of about 23% to over 35% by 1984/85. The Government is reviewing its population policy for the Seventh Plan, with indications of a determination to retain the emphasis on the implementation of family planning, health, education and literacy programs aimed at reducing fertility rates.

21. Reduction of poverty remains the central goal of Indian economic and social policy. More than one-third of the world's poor live in India, and more than 80% of the Indian poor belong to the rural households of landless laborers and small farmers. About 51% of the rural population and 40% of the urban population subsist below the poverty line. Significant reductions in poverty will depend primarily on an acceleration of economic growth, particularly in agriculture, combined with effective implementation of poverty alleviation programs. India's poverty alleviation strategy appropriately recognizes that production-oriented programs, which aim at accelerating the overall pace of economic growth, and poverty alleviation programs, targetted at those least able to participate in the general growth of the economy, can be mutually reinforcing rather than substituting for each other. Major poverty programs operating on a nationwide basis at present include: the Minimum Needs Program (MNP), the Integrated Rural Development Program (IRDP), and the National Rural Employment Program (NREP). The IRDP and NREP are targeted programs aimed at increasing the incomes of the poor rapidly, either through the transfer of productive assets or direct employment. The MNP, aims at broadening the provision of social infrastructure and basic services which enhance the human capi-

tal of the poor and improve living standards. These programs represent a vitally important commitment of the Government to address the needs of the poorest. The scale of the poverty problem in India, combined with the inherent difficulties in implementing poverty programs in any country, imply the need for continued efforts to enhance the effectiveness of these programs.

PART II - BANK GROUP OPERATIONS IN INDIA

22. Since 1949, the Bank Group has made 84 loans and 174 development credits to India totalling US$6,818 million and US$12,934 million (both net of cancellation), respectively. Of these amounts, US$1,465 million has been repaid, and US$5,909 million was still undisbursed as of March 31, 1985. Bank Group disbursements to India in the current fiscal year through March 31, 1985 totalled US$787 million, representing a decrease of about 27 percent over the same period last year. Annex II contains a summary statement of disbursements as of March 31, 1985.

23. Since 1959, IFC has made 32 commitments in India totalling US$265 million, of which a total of US$145 million has been repaid, sold, terminated or cancelled. Of the balance of US120 million, US$113 million represents loans and US$7 million equity. A summary statement of IFC disbursements as of March 31, 1985, is also included in Annex II (page 4).

24. The thrust of Bank Group assistance to India has been consistent with the country's development objectives in its support of agriculture, energy and infrastructure. Of particular importance have been investments in irrigation, extension and on-farm development designed to increase agricultural productivity, and efforts to improve the availability of basic agricultural inputs to farmers through credit, fertilizer, marketing, storage, and seed projects. Major elements of the lending program have also been directed at helping to meet the energy needs of the economy while curbing the growth of oil imports, and to ease the infrastructure bottlenecks which have hampered economic growth in India, particularly through power generation and distribution, and railways and telecommunications projects. The Bank Group has also provided financing for a broad range of medium- and small-scale industrial enterprises, primarily in the private sector, through its support of development finance institutions. Recognizing the importance of improving the ability to satisfy the essential needs of urban and rural populations, the Bank Group has supported nutrition and family planning programs, a rural roads project, as well as water supply and sewerage and other urban infrastructure projects.

25. This pattern of assistance remains highly relevant, and consonant with Government priorities, as reflected in the Sixth Plan and in the approach being taken by GOI in the preparation of the Seventh Plan. First, high priority will continue to be given to GOI's agricultural program. While India has made significant progress in agriculture, productivity growth will have to be sustained to improve the balance between food demand and supply and to contribute to poverty alleviation and employment. Thus, the Bank Group will continue to support irrigation, fertilizer production and distribution, and agricultural extension and credit. Second, alongside GOI's efforts in promoting greater efficiency and faster development of the industrial sector, increased assistance will be provided for industrial development. Third, the review of performance under the Sixth Plan confirms the high priority that should continue to be given to the expansion and more efficient use of basic infrastructure capacity and to the development of India's indigenous hydrocarbon resources.

Accordingly the Bank Group will continue to support the development of the energy, transport and telecommunications sectors to alleviate critical shortages which constrain output in both agricultural and industrial sectors. Fourth, support of urban development and other GOI basic social services programs for the poor will also continue in light of the growth in population which, despite successes in lowering birth and death rates, still increases by about 16 million each year.

26. The need for a substantial net transfer of external resources in support of the development of India's economy has been a recurrent theme of Bank economic reports and of the discussions within the India Consortium. Thanks in part to the response of the aid community, India successfully adjusted to the changed world price situation of the mid-1970s. However, India continues to require a substantial level of foreign assistance both to offset the overall deterioration in the world trade environment, and to sustain the relatively higher investment and growth rates achieved during the first four years of the Sixth Plan. As in the past, Bank Group assistance for projects in India should aim to include the financing of local expenditures. India imports relatively few capital goods because of the capacity and competitiveness of the domestic capital goods industry. Consequently, the foreign exchange component tends to be small in most projects. This is particularly the case in such high-priority sectors as agriculture and irrigation.

27. India's poverty and needs are such that whenever possible, external capital requirements should be provided on concessional terms. Accordingly, the bulk of the Bank Group assistance to India in the past was provided from IDA. However, IDA lending to India is declining from a peak of US$1.6 billion in FY82, mostly due to funding constraints related to IDA. The amount of IDA funds available to India is likely to remain small in relation to India's needs for external support. Thus, this requirement for additional assistance will have to be met, in part, through larger Bank lending. Given its development prospects and policies, India is judged creditworthy for Bank lending to supplement IDA assistance. A continuation of efforts already underway to achieve growth in productive capacity, trade expansion, higher levels of savings, foodgrains self-sufficiency and a reduction in the rate of population growth should result in continued economic growth and improvement in the balance of payments. India's debt service ratio is estimated at about 15.2% in 1984/85. This ratio is projected to rise to around 20% by 1989/90, mainly due to the hardening structure of India's debt; and to increase slightly over this level through the mid-1990's. Although the projected debt service ratios are considerably above historical levels, they are still manageable and will not adversely affect India's creditworthiness.

28. Of the external assistance received by India, the proportion contributed by the Bank Group has grown significantly. In 1969/70, the Bank Group accounted for 34% of total commitments, 13% of gross disbursements, and 12% of net disbursements as compared with 62%, 33% and 37%, respectively, in 1983/84. In 1983/84, about 19.0% of India's total debt service payments were to the Bank Group. On March 31, 1984, India's outstanding and disbursed external public debt was estimated to be about US$26.9 billion, of which the Bank Group's share was US$9.6 billion or 36% (IDA's US$7.8 billion and IBRD's US$1.8 billion). As of March 31, 1985 outstanding loans and credits to India held by the Bank totalled US$18,288 million, of which US$5,909 million remain to be disbursed, leaving a net amount outstanding of US$12,379 million.

PART III - FORESTRY IN INDIA

29. India's forest land--about 75 million hectares--covers 23% of the total land area. Excessive pressure of human and cattle populations on forest lands has resulted in rapid depletion and degradation of much of the natural forests. Consequently, only about 40% of the forest lands is actually tree covered. Deforestation has occurred mostly because of the continuous decimation of trees to meet fuel and timber needs of the community and industry. Demand for fuelwood, wood for industrial use, fodder and manure is expected to increase with increase in population. Shortage of fuelwood and other forestry products will become more critical unless the decline in forest resources is arrested and measures are taken to expand the forest resource base in the country.

30. Non-commercial energy sources, including fuelwood, agricultural wastes and animal dung, account for about 80% of rural and 50% of urban household energy consumption. Almost 55% of non-commercial energy is obtained from fuelwood. About 20% of available labor in farm families is spent in fuelwood collection. Existing planting programs are inadequate for meeting demand for fuelwood. It is estimated that in the year 2000, annual demand for fuelwood and industrial wood, will be about 200 million m3 and 65 million m3 respectively; equivalent to about 20 to 30 million ha of mature plantation.

GOI Policies and Social Forestry Programs

31. The Government is focusing increasing attention on the development of fuelwood resources. It has concluded that firstly, the traditional management of forest development and resources is inadequate to meet the country's basic needs for forestry products; and secondly, that development of forest resources outside the traditional reserve forests, through active participation of local communities is required in order to overcome the shortage of fuelwood, small timber and fodder. From the First through the Fourth Five Year Plans, India allocated to social forestry only 9.1% of the total forest development investment. However, in the Fifth (1974-79) and Sixth (1980-85) Five Year Plans, social forestry was allocated 49% and 78%, respectively, of the total forestry planting targets.

32. Since early 1970s GOI has mobilized increasing domestic and external resources for implementing a national rural afforestation program, and through a number of centrally sponsored schemes, State governments are being assisted to implement their programs. In the Sixth Plan, these schemes covered 1.9 million ha out of the total of 4 million ha put under social forestry, accounting for expenditures of over Rs 2,164 million. In addition, state-wide projects are being implemented with external assistance in a number of States. These accounted for 0.68 million ha planted, and over Rs 2,500 million in expenditure during the Sixth Plan period. Finally, the States operate their own social forestry programs which accounted for 1.3 million ha planted, and over Rs 3,000 million in expenditure during the Sixth Plan period. Of the present total India-wide tree

planting of about one billion seedlings annually (about 0.67 ha million), nearly 50% is planted by farmers on their own land (farm forestry), and the rest by State forest departments in commercial plantations (30%) and social forestry plantations (20%). Under the Seventh Plan now being formulated, resource allocations for social forestry are expected to be substantially increased. The importance of forestry has recently been reemphasized by making it a separate portfolio directly under the Prime Minister, who has called for a substantial increase in social forestry activities over current levels, during the Seventh Plan period.

The Bank Group Role in India's Social Forestry

33. The Bank Group's first forestry project in India, the Madhya Pradesh Forestry Technical Assistance Project (Cr. 609-IN, December 1975), assisted with the development of plantations for the pulp and paper industry. Subsequently, the Bank Group's assistance to forestry, through six projects covering seven States, has focussed on social forestry, with the objective of increasing the supply of fuelwood, poles, small timber, fodder and other minor forest products. Of these projects, one has been completed and two are about to be completed. In addition to the six projects, the Kandi Watershed and Area Development Project (Cr. 1897-IN) and the Himalayan Watershed Management Project (Ln. 2295-IN) also included large components for reforestation and pasture development.

