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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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Dear Mr. Chairman:

We have reviewed dollar obligations incurred by the Agency for International Development (AID) for population and family planning assistance programs during the period January 1 through March 31, 1972. Our letter report dated April 21, 1972, presented the results of our review of obligations for the first 6 months of fiscal year 1972.

These reviews were made in response to the concern expressed by the Senate Committee on Appropriations in its January 25, 1972, report entitled "Foreign Assistance and Related Programs Appropriation Bill, 1972." The Committee directed that, without exception, excess foreign currencies be used to the maximum extent they are available to carry out U.S. programs to reduce population pressures.

Our efforts were directed toward ascertaining whether dollars were obligated to finance population program costs in instances in which U.S.-owned local currencies could have been used in lieu of dollars. Our work was done at AID's headquarters at Washington, D.C. We limited our examination to obligations for population programs in the 10 countries designated as excess-currency countries by the Department of the Treasury. (See our letter report, April 21, 1972.)

AID OBLIGATIONS FOR PROGRAMS IN EXCESS-CURRENCY COUNTRIES DURING THIRD QUARTER OF FISCAL YEAR 1972

During the period January 1 through March 31, 1972, AID obligated a total of $7.6 million for population and family planning programs. Our review of these obligations showed that $207,000 was obligated for population programs in excess-currency countries. The dollar obligations were made in four countries to fund foreign exchange costs of the programs, primarily the salaries and related costs of U.S. technicians.

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