34. Uttar Pradesh Social Forestry Project (Cr. 925-IN). The Uttar Pradesh Social Forestry Project was the Bank's first social forestry project in India. The project was completed as scheduled and the credit was closed December 31, 1984. A Project Completion Report is being prepared and will be issued later in 1985. It included the establishment of 8,000 ha of village woodlots, 22,000 ha of strip plantations, the rehabilitation of 13,600 ha of degraded forests and the provision of seedlings for 4,000 ha of farm forestry. The project was completed on schedule, and, overall, exceeded its physical appraisal targets. However, execution of the civil works program designed to support field activities was not satisfactory, procurement of vehicles for improving staff mobility fell short of the target and the village woodlots component lagged. The project did not effectively cover the eastern part of the State where small and marginal farmers and landless poor are concentrated. Other deficiencies related to management, extension, monitoring and evaluation and research all of which need strengthening.

35. Gujarat Community Forestry Project (Cr. 961-IN). The project provided for the establishment of 37,440 ha of village woodlots, 30,000 ha of reafforestation, afforestation of 1,000 ha of privately owned land, establishment of 37,000 ha of strip plantations, and provision of 30 million seedlings to farmers to plant on 20,000 ha of privately owned land. With the exception of the self-help village woodlot component, overall, the planting targets have been achieved and the credit is expected to be fully disbursed six months before the closing date. Although most of the wood produced is expected to be used for commercial and non-fuel purposes, the project will, nevertheless, relieve the pressure on existing forests

and increased fuelwood supply for the rural poor. The State has developed a network of decentralized nurseries, introduced low-cost methods for production of seedlings, and successfully promoted fuel-saving stoves and crematoria.

36. West Bengal Social Forestry Project (Cr. 1178-IN). The project is expected to finance establishment of 6,000 ha of village woodlots, planting of 20,000 ha along roads, railways, and water courses, 52,000 ha of forests on private land, rehabilitation of 15,000 ha of degraded forests, construction of a forest training center and expansion of the West Bengal Forest School. Planting is already about 45% above the appraisal estimates; however, for budgetary considerations, most of the planting has been carried out by the existing Forest Department Divisions rather than by expanding the Social Forestry Wing as had been envisaged at appraisal. Since the existing Divisions have their own housing, offices, facilities and equipment, disbursement for civil works and equipment as well as incremental staff is lagging. West Bengal has been innovative in promoting group farm forestry, where landless poor farmers can take up to one hectare of government wasteland for afforestation and are given rights to the product. It has also completed a wood balance study. Following a recent mid-term review a number of technical and institutional measures have been proposed for improving project implementation.

37. Jammu and Kashmir and Haryana Social Forestry Project (Cr. 1286-IN). The project would establish 17,000 ha of village woodlots, 19,500 ha of plantations along roads, railways and watercourses, 49,000 ha of planting on private land, 15 ha of plantations on sand dunes, 2,000 ha of plantations on wet lands, and 500 ha of plantations on alkali lands and to rehabilitate 17,000 ha of degraded forests. Both States have achieved their planting targets thus far; however, staff recruitment and provision of support services are lagging. The planting targets and staffing plans are currently being reassessed in a mid-term project review which may suggest that certain adjustments be made in the program.

38. Karnataka Social Forestry Project (Cr. 1432-IN). The project provides for the distribution of about 600 million seedlings for development of farm forestry (equivalent to 120,000 ha); and the establishment of departmental plantations comprising 20,000 ha on cultivable wasteland used as common grazing grounds and also on agriculturally unproductive government wastelands, 3,000 ha on foreshores of irrigation tanks; 4,000 ha of strip plantations along roads and canals, and 2,000 ha of bamboo plantations. During the first year, plantation programs exceeded appraisal estimates. The State has also made a good start in decentralizing seedling production and distribution.

39. Kerala Social Forestry Project (Cr. 1514-IN). The project is expected to establish plantations on about 69,000 ha on private land, 12,000 ha on government land, 2,000 ha on strip areas and 2,100 ha for special tribal schemes. Progress has been good during the initial year of project implementation.

40. Lessons Learned. Although the Bank's experience with social forestry in India is relatively brief, a number of lessons have been learned for improving future social forestry programs. Organizational structures and staffing plans are being modified in light of this experience. To the extent possible, existing departments are being used instead of establishing separate social forestry institutions. Instead of establishing a completely separate forestry extension cadre, forestry staff would be trained as SHS to work with the existing agricultural extension services. Under the proposed project, the States would review further institutional improvements that may be required. Non-government organizations and other voluntary groups are proving useful in promoting social forestry development. Lessons have also been learned with regard to design of plantation models and focus of afforestation programs in order to enhance the achievement of the primary social objectives of social forestry--to increase supplies of fuelwood for the poor as well as to facilitate their participation in social forestry activities. In this regard, there is need to improve distribution methods so that more of the benefits would effectively reach target groups. Generally, farmers are participating at a faster rate than originally had been anticipated. However to ensure maximum participation by small farmers and reduce costs, nurseries should be more widely dispersed. It is also necessary to review free seedling distribution policies, and to remove or reduce subsidies where these are no longer appropriate. Effective monitoring and evaluation has proved difficult to establish but is crucial for proper management in projects as innovative and large scale as social forestry and calls for constant reinforcement and support. Finally, there is need for a central organization to provide a more effective social forestry support and increase exchange of experience among States. Most of these matters are being addressed in this project (Paragraph 42).

PART IV - THE PROJECT

Background

41. The project was appraised in October/November 1984. Negotiations were held in Washington in May 1985 with the Indian delegation coordinated by Mr. P. Singh, Director of the Government of India's Department of Economic Affairs, Ministry of Finance. The Staff Appraisal Report (No. 5591b-IN) dated May 21, 1985 is being circulated separately. A supplementary data sheet is attached as Annex III.

Project Objectives and Rationale

42. The project's primary objectives are to (i) increase production of fuelwood, small timber, poles and fodder; (ii) increase rural employment, farmers' incomes and opportunities for participation of landless persons; (iii) afforest degraded areas and wasteland, and reduce soil erosion; and (iv) strengthen forestry institutions. The first phase social forestry projects have substantially contributed towards meeting commercial demand for poles and small timber, and raising incomes of land owners, but have fallen short of ensuring that the weaker sections of the

population benefit in terms of access to wood products and increased community participation in social forestry development activities. The proposed project will help achieve these goals through: (i) refocusing operations (plantation types, choice of species, dispersion of nurseries and seedling distribution policies) to increase the share of the benefits which would reach small and marginal farmers and the landless; and (ii) improving operating efficiency, reducing costs and helping to rationalize the organization of the forestry departments including the Central Organization, and strengthening support activities including research, training, and monitoring and evaluation; and (iii) reducing subsidies state-wide.

Project Description

43. The project would comprise four State subprojects and a subprojects for strengthening the central Social Forestry Support Office in the Ministry of Environment and Forests. Specifically, the project would consist of: (i) a plantation program in the four participating States including farm forestry, tree tenure schemes for landless persons and marginal farmers on government wastelands, community woodlots and departmental plantations on government wasteland; (ii) training; (iii) research and studies; (iv) institutional support; and (v) fuel saving devices.

DETAILED FEATURES

Plantation Program

44. Agroforestry (514,500 ha -- 77% of total planting program under the project). The project would provide funds for establishing 467,000 ha equivalent (UP--134,000 ha, Rajasthan--80,000 ha, Gujarat--200,000 ha and HP--53,000 ha) of forestry on private marginal and submarginal land (farm forestry) and 43,500 ha (Gujarat--30,500 and HP--13,000 ha) on private wasteland, through development of additional nurseries, distribution of planting materials and provision of advisory services. Farm forestry provides substantial benefits to farmers and is of least direct cost to Forest Departments. The departments would assist with the establishment of plantations on seriously eroded private land and the implementation of a 4,000 ha pilot program for grafting of fruit bearing bushes in Rajasthan.

45. Plantations on Community Wastelands (95,000 ha--11.0% of the total planting under the project). The project would provide funds for establishing rainfed woodlots on community-owned wastelands (UP--14,000 ha, Rajasthan--5,000 ha, Gujarat--20,000 ha and HP-41,000 ha) and about 5000 of irrigated woodlots and 10,000 ha of tree fodder plantations in Gujarat. Prior to planting, the communities and forest department would agree on plantation design, respective responsibilities and also disposal of products. Communities would assume responsibility for protection and maintenance. The forest department would recover its direct costs by selling part of the product at harvest, and the balance of the product would go to the communities.

46. Departmental Plantations on Government Wasteland (77,940 ha--9% of the total planting under the project). The project would provide for rehabilitation of degraded forests (Rajasthan--20,000 ha, Gujarat--32,900 ha and HP--5,000 ha). The Forest Departments would supervise planting, maintenance, protection, harvesting and distribution of benefits. In addition, strip plantations (UP--740 ha, Rajasthan--4,300 ha and Gujarat 15,000 ha) would be established on government land along roads, railways, canals and embankments. Ditching, earth mounds, brush or wire, as appropriate, would be provided for protection in areas with heavy cattle presence, using the most cost effective alternative.

47. Tree Tenure Plantations (21,543 ha -- 3% of the total planting under the project). The project would support establishment of 19,333 ha of group farm plantations (UP--13,210 ha, Rajasthan--7,500 ha and HP--833 ha) by landless persons and marginal farmers, on government wastelands unsuited to agricultural cultivation. The farmers would own the trees and have usufructuary rights to the land.

48. Nurseries. Over the five years of project implementation, the project would develop small and dispersed nurseries to produce some 700 million seedlings, mainly for farm forestry. The nurseries would be developed by individual families and institutions such as schools. Being near to the farmers, the nurseries would reduce the costs of seedling distribution and serve as focal points for extension advice. In order to ensure seedling quality, the nurseries would be supervised by the forest departments. Each of the participating States has its own policy with regard to seedling distribution. Under the project, each State would reduce free distribution of project seedlings in accordance with a phased schedule agreed with IDA. Seedlings above the free limit would be charged at rates also agreed with IDA, which would progressively cover the direct costs of production. The States have accepted the principle of full cost recovery for all seedlings distributed under all schemes state-wide. For that purpose, the States would, by March 31, 1988, undertake socio-economic studies to ascertain farmer response to different pricing strategies, as a basis for determining a program of action for implementing the principle of full cost recovery for seedlings under all social forestry schemes within the States. The States would consult the Association on the results of the study, and taking into account the Association's comments, they would implement programs state-wide for full cost recovery (Paragraph 11 of Schedule 2 to the draft Project Agreement).

49. Training. Under the project, funds would be provided for training to enhance the skills of social forestry staff through lectures, workshops, study tours or fellowships in India and abroad. In addition, modifications to training curricula would facilitate the acquisition of practical skills concerning social forestry.

50. Research and Studies. Silvicultural research would be strengthened through provision of funds for additional staff and technical assistance, and would focus on seed improvement, collection and handling,

nursery practices and increased productivity. The States would conduct wood balance studies which would help to determine appropriate planting programs, including species selection. Each State would revise and update its wood balance study every two years. (Paragraph 4 of Schedule 2 to the draft Project Agreement).

51. Wood Saving Devices. The project would include programs for promoting efficient wood burning stoves and crematoria for which evaluation studies would be conducted under field conditions.

Organization and Institutional Support

52. At the central level, the Department of Forests and Wildlife in the newly established Ministry of Environment and Forests is responsible for forestry activities in India. The Department is headed by the Special Secretary, assisted by Joint Secretary for general administration, an Additional Inspector General of Forest (IGF), six Deputy IGFs, and a Chief Project Economist. The staff oversees different activities including conservation, workplans for forestry development, project formulation, monitoring and evaluation, extension and training. However, since the Ministry has only recently been established, its internal organization is still incomplete. Accordingly, GOI would furnish to the Association the finalized organizational structure and staffing by April 30, 1986 (draft Development Credit Agreement, Section 3.04(a)).

53. At the State level, forest departments are responsible for forestry development and administration. Each department is headed by a Chief Conservator of Forests (CCF) or Principal Chief Conservator of Forests (PCCF). Administratively, States are divided into circles or "regions" which are further subdivided into Divisions (5 or 6) under a Divisional Forest Officer, assisted by Assistant Conservators of Forests. The Divisions usually consist of four to six Ranges, each under a Range Forest Officer. The Range is further subdivided into four to six Rounds, each under a Forester assisted by several Forest Guards.

54. Although forestry development is a State subject, there is need for an effective and strong central organization to oversee social forestry development in the country. It would provide leadership in formulating national social forestry policies and development strategy, assist States in project preparation, monitor progress, provide training and technical assistance to States, and promote cooperation and exchange of views among States. The project would provide funds for the establishment of a Social Forestry Support Office, within the Office of the Special Secretary, to perform the above functions. For this purpose, 36 positions of key incremental staff would be created. GOI would sanction the new position of the head of the Central Social Forestry Support Office by April 30, 1986 and would fill it by October 31, 1986 (draft Development Credit Agreement, Section 3.04(b)). The Support Office would consist of cells for a project formulation, and monitoring and five regional support centers.

55. The project would provide for incremental staff in the participating states including Additional Chief Conservators, Conservators, Ranger Forest Officers, Deputy Rangers, Foresters and Social Forestry Workers. Support would also include rented office space, office furniture and equipment, vehicles, technical assistance, special studies and preparation of future subprojects, and project completion reports.

56. At the State level, the forest department would have overall responsibility for implementation of the State subproject. It would enter into an agreement with the agricultural extension service to provide for effective forestry extension service (Paragraph 5 of Schedule 2 to the draft Project Agreement). To ensure field staff mobility, the States would provide adequate vehicles and travel allowances.

Project Review

57. Since it is not possible to predict with certainty the response of farmers and panchayats to the proposed planting program, adequate flexibility would be maintained during project implementation, to allow shifting from one category of planting to another, taking into account reports of the Monitoring and Evaluation Cell of each State Forestry Department and the results of a mid-term review to be undertaken after the third years' planting. Each participating State would undertake this joint review involving GOI, IDA and USAID by March 31, 1988 (Paragraph 2 of Schedule 2 to the draft Project Agreement).

Cost Recovery

58. The primary objective of the proposed project is to meet the basic needs of rural and semi-urban people for fuelwood and other forestry products. Hitherto, the State Governments have viewed the associated investment as part of their normal program for the socio-economic uplift and welfare of the rural population, some costs of which traditionally are not recovered from beneficiaries. However, under the project, the States have accepted the principle of full cost recovery state-wide. Costs would be recovered for plantations on public lands by selling fuelwood and poles produced. In addition, as explained in paragraph 48, for seedlings to be produced under the project, free distribution of seedlings would be phased out, and costs of seedlings in excess of the agreed free limits would be progressively recovered. Following the proposed socio-economic studies, each State would implement a program for full cost recovery state-wide, for all the seedlings to be distributed within a State. Moreover, the project would aim to reduce the States' involvement in small nursery operations and thereby divesting themselves of the fiscal burden associated with seedling production.

Project Costs and Financing

59. Total project cost is estimated at US$327.8 million, including taxes and duties estimated at US$3.9 million. The foreign expenditure component is estimated at US$6.4 million or 2% of total project cost.

Physical contingencies at about US$11.5 million were estimated at 10% of civil works, and 5% of other costs (except salaries). Price contingencies at about US$62.8 million, were derived from projected local inflation rates of 8.5% during 1985-90, and foreign inflation rates of 5% in 1985, 7.5% in 1986, and 8% in 1987-1990.

60. The credit of US$165 million would cover about 50% of total project cost net of taxes and duties. USAID is expected to contribute US$80 million or 24% of total project costs. GOI and the participating States would contribute the balance of project financing. The proposed IDA credit would be made to GOI on standard IDA terms. GOI would channel the proceeds to the Ministry of Environment and Forests and the participating States in accordance with GOI's terms and conditions for development assistance to constituent States. Of the USAID funds, US$3 million would be a grant and US$77 million would be a loan on USAID standard terms, and would similarly be channeled to the Ministry of Environment and Forests and the participating States.

Procurement and Disbursement

61. Annex IV, attached, details the manner in which items will be procured under the project. Most civil works (US$24.5 million) would be for housing of standardized design, office and training facilities and small inspection huts which would be widely scattered geographically and constructed over time, for which international competitive bidding (ICB) would not be suitable. Contracts over US$100,000 would be awarded on the basis of competitive bidding following local advertisement, and in accordance with established State procedures which are satisfactory to IDA. The local contracting industry is sufficiently well developed to permit adequate competition. Small civil works in remote areas would be carried out departmentally by force account. Vehicles, equipment and furniture (US$11.7 million) are needed in small quantities and are available locally. As adequate maintenance facilities and availability of spare parts would be important, locally made vehicles of types already used by government departments would be procured by LCB following Government procedures which are acceptable to IDA. Usually items such as cars, motorcycles, bicycles, barbed wire and office furniture and equipment would be purchased on rate contract approved by the Director General of Supplies and Disposals (DGSD), GOI, or otherwise sanctioned by the state government. Such purchases are made from firms with whom the state government's central purchasing organization, the Stores Purchase Department, has entered into a rate contract valid for a particular period, generally one year. The Stores Purchase Department calls for tenders, evaluates and enters into rate contract with the lowest evaluated bidder, following procedures adopted by DGSD. Other items (e.g., polythene bags) would be procured by field officers through local competitive bidding.

62. For all contracts for civil works, vehicles, equipment and furniture estimated to cost US$100,000 or more, before bids are invited, IDA would be furnished for its comments, the text of the invitations to bid

and the specification and other bidding and draft contract documents together with a description of the advertising procedures to be followed for the bidding. Orders for purchase of minor equipment, furniture and supplies would be bulked wherever possible and purchased according to established local bidding procedures, except where valued at less than US$50,000 and not in the rate contract list, when they would be purchased by prudent shopping through normal trade channels. The balance of project costs (US$291.6 million) would consist of plantation activities and fuel-saving devices, adaptive research, support to state agricultural universities and special studies and evaluation, training, technical assistance, incremental salaries and travel allowances, and incremental office and vehicles operating expenditure which would not involve procurement. All of the above figures include contingencies, which amount to US$62.8 million. Retroactive financing (US$14.5 million) of the proposed credit would be provided to enable the States to prepare for the initial year planting season, and would cover expenditures incurred after October 1, 1984, including nursery development, advance soil works, essential vehicles and equipment and incremental staff associated with the 1985 planting season activities (para. 3 of Schedule 1 to the draft Credit Agreement).

63. The proceeds of the Credit would be disbursed as follows: (a) 60% of total costs of field activities and promotion of fuel saving devices; (b) 30% of total costs of incremental staff salaries; (c) 62% of total costs of travel allowances; (d) 100% of ex-factory price of vehicles or 75% of purchase price if procured locally; (e) 50% of total costs of civil works; (f) 50% of total costs of vehicle operating costs; (g) for furniture and equipment, 100% of c.i.f. costs if imported and 100% of ex-factory price if locally manufactured or 75% of purchase price of locally procured items; and (h) 50% of total costs for staff training, farmer training, central workshops, technical assistance, special studies and research grants. The salaries of incremental staff, travel allowances and vehicle operating costs would be financed on the basis of declining percentages.

64. Disbursements against expenditures for the following items would be made against certified statements of expenditures, the documentation of which would not be submitted to IDA for review, but would be retained by the State Governments and GOI and made available to IDA review missions for their inspection: (a) staff salaries, operating costs, local training and plantation costs; (b) civil works contracts not exceeding Rs 300,000 and those carried out under force account; (c) locally procured vehicles, equipment and furniture costing Rs 150,000 or less; and (d) research, studies and local consultant costs. Disbursement against all other items would be contingent upon full and satisfactory documentation. The disbursement schedule has been based on the disbursement record for the ongoing IDA-financed social forestry projects in India.

65. The proposed USAID assistance of US$80.0 million would be disbursed as follows: (a) field activities, including farm forestry and nursery development; tree ownership on government waste land; community

wasteland plantations; and reforestation of degraded forests and strips plantations on government land; promotion of fuel savings devices; 30% of total costs; (b) incremental staff salaries: 30% of total costs; to be financed on a declining basis; (c) staff training, farmer training, central workshops, technical assistance, special studies and research grants: 50% of total costs.

Accounts and Audit

66. The office of the Special Secretary (GOI) in the Ministry of Environment and Forests, and forest departments of participating States would maintain separate accounts for all project expenditures categorized by project component. Such accounts would be audited annually in accordance with sound auditing principles consistently applied, and the audit reports, together with certified copies of project accounts, submitted to IDA within nine months after the end of the fiscal year.

Benefits, Justification and Risks

67. At full development, the project's production of forestry products comprising 8 million tons of fuelwood, 43.5 million poles, 0.13 million m3 of small timber, 7 million bamboo poles, 82.3 million tons of grass, 3.8 million tons of fodder, 0.52 million m3 of stemwood, 0.01 million tons of edible flower, 0.03 million tons of fruit, 0.06 million tons of seed pods, 0.1 million cocoons and other minor forestry products and tree by-products, would assist in reducing the growing shortage of these products. Direct beneficiaries would be about 6 to 8 million small and marginal farmers expected to participate in the project. Other beneficiaries would be the rural poor and semi-urban population who depend on such forest produce. Over the five years of project implementation, the plantation activities would generate a total of about 100 million labor days of work, and the small nurseries would provide employment for about 9,000 farmers and others involved in operating these nurseries. In addition, the project would generate about 10,000 direct incremental jobs for key field offices and support positions in the forest departments. Furthermore, the project would strengthen the Central Social Forestry Support Office and the forest departments of the participating States. The project would also help to improve the ecology, soil fertility and climatic conditions.

68. The overall economic rate of return is estimated at 27%. The individual rates of return for the subprojects range from 17% for Rajasthan to 34% for Himachal Pradesh. The sensitivity analysis carried out indicates that the benefits would have to decrease by 67% or costs increase by 201% for the project to be economically unattractive, and fall below the opportunity cost of capital of 12%.

69. The project faces no major risks. However, shortage of funds could become a problem if the States overextend themselves on other forestry programs. The risk would be minimized by an agreement that the States would inform the Association regarding any major developments

concerning their forestry programs over and above the project activities. There is also a risk that farmers may favour planting of higher value products other than fuelwood which could lead to oversupply of some products. The risk is highly unlikely, because of the critical shortage of forestry products of all types. In addition, the wood balance studies to be carried out under the project and the continuous monitoring and evaluation including the proposed mid-term review, would help to avoid over production of any product.

PART V - LEGAL INSTRUMENTS AND AUTHORITY

70. The draft Development Credit Agreement between India and the Association, the draft Project Agreement between the Association and the States of Gujarat, Himachal Pradesh, Rajasthan, and Uttar Pradesh, and the Recommendations of the Committee provided for in Article V, Section 1(d), of the Articles of Agreement are being distributed to Executive Directors separately. Special conditions of the project are listed in Section III of Annex III.

71. I am satisfied that the proposed credit would comply with the Articles of Agreement of the Association.

PART VI - RECOMMENDATION

72. I recommend that the Executive Directors approve the proposed credit.

A.W. Clausen
President

May 22, 1985

TABLE 1A

INDIA - SOCIAL INDICATORS DATA SHEET

	INDIA 1960/b	INDIA 1970/b	INDIA MOST RECENT ESTIMATE/b	REFERENCE GROUPS (WEIGHTED AVERAGES) /a (MOST RECENT ESTIMATE) /b LOW INCOME ASIA & PACIFIC	MIDDLE INCOME ASIA & PACIFIC
AREA (THOUSAND SQ. KM)					
TOTAL	3287.6	3287.6	3287.6	.	.
AGRICULTURAL	1763.5	1780.5	1812.3	.	.
GNP PER CAPITA (US$)	60.0	100.0	260.0	278.6	1091.2
ENERGY CONSUMPTION PER CAPITA (KILOGRAMS OF OIL EQUIVALENT)	79.0	113.0	158.0	272.0	567.3
POPULATION AND VITAL STATISTICS					
POPULATION, MID-YEAR (THOUSANDS)	434849.0	547569.0	716985.0	.	.
URBAN POPULATION (% OF TOTAL)	18.0	19.8	24.1	21.7	34.7
POPULATION PROJECTIONS					
POPULATION IN YEAR 2000 (MILL)			994.4	.	.
STATIONARY POPULATION (MILL)			1707.2	.	.
POPULATION MOMENTUM			1.7	.	.
POPULATION DENSITY					
PER SQ. KM.	132.3	166.6	213.4	166.6	261.9
PER SQ. KM. AGRI. LAND	246.6	307.5	387.1	345.5	1735.1
POPULATION AGE STRUCTURE (%)					
0-14 YRS	40.9	42.7	39.3	35.8	39.0
15-64 YRS	54.5	54.2	57.6	59.8	57.6
65 AND ABOVE	4.6	3.1	3.1	4.3	3.3
POPULATION GROWTH RATE (%)					
TOTAL	1.8	2.3	2.2	1.9	2.3
URBAN	2.5	3.3	3.9	4.1	4.3
CRUDE BIRTH RATE (PER THOUS)	47.7	41.4	34.2	27.7	30.1
CRUDE DEATH RATE (PER THOUS)	23.8	17.8	12.7	10.1	9.5
GROSS REPRODUCTION RATE	2.9	2.8	2.2	1.8	2.0
FAMILY PLANNING					
ACCEPTORS, ANNUAL (THOUS)	64.0	3782.0	6826.0	.	.
USERS (% OF MARRIED WOMEN)	..	11.7	28.0	..	52.7
FOOD AND NUTRITION					
INDEX OF FOOD PROD. PER CAPITA (1969-71=100)	98.0	102.0	101.0	112.8	123.0
PER CAPITA SUPPLY OF					
CALORIES (% OF REQUIREMENTS)	96.0	91.0	86.0	97.7	114.4
PROTEINS (GRAMS PER DAY)	54.0	50.0	46.0	56.8	57.0
OF WHICH ANIMAL AND PULSE	17.0	15.0	13.0 /c	14.9	14.1
CHILD (AGES 1-4) DEATH RATE	26.2	20.7	11.0	9.8	7.2
HEALTH					
LIFE EXPECT. AT BIRTH (YEARS)	42.5	47.5	54.6	60.0	60.4
INFANT MORT. RATE (PER THOUS)	165.0	139.0	94.0	83.8	66.3
ACCESS TO SAFE WATER (%POP)					
TOTAL	..	17.0	33.0 /d	32.9	37.0
URBAN	..	60.0	83.0 /d	70.9	54.8
RURAL	..	6.0	20.0 /d	22.1	26.4
ACCESS TO EXCRETA DISPOSAL (% OF POPULATION)					
TOTAL	..	18.0	20.0 /e	18.1	41.3
URBAN	..	85.0	87.0 /e	72.8	47.4
RURAL	..	1.0	2.0 /e	4.6	33.3
POPULATION PER PHYSICIAN	4850.0	4890.0	3690.0 /f	3484.2	7749.4
POP. PER NURSING PERSON	10980.0 /g	7420.0	5460.0 /f	4793.1	2460.4
POP. PER HOSPITAL BED					
TOTAL	2180.0	1650.0	1290.0 /f	1066.5	1044.2
URBAN	..	..	370.0 /d	298.0	651.2
RURAL	..	..	10410.0 /d	5993.4	2594.6
ADMISSIONS PER HOSPITAL BED	..	..	..	..	27.0
HOUSING					
AVERAGE SIZE OF HOUSEHOLD					
TOTAL	5.2	5.6	5.2 /e	..	..
URBAN	5.2	5.6	4.8 /e	..	..
RURAL	5.2	5.6	5.3 /e	..	..
AVERAGE NO. OF PERSONS/ROOM					
TOTAL	2.6	2.8	..	..	..
URBAN	2.6	2.8	..	..	..
RURAL	2.6	2.8	..	..	..
ACCESS TO ELECT. (% OF DWELLINGS)					
TOTAL	..	..	..	..	..
URBAN	..	..	..	..	..
RURAL	..	..	..	..	..

TABLE 3A

INDIA - SOCIAL INDICATORS DATA SHEET

	INDIA 1960/b	INDIA 1970/b	INDIA MOST RECENT ESTIMATE/b	REFERENCE GROUPS (WEIGHTED AVERAGES) /a (MOST RECENT ESTIMATE) /b LOW INCOME ASIA & PACIFIC	MIDDLE INCOME ASIA & PACIFIC
EDUCATION					
ADJUSTED ENROLLMENT RATIOS					
PRIMARY: TOTAL	61.0	73.0	79.0	97.4	102.0
MALE	80.0	90.0	93.0	110.5	105.9
FEMALE	40.0	56.0	64.0	83.7	98.2
SECONDARY: TOTAL	20.0	26.0	30.0	35.9	46.0
MALE	30.0	36.0	39.0	44.6	48.7
FEMALE	10.0	15.0	20.0	26.8	43.1
VOCATIONAL (% OF SECONDARY)	2.8	1.0	0.7 /e	2.2	17.5
PUPIL-TEACHER RATIO					
PRIMARY	46.0	41.0	54.0	38.5	31.8
SECONDARY	16.0	21.0	..	18.7	23.5
ADULT LITERACY RATE (%)	27.8	34.1	36.2	53.4	72.9
CONSUMPTION					
PASSENGER CARS/THOUSAND POP	0.6	1.1	1.4 /h	0.9	10.1
RADIO RECEIVERS/THOUSAND POP	4.9	21.5	43.6	112.1	113.6
TV RECEIVERS/THOUSAND POP	0.0	0.0	1.7	15.7	50.1
NEWSPAPER ("DAILY GENERAL INTEREST") CIRCULATION PER THOUSAND POPULATION	10.6	16.2	19.4 /h	16.2	53.9
CINEMA ANNUAL ATTENDANCE/CAPITA	3.2	6.2	3.7 /e	3.6	3.4
LABOR FORCE					
TOTAL LABOR FORCE (THOUS)	185951.0	219194.0	282169.0	.	.
FEMALE (PERCENT)	30.7	32.5	31.8	33.3	33.5
AGRICULTURE (PERCENT)	74.0	74.0	71.0	69.6	52.2
INDUSTRY (PERCENT)	11.0	11.0	13.2	15.8	17.9
PARTICIPATION RATE (PERCENT)					
TOTAL	42.8	40.0	39.4	42.6	38.7
MALE	57.0	52.4	52.0	54.7	50.9
FEMALE	27.3	26.9	25.9	29.8	26.6
ECONOMIC DEPENDENCY RATIO	1.1	1.1	1.1	1.0	1.1
INCOME DISTRIBUTION					
PERCENT OF PRIVATE INCOME RECEIVED BY					
HIGHEST 5% OF HOUSEHOLDS	26.7	26.3 /i	22.2 /e	22.2	22.2
HIGHEST 20% OF HOUSEHOLDS	51.7	48.9 /i	49.4 /e	48.0	48.0
LOWEST 20% OF HOUSEHOLDS	4.1	6.7 /i	7.0 /e	6.4	6.4
LOWEST 40% OF HOUSEHOLDS	13.6	17.2 /i	16.2 /e	15.5	15.5
POVERTY TARGET GROUPS					
ESTIMATED ABSOLUTE POVERTY INCOME LEVEL (US$ PER CAPITA)					
URBAN	..	..	132.0 /h	133.9	188.6
RURAL	..	..	114.0 /h	111.6	152.0
ESTIMATED RELATIVE POVERTY INCOME LEVEL (US$ PER CAPITA)					
URBAN	..	..	..	..	177.9
RURAL	..	..	..	..	164.6
ESTIMATED POP. BELOW ABSOLUTE POVERTY INCOME LEVEL (%)					
URBAN	..	..	40.3 /h	43.8	23.4
RURAL	..	..	50.7 /h	51.7	37.7

.. NOT AVAILABLE
. NOT APPLICABLE

NOTES

/a The group averages for each indicator are population-weighted arithmetic means. Coverage of countries among the indicators depends on availability of data and is not uniform.

/b Unless otherwise noted, "Data for 1960" refer to any year between 1959 and 1961; "Data for 1970" between 1969 and 1971; and data for "Most Recent Estimate" between 1980 and 1982.

/c 1977; /d 1976; /e 1975; /f 1978; /g 1962; /h 1979; /i 1964-65.

JUNE, 1984

DEFINITIONS OF SOCIAL INDICATORS

Notes: Although the data are drawn from sources generally judged the most authoritative and reliable, it should also be noted that they may not be internationally comparable because of the lack of standardized definitions and concepts used by different countries in collecting the data. The data are, nonetheless, useful to describe orders of magnitude, indicate trends, and characterize certain major differences between countries.

The reference groups are (1) the same country group of the subject country and (2) a country group with somewhat higher average income than the country group of the subject country (except for "High Income Oil Exporters" group where "Middle Income North Africa and Middle East" is chosen because of stronger socio-cultural affiliation). In the reference group data the averages are population weighted arithmetic means for each indicator and shown only when majority of the countries in a group has data for that indicator. Since the coverage of countries among the indicators depends on the availability of data and is not uniform, caution must be exercised in relating averages of one indicator to another. These averages are only useful in comparing the value of one indicator or a time amongst the country and

AREA (thousand sq.km.)

Total - Total surface area comprising land area and inland waters; 1960, 1970 and 1981 data.

Agricultural - Estimate of agricultural area used temporarily or permanently for crops, pasture, market and kitchen gardens or to lie fallow; 1960, 1970 and 1981 data.

GNP PER CAPITA (US$) - GNP per capita estimates at current market prices, calculated by same conversion method as World Bank Atlas (1980-82 basis); 1960, 1970, and 1982 data.

ENERGY CONSUMPTION PER CAPITA - Annual apparent consumption of commercial primary energy (coal and lignite, petroleum, natural gas and hydro-, nuclear and geothermal electricity) in kilograms of oil equivalent per capita; 1960, 1970, and 1981 data.

POPULATION AND VITAL STATISTICS

Total Population, Mid-Year (thousands) - As of July 1; 1960, 1970, and 1982 data.

Urban Population (percent of total) - Ratio of urban to total population; different definitions of urban areas may affect comparability of data among countries; 1960, 1970, and 1982 data.

Population Projections:

Population in year 2000 - Current population projections are based on 1980 total population by age and sex and their mortality and fertility rates. Projection parameters for mortality rates comprise of three levels assuming life expectancy at birth increasing with country's per capita income level, and female life expectancy stabilizing at 77.5 years. The parameters for fertility rate also have three levels assuming decline in fertility according to income level and past family planning performance. Each country is then assigned one of these nine combinations of mortality and fertility trends for projection purposes.

Stationary population - Is one in which age- and sex-specific mortality rates have not changed over a long period, while age-specific fertility rates have simultaneously reached at replacement level (net reproduction rate=1). In such a population, the birth rate is constant and equal to the death rate, the age structure is also constant, and the growth rate is zero. The stationary population size was estimated on the basis of the projected characteristics of the population in the year 2000, and the rate of decline of fertility rate to replacement level.

Population Momentum - Is the tendency for population growth to continue beyond the time that replacement-level fertility has been achieved; that is, even after the net reproduction rate has reached unity. The momentum of a population in the year t is measured as a ratio of the ultimate stationary population to the population in the year t, given the assumption that fertility remains at replacement level from year t onward, 1980 data.

Population Density:

Per sq. km. - Mid-year population per square kilometer (100 hectares) of total area; 1960, 1970, and 1981 data.

Per sq. km. agricultural land - Computed as above for agricultural land only; 1960, 1970 and 1981 data.

Population Age Structure (percent) - Children (0-14 years), working-age (15-64 years), and retired (65 years and over) as percentage of mid-year population; 1960, 1970, and 1982 data.

Population Growth Rate (percent) - total - Annual growth rates of total mid-year population for 1950-60, 1960-70, and 1970-82.

Population Growth Rate (percent) - urban - Annual growth rates of urban populations for 1950-60, 1960-70, and 1970-82.

Crude Birth Rate (per thousand) - Annual live births per thousand of mid-year population; 1960, 1970, and 1982 data.

Crude Death Rate (per thousand) - Annual deaths per thousand of mid-year population; 1960, 1970, and 1982 data.

Gross Reproduction Rate - Average number of daughters a woman will bear in her normal reproductive period if she experiences present age-specific fertility rates; usually five-year averages ending in 1960, 1970, and 1982.

Family Planning - Acceptors, annual (thousands) - Annual number of acceptors of birth-control devices under auspices of national family planning program.

Family Planning - Users (percent of married women) - Percentage of married women of child-bearing age who are practicing or whose husbands are practicing any form of contraception to all married women. Women of child-bearing age are generally women aged 15-49, although for some countries contraceptive usage is measured for other age groups.

FOOD AND NUTRITION

Index of Food Production per Capita (1969-71=100) - Index of per capita annual production of all food commodities. Production excludes seed and feed and is on calendar year basis. Commodities cover primary goods (e.g. sugarcane instead of sugar) which are edible and contain nutrients (e.g. coffee and tea are excluded). Aggregate production of each country is based on national average producer price weights; 1961-63, 1979, and 1982 data.

Per capita supply of calories (percent of requirements) - Computed from energy equivalent of net food supplies available in country per capita per day. Available supplies comprise domestic production, imports less exports, and changes in stock. Net supplies exclude animal feed, seeds, quantities used in food processing, and losses in distribution. Requirements were estimated by FAO based on physiological needs for normal activity and health considering environmental temperature, body weights, age and sex distribution of populations, and allowing 10 percent for waste at household level; 1961-63, 1970 and 1980 data.

Per capita supply of protein (grams per day) - Protein content of per capita net supply of food per day. Net supply of food is defined as above. Requirements for all countries established by WHO provide for minimum allowances of 60 grams of total protein per day and 20 grams of animal and pulse protein, of which 10 grams should be animal protein. These standards are lower than those of 75 grams of total protein and 23 grams of animal protein as an average for the world, proposed by FAO in the Third World Food Supply; 1961-63, 1970 and 1980 data.

Per Capita protein supply from animal and pulse - Protein supply of food derived from animals and pulses in grams per day; 1961-63, 1970 and 1977 data.

Child (ages 1-4) Death Rate (per thousand) - Annual deaths per thousand in age group 1-4 years, to children in this age group; for most developing countries data derived from life tables; 1960, 1970 and 1981 data.

HEALTH

Life Expectancy at Birth (years) - Average number of years of life remaining at birth; 1960, 1970 and 1982 data.

Infant Mortality Rate (per thousand) - Annual deaths of infants under one year of age per thousand live births; 1960, 1970 and 1981 data.

Access of Safe Water (percent of population) - total, urban, and rural - Number of people (total, urban, and rural) with reasonable access to safe water supply (includes treated surface waters or untreated but uncontaminated water such as that from protected boreholes, springs, and sanitary wells) as percentages of their respective populations. In an urban area a public fountain or standpost located not more than 200 meters from a house may be considered as being within reasonable access of that house. In rural areas reasonable access would imply that the household or members of the household do not have to spend a disproportionate part of the day in fetching the family's water needs.

Access to Excreta Disposal (percent of population) - total, urban, and rural - Number of people (total, urban, and rural) served by excreta disposal as percentages of their respective populations. Excreta disposal may include the collection and disposal, with or without treatment, of human excreta and waste-water by water-borne systems or the use of pit privies and similar installations.

Population per Physician - Population divided by number of practicing physicians qualified from a medical school at university level.

Population per Nursing Person - Population divided by number of practicing male and female graduate nurses, assistant nurses, practical nurses and nursing auxiliaries.

Population per Hospital Bed - total, urban, and rural - Population (total, urban, and rural) divided by their respective number of hospital beds available in public and private general and specialized hospital and rehabilitation centers. Hospitals are establishments permanently staffed by at least one physician. Establishments providing principally custodial care are not included. Rural hospitals, however, include health and medical centers not permanently staffed by a physician (but by a medical assistant, nurse, midwife, etc.) which offer in-patient accommodation and provide a limited range of medical facilities.

Admissions per Hospital Bed - Total number of admissions to or discharges from hospitals divided by the number of beds.

HOUSING

Average Size of Household (persons per household) - total, urban, and rural - A household consists of a group of individuals who share living quarters and their main meals. A boarder or lodger may or may not be included in the household for statistical purposes.

Average number of persons per room - total, urban, and rural average number of persons per room in all urban, and rural occupied conventional dwellings, respectively. Dwellings exclude non-permanent structures and unoccupied parts.

Access to Electricity (percent of dwellings) - total, urban, and rural - Conventional dwellings with electricity in living quarters as percentage of total, urban, and rural dwellings respectively.

EDUCATION

Adjusted Enrollment Ratios

Primary school - total, male and female - Gross total, male and female enrollment of all ages at the primary level as percentages of respective primary school-age populations; normally includes children aged 6-11 years but adjusted for different lengths of primary education; for countries with universal education enrollment may exceed 100 percent since some pupils are below or above the official school age.

Secondary school - total, male and female - Computed as above; secondary education requires at least four years of approved primary instruction; provides general, vocational, or teacher training instructions for pupils usually of 12 to 17 years of age; correspondence courses are generally excluded.

Vocational enrollment (percent of secondary) - Vocational institutions include technical, industrial, or other programs which operate independently or as departments of secondary institutions.

Pupil-teacher ratio - primary, and secondary - Total students enrolled in primary and secondary levels divided by number of teachers in the corresponding levels.

Adult literacy rate (percent) - Literate adults (able to read and write) as a percentage of total adult population aged 15 years and over.

COMMUNICATION

Passenger Cars (per thousand population) - Passenger cars comprise motor cars seating less than eight persons; excludes ambulances, hearses, and military vehicles.

Radio Receivers (per thousand population) - All types of receivers for radio broadcasts to general public per thousand of population; excludes unlicensed receivers in countries and in years when registration of radio sets was in effect; data for recent years may not be comparable since most countries abolished licensing.

TV Receivers (per thousand population) - TV receivers for broadcast to general public per thousand population; excludes unlicensed TV receivers in countries and in years when registration of TV sets was in effect.

Newspaper Circulation (per thousand population) - Shows the average circulation of "daily general interest newspaper," defined as a periodical publication devoted primarily to recording general news. It is considered to be "daily" if it appears at least four times a week.

Cinema Annual Attendance per Capita per Year - Based on the number of tickets sold during the year, including admissions to drive-in cinemas on mobile units.

LABOR FORCE

Total Labor Force (thousands) - Economically active persons, including armed forces and unemployed but excluding housewives, students, etc., covering population of all ages. Definitions in various countries are not comparable; 1960, 1970 and 1982 data.

Female (percent) - Female labor force as percentage of total labor force.

Agriculture (percent) - Labor force in farming, forestry, hunting and fishing as percentage of total labor force; 1960, 1970 and 1981 data

Industry (percent) - Labor force in mining, construction, manufacturing and electricity, water and gas as percentage of total labor force; 1960, 1970 and 1981 data.

Participation Rate (percent) - total, male, and female - Participation or activity rates are computed as total, male, and female labor force as percentages of total, male and female population of all ages respectively; 1960, 1970, and 1981 data. These are based on ILO's participation rates reflecting age-sex structure of the population, and long time trend. A few estimates are from national sources.

Economic Dependency Ratio - Ratio of population under 15 and 65 and over to the working age population (those aged 15-64).

INCOME DISTRIBUTION

Percentage of Private Income (both in cash and kind) - Received by richest 5 percent, richest 20 percent, poorest 20 percent, and poorest 40 percent of households.

POVERTY TARGET COUNTS

The following estimates are very approximate measures of poverty levels, and should be interpreted with considerable caution.

Estimated Absolute Poverty Income Level (US$ per capita) - urban and rural - Absolute poverty income level is that income level below which a minimal nutritionally adequate diet plus essential non-food requirements is not affordable.

Estimated Relative Poverty Income Level (US$ per capita) - urban and rural - Rural relative poverty income level is one-third of average per capita personal income of the country. Urban level is derived from the rural level with adjustment for higher cost of living in urban areas.

Estimated Population Below Absolute Poverty Income Level (percent) - urban and rural - Percent of population (urban and rural) who are "absolute poor."

Comparative Analysis and Data Division
Economic Analysis and Projections Department
June 1984

ECONOMIC DEVELOPMENT DATA

GNP PER CAPITA IN 1983-US$260 a/

GROSS DOMESTIC PRODUCT IN 1983/84 b/

	US$ Bln.	%
GDP at Market Prices	189.81	100.0
Gross Domestic Investment	45.94	24.0
Gross National Saving	43.17	22.7
Current Account Balance	-2.17	-1.5

ANNUAL RATE OF GROWTH (%, Constant Prices) c/

	55/56-59/60	60/61-64/65	65/66-69/70	70/71-74/75	75/76-79/80	80/81-82/83
GDP at Market Prices	3.7	3.6	3.7	2.9	4.1	5.1

OUTPUT, LABOR FORCE AND PRODUCTIVITY IN 1981

	Value added (at factor cost)		Labor Force i/		V.A. Per Worker	
	US$ Bln.	%	Mil.	%	US$	% of National Average
Agriculture	52.5	35.9	172.7	70.6	304	51
Industry	34.5	23.6	31.6	12.9	1092	183
Services	59.2	40.5	40.3	16.5	1469	246
Total/Average	146.2	100.0	244.6	100.0	598	100

GOVERNMENT FINANCE

	General Government e/			Central Government		
	Rs. Bln.	% of GDP		Rs. Bln.	% of GDP	
	1983/84	1983/84	1979/80-1983/84	1983/84	1983/84	1979/80-1983/84
Current Receipts	378.54	19.3	19.5	201.67	10.3	10.3
urrent Expenditures	397.12	20.3	19.4	225.42	11.5	10.9
Current Surplus/Deficit	-18.58	-1.0	0.1	-23.75	-1.2	-0.6
Capital Expenditures f/	149.66	7.7	8.0	114.12	5.8	5.8
External Assistance (net) d/	19.16	1.0	1.1			

MONEY, CREDIT AND PRICES

	1970/71	1975/76	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	January 1984	January 1985
	(Rs Billion outstanding at end of period)									
Money and Quasi Money	109.8	224.8	401.1	472.3	557.7	627.5	728.7	860.9	835.1	993.9
Bank Credit to Government (net)	54.6	106.3	159.3	200.1	257.2	306.3	353.8	407.7	403.1	483.9
Bank Credit to Commercial Sector	64.6	156.2	255.3	310.1	366.4	434.6	517.1	612.7	575.5	685.0
	(Percentage or Index Numbers)								April-Jan 83/84	April-Jan 84/85
Money and Quasi Money as a % of GDP	27.3	30.3	41.1	44.1	43.7	42.5	44.5	44.0		
Wholesale Price Index (1970/71 = 100)	100.0	173.0	185.8	217.6	257.3	281.4	288.6	315.2	313.6	336.7
Annual Percentage changes in:										
Wholesale Price Index	7.7	-1.1	-	17.1	18.2	9.4	2.6	9.2	9.2	7.4
Bank Credit to Government (net)	15.0	22.7	16.0	25.6	28.5	19.1	15.1	15.3	16.9 g/	23.2 h/
Bank Credit to Commercial Sector	19.4	22.7	20.3	21.5	18.2	18.6	17.7	18.7	13.8 g/	15.6 h/

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a/ The per capita GNP estimate is at market prices, using World Bank Atlas methodology, base period 1981-83. All other conversions to dollars in this table are at the average exchange rate prevailing during the period covered.
b/ Quick Estimates, Central Statistical Organization.
c/ Computed from trend line of GNP at factor cost series, including one observation before first year and one observation after last year of listed period.
d/ World Bank estimates of net disbursement of concessional aid and IBRD.
e/ Transfers between Centre and States have been netted out.
f/ All loans and advances to third parties have been netted out.
g/ Percentage change from end-March 1983 to end-Jan.84.
h/ Percentage change from end-March 1984 to end-Jan.85.
i/ Total Labor Force and percentage breakdown from 1981 Census. Excludes data for Assam.

BALANCE OF PAYMENTS (US$ Mln.)	1981/82	1982/83	1983/84 1/	1984/85 1/
Exports of Goods g/	8,519	8,290	8,355	8,724
Imports of Goods g/	-15,301	-14,290	-14,040	-14,501
Trade Balance	- 6,782	- 6,000	- 5,685	- 5,777
NFS (net)	1,002	935	948	1,098
Resource Balance	- 5,780	- 5,065	- 4,737	- 4,678
Interest Income (net) k/	350	- 302	- 664	- 785
Net Transfers l/	2,317	2,504	2,880	2,930
Balance on Current Account	- 3,113	- 2,863	- 2,521	- 2,533
Direct Investment	10	65	62	61
Offical Loans & Grants (net)	1,681	1,901	1,961	1,944
Gross Disbursements	2,269	2,513	2,578	2,585
Amortization	588	612	617	641
Private Borrowing (net)	338	366	528	844
Non-Resident Deposits	260	578	903	600
Transaction with IMF (net)	690	1,980	1,295	70
All other Items o/	- 2,264	- 1,522	- 1,347	- 683
Increase in Reserves (-)	2,398	- 504	- 882	- 303
Gross Reserves (end year) p/	4,461	4,965	5,847	6,150
Net Reserves (end year) m/	3,497	2,089	1,697	2,250
Fuel and Related Materials				
Imports (Petroleum) q/	5,553	4,614	2,983	3,026
of which: Crude	3,921	3,139	2,183	1,015
Products	1,632	1,475	800	2,010

MERCHANDISE EXPORTS (AVERAGE 1980/81-1983/84) q/	US$ Mln.	%
Engineering Goods	1115	13
Tea	469	6
Gems	1009	12
Clothing	688	8
Leather and Leather Products	343	4
Jute Manufactures	269	3
Iron Ore	400	5
Cotton Textiles	316	4
Sugar	104	1
Others	3704	44
Total	8417	100

EXTERNAL DEBT, MARCH 31, 1984

	US$ billion
Outstanding and Disbursed	21.5
Undisbursed	10.4
Outstanding including Undisbursed	31.9

DEBT SERVICE RATIO FOR 1983/84 1/ n/ 13.6 per cent

IBRD/IDA LENDING, MARCH 31, 1985 1/

	US $ million IBRD	IDA
Outstanding and Disbursed	2,158	8,902
Undisbursed	4,326	3,748
Outstanding including Undisbursed	6,484	12,650

RATE OF EXCHANGE

June 1966 to mid-December 1971 :	US$1.00 = Rs 7.50 Rs 1.00 = US$0.13333
Mid-December 1971 to end-June 1972:	US$1.00 = Rs 7.27927 Rs 1.00 = US$0.137376
After end-June 1972 :	Floating Rate
Spot Rate end-March 1984 :	US$1.00 = Rs 10.7181 Rs 1.00 = US$0.0933
Spot Rate end-March 1985 :	US$1.00 = Rs 12.3457 Rs 1.00 = US$0.0810

1/ Estimated
k/ Figures given cover all investment income (net). Major payments are interest on foreign loans and charges paid to IMF, and major receipts is interest earned on foreign assets.
l/ Figures given include workers' remittances but exclude official grant assistance which is included within official loans and grants, and non-resident deposits which are shown separately.
m/ Exclude net use of IMF credit.
n/ Amortization and interest payments on foreign loans as a percentage of total current receipts.
o/ Includes exchange rate adjustments to the valuation of reserves and financing of imbalances in rupee trade.
p/ Excluding gold.
q/ Net of petroleum exports

THE STATUS OF BANK GROUP OPERATIONS IN INDIA

A. STATEMENT OF BANK LOANS AND IDA CREDITS
(As of March 31, 1985)

Loan or Credit No.	Fiscal Year of Approval	Purpose	US$ million (Net of Cancellations) Bank	IDA 1/	Undisbursed 2/
52 Loans/			2,379.0	-	-
96 Credits fully disbursed			-	5,589.2	-
482-IN	1974	Karnataka Dairy	-	30.0	6.06
610-IN	1976	Integrated Cotton Development	-	18.0	0.01
1251-IN	1976	Andhra Pradesh Irrigation	145.0	-	14.17
1273-IN	1976	National Seeds I	25.0	-	3.66
680-IN	1977	Kerala Agric. Development	-	30.0	8.05
682-IN	1977	Orissa Agric. Development	-	20.0	1.32
690-IN	1977	West Bengal Agricultural Extension & Research	-	12.0	6.34
1394-IN	1977	Gujarat Fisheries	14.0	-	1.90
747-IN	1978	Second Foodgrain Storage	-	107.0	32.50
761-IN	1978	Bihar Agricultural Extension & Research	-	8.0	4.85
1511-IN	1978	IDBI Joint/Public Sector	25.0	-	1.37
1549-IN	1978	Third Trombay Thermal Power	105.0	-	0.02
788-IN	1978	Karnataka Irrigation	-	117.6	30.30
793-IN	1978	Korba Thermal Power	-	200.0	23.31
806-IN	1978	Jammu-Kashmir Horticulture	-	14.0	9.12
815-IN	1978	Andhra Pradesh Fisheries	-	17.5	7.91
816-IN	1978	National Seeds II	-	16.0	2.29
1592-IN	1978	Telecommunications VII	120.0	-	7.21
824-IN	1978	National Dairy	-	150.0	27.26
842-IN	1979	Bombay Water Supply II	-	196.0	119.03
844-IN	1979	Railway Modernization & Maintenance	-	190.0	14.50
848-IN	1979	Punjab Water Supply & Sewerage	-	38.0	3.70
855-IN	1979	National Agricultural Research	-	27.0	11.99
862-IN	1979	Composite Agricultural Extension	-	25.0	0.40
871-IN	1979	National Cooperative Development Corporation	-	30.0	0.18
874-IN	1979	Ramagundam Thermal Power	-	200.0	0.06
1648-IN	1979	Ramagundam Thermal Power	50.0	-	45.98
889-IN	1979	Punjab Irrigation	-	129.0	26.82
899-IN	1979	Maharashtra Water Supply	-	48.0	0.45
911-IN	1979	Rural Electrification Corp. II	-	175.0	3.25
954-IN	1980	Maharashtra Irrigation II	-	210.0	25.86
961-IN	1980	Gujarat Community Forestry	-	37.0	2.70
963-IN	1980	Inland Fisheries	-	20.0	14.41
981-IN	1980	Population II	-	46.0	23.27
1003-IN	1980	Tamil Nadu Nutrition	-	32.0	16.81
1011-IN	1980	Gujarat Irrigation II	-	175.0	84.89
1012-IN	1980	Cashewnut	-	22.0	14.74
1027-IN	1980	Singrauli Thermal II	-	300.0	124.04

Loan or Credit No.	Fiscal Year of Approval	Purpose	US$ million (Net of Cancellations) Bank	IDA 1/	Undisbursed 2/
1028-IN	1980	Kerala Agricultural Extension	-	10.0	6.28
1033-IN	1980	Calcutta Urban Transport	-	56.0	15.71
1034-IN	1980	Karnataka Sericulture	-	54.0	24.87
1046-IN	1980	Rajasthan Water Supply & Sewerage	-	80.0	44.81
1843-IN	1980	Industry DFC XIII	99.2	-	3.96
1053-IN	1980	Farakka Thermal Power	-	225.0	75.02
1887-IN	1980	Farakka Thermal Power	25.0	-	25.00
1897-IN	1981	Kandi Watershed and Area Development	30.0	-	18.40
1072-IN	1981	Bihar Rural Roads	-	35.0	9.75
1078-IN	1981	Mahanadi Barrages	-	83.0	35.99
1082-IN	1981	Madras Urban Development II	-	42.0	19.31
1108-IN	1981	M.P. Medium Irrigation	-	140.0	74.08
1112-IN	1981	Telecommunications VIII	-	314.0	71.66
1116-IN	1981	Karnataka Tank Irrigation	-	54.0	33.13
1125-IN	1981	Hazira Fertilizer Project	-	399.1	77.24
1135-IN	1981	Maharashtra Agricultural Ext.	-	23.0	8.96
1137-IN	1981	Tamil Nadu Agricultural Ext.	-	28.0	14.27
1138-IN	1981	M.P. Agricultural Ext. II	-	37.0	23.98
1146-IN	1981	National Cooperative Development Corp. II	-	125.0	62.87
1172-IN	1982	Korba Thermal Power Project II	-	400.0	243.01
1177-IN	1982	Madhya Pradesh Major Irrigation	-	220.0	140.86
2050-IN	1982	Tamil Nadu Newsprint	100.0	-	8.60
1178-IN	1982	West Bengal Social Forestry	-	29.0	18.21
1185-IN	1982	Kanpur Urban Development	-	25.0	13.31
2051-IN	1982	ICICI XIV	150.0	-	44.73
2076-IN	1982	Ramagundam Thermal Power II	300.0	-	264.07
1219-IN	1982	Andhra Pradesh Agricultural Ext.	-	6.0	4.36
2123-IN	1982	Refineries Rationalization	200.0	-	76.58
2165-IN	1982	Rural Electrification III	304.5	-	248.98
1269-IN	1982	Kallada Irrigation	-	60.0	25.13
2186-IN	1982	Kallada Irrigation	20.3	-	20.00
1280-IN	1983	Gujarat Water Supply	-	72.0	57.11
1286-IN	1983	Jammu/Kashmir and Haryana Social Forestry	-	33.0	22.45
1288-IN	1983	Chambal Madhya Pradesh Irrigation II	-	31.0	17.87
1289-IN	1983	Subernarekha Irrigation	-	127.0	101.25
2205-IN	1983	Krishna-Godavari Exploration	165.5	-	121.55
1299-IN	1983	Railways Modernization & Maintenance II	-	200.0	167.25
2210-IN	1983	Railways Modernization & Maintenance II	200.0	-	197.04
2241-IN	1983	South Bassein Gas Development	139.3	-	133.71
1319-IN	1983	Haryana Irrigation II	-	150.0	100.78
1332-IN	1983	U.P. Public Tubewells II	-	101.0	87.73
1356-IN	1983	Upper Indravati Hydro Power	-	170.0	142.99
2278-IN	1983	Upper Indravati Hydro Power	156.4	-	156.01

Loan or Credit No.	Fiscal Year of Approval	Purpose	US$ million (Net of Cancellations) Bank	IDA 1/	Undisbursed 2/
1369-IN	1983	Calcutta Urban Development III	-	147.0	128.60
1383-IN	1983	Maharashtra Water Utilization	-	32.0	24.45
2308-IN	1983	Maharashtra Water Utilization	22.7	-	22.64
2283-IN	1983	Central Power Transmission	250.7	-	250.07
2295-IN	1983	Himalayan Watershed Management	46.2	-	45.82
2329-IN	1983	Madhya Pradesh Urban	24.1	-	23.80
1397-IN	1984	Orissa Irrigation II	-	105.0	76.24
1424-IN	1984	Rainfed Areas Watershed Dev.	-	31.0	29.14
1426-IN	1984	Population III	-	70.0	65.63
1432-IN	1984	Karnataka Social Forestry	-	27.0	21.93
2387-IN	1984	Nhava Sheva Port	250.0	-	247.92
2393-IN	1984	Dudhichua Coal	151.0	-	150.62
2403-IN	1984	Cambay Basin Petroleum	242.5	-	241.90
2415-IN	1984	Madhya Pradesh Fertilizer	203.6	-	200.18
1483-IN	1984	Upper Ganga Irrigation	-	125.0	116.47
1496-IN	1984	Gujarat Medium Irrigation	-	172.0	145.22
2417-IN	1984	Railways Electrification*	280.7	-	280.70
2442-IN	1984	Farakka II Thermal Power*	300.8	-	300.80
2416-IN	1984	Indira Sarovar Hydroelectric*	157.4	-	157.40
SF-20-IN	1984	Indira Sarovar Hydroelectric*	-	129.8	129.80
2452-IN	1984	Fourth Trombay Thermal Power*	135.4	-	135.40
1454-IN	1984	Tamil Nadu Water Supply	-	36.5	34.99
SF-12-IN	1984	Tamil Nadu Water Supply	-	36.5	34.99
1468-IN	1984	Periyar Vaigai II Irrigation	-	17.5	16.46
SF-16-IN	1984	Periyar Vaigai II Irrigation	-	17.5	16.46
1502-IN	1984	National Cooperative Development Corporation III	-	220.0	205.99
1514-IN	1985	Kerala Social Forestry	-	31.8	30.33
1523-IN	1985	National Agric. Extension I*	-	39.1	39.10
1544-IN	1985	Bombay Urban Development*	-	138.0	138.00
		Total	6,818.3	12,934.1	
		of which has been repaid	1,269.9	194.6	
		Total now outstanding	5,548.4	12,739.5	
		Amount Sold 133.8			
		of which has been repaid 133.8	-	-	
		Total now held by Bank and IDA 3/	5,548.4	12,739.5	
		Total undisbursed (excluding *)	2,575.90	3,333.48	

1/ IDA Credit amounts for SDR-denominated Credits are expressed in terms of their US dollar equivalents, as established at the time of Credit negotiations and as subsequently presented to the Board.

2/ Undisbursed amounts for SDR-denominated IDA Credits are derived from cumulative disbursements converted to their US dollar equivalents at the SDR/US dollar exchange rate in effect on March 31, 1985.

3/ Prior to exchange adjustment.

* Not yet effective.

B. STATEMENT OF IFC INVESTMENTS
(As of March 31, 1985)

Fiscal Year	Company	Amount (US$ million) Loan	Equity	Total
1959	Republic Forge Company Ltd.	1.5	-	1.5
1959	Kirloskar Oil Engines Ltd.	0.8	-	0.8
1960	Assam Sillimanite Ltd.	1.4	-	1.4
1961	K.S.B. Pumps Ltd.	0.2	-	0.2
1963-66	Precision Bearings India Ltd.	0.6	0.4	1.0
1964	Fort Gloster Industries Ltd.	0.8	0.4	1.2
1964-75-79	Mahindra Ugine Steel Co. Ltd.	11.8	1.3	13.1
1964	Lakshmi Machine Works Ltd.	1.0	0.3	1.3
1967	Jayshree Chemicals Ltd.	1.1	0.1	1.2
1967	Indian Explosives Ltd.	8.6	2.9	11.5
1969-70	Zuari Agro-Chemicals Ltd.	15.1	3.8	18.9
1976	Escorts Limited	6.6	-	6.6
1978	Housing Development Finance Corporation	4.0	1.2	5.2
1980	Deepak Fertilizer and Petrochemicals Corporation Ltd.	7.5	1.2	8.7
1981	Coromandel Fertilizers Limited	15.9	-	15.9
1981	Tata Iron and Steel Company Ltd.	38.0	-	38.0
1981	Mahindra, Mahindra Limited	15.0	-	15.0
1981	Nagarjuna Coated Tubes Ltd.	2.9	0.3	3.2
1981	Nagarjuna Signode Limited	2.3	-	2.3
1981	Nagarjuna Steels Limited	1.5	0.2	1.7
1982	Ashok Leyland Limited	28.0	-	28.0
1982	The Bombay Dyeing and Manufacturing Co. Ltd.	18.8	-	18.8
1982	Bharat Forge Company Ltd.	15.5	-	15.5
1982	The Indian Rayon Corp. Ltd.	8.1	-	8.1
1984	The Gwalior Rayon Silk Manufacturing (Weaving) Co. Ltd.	3.5	-	3.5
1985	Bihar Sponge	8.9	0.8	9.7
1985	Bajaj Auto Ltd.	20.5	-	20.5
1985	Modi Cement	12.0	-	12.0
	TOTAL GROSS COMMITMENTS	251.9	12.9	264.8
	Less: Cancellations, Terminations, Repayments and Sales	139.1	6.2	145.3
	Now Held	112.8	6.7	119.5
	Undisbursed	72.8	0.8	73.6

INDIA

NATIONAL SOCIAL FORESTRY PROJECT

SUPPLEMENTARY PROJECT DATA SHEET

Section I: Timetable of Key Events

(a) Time taken by the country to prepare the project

18 months.

(b) The agency which has prepared the project

GOI, GOG, GOHP, GOR and GOUP assisted by the Association.

(c) Date of first presentation to the Association and date of first mission to consider the project

The project was first discussed by a joint Bank/USAID/IDA subsector review mission in February 1983. The first of the four States' preparation reports was 1984 (April).

(d) Date of departure of appraisal mission

October/November 1983.

(e) Date of completion of negotiations

May 1985.

(f) Planned date of effectiveness

September 1985.

Section II: Special IDA Implementation Actions

None.

Section III: Special Conditions

(a) each State would limit free distribution of seedlings under the project, and sell the rest at prices estimated to cover most of direct production cost (para. 48);

(b) By April 30, 1986, GOI would sanction the new position of the head of Social Forestry Support Office, and a Conservator of Forests for Planning, GOR would sanction the position of a Conservator for planning, monitoring and evaluation; and GOUP, Additional Chief Conservators of Forests (para. 54);

(c) each State would make adequate provision of vehicles and travel allowance for field staff (para. 56); and

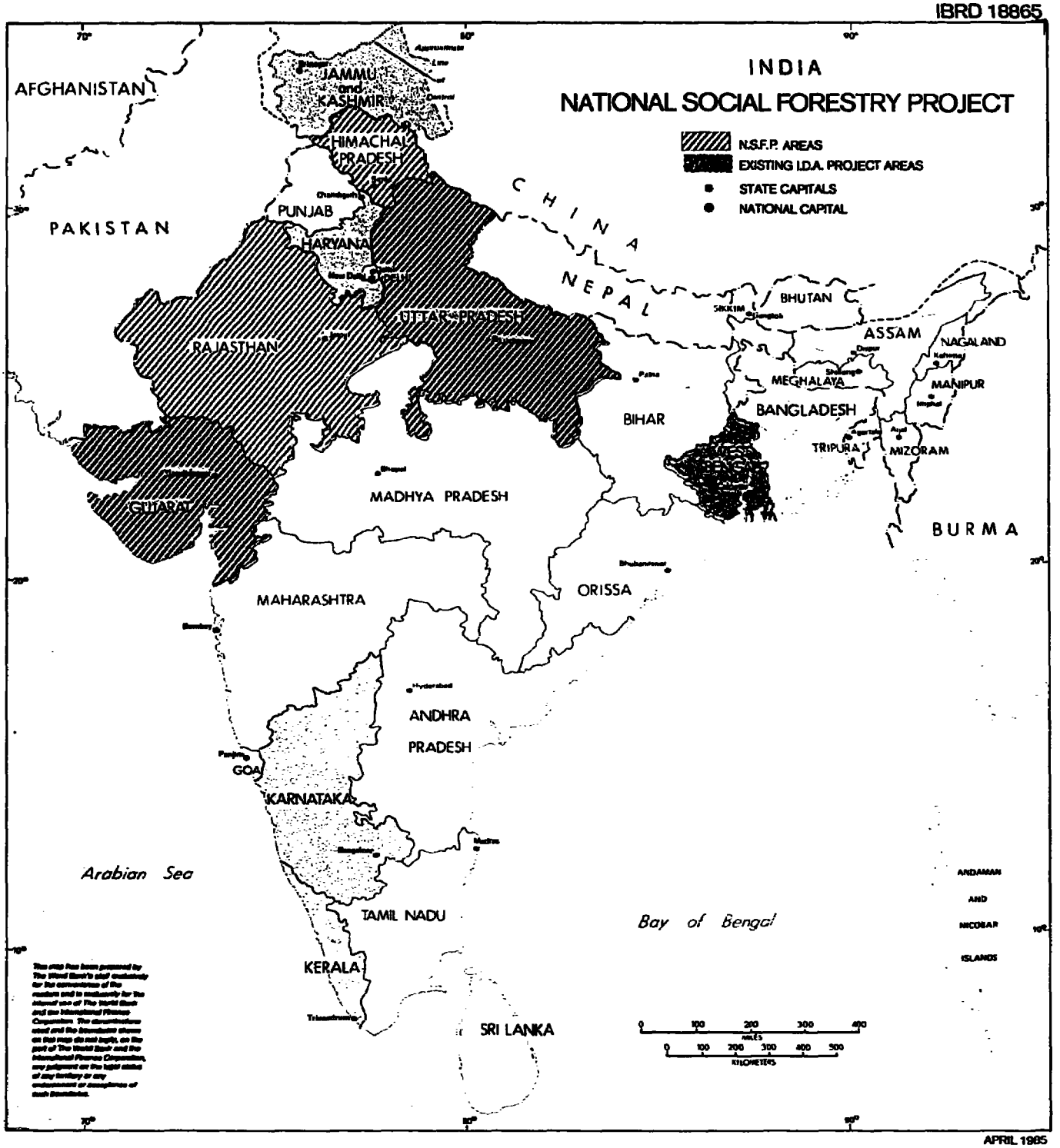
(d) each State would undertake a joint review of the project with GOI, IDA and USAID by March 31, 1988 (para. 57).

Procurement Arrangements
(US$ Millions)

	Procurement Method				Total
	ICB	LCB	OTHER	NA	Cost
Civil Works	-	5.9 (3.0)	18.6 (9.3)	-	24.5 (12.3)
Vehicles and Equipment	-	- -	11.7 (1.9)	-	11.7 (1.9)
Training	-	-	-	5.4 (2.7)	5.4 (2.7)
Support to SAUs, Special Studies and Tech'l Ass'ce	-	-	-	0.7 (0.3)	0.7 (0.3)
Plantation Activities and Fuel Saving Devices	-	-	-	211.4 (126.8)	211.4 (126.8)
Salaries & Allowances	-	-	-	53.8 (18.8)	53.8 (18.8)
Vehicle and Office O&M and Other Expenditures	- -	- -	- -	20.3 (2.2)	20.3 (2.2)
	-	5.9 (3.0)	33.3 (11.2)	291.6 (150.8)	327.8 (165.0)

(Figures in parentheses are amounts to be financed by the credit)

IBRD 18865



APRIL 1985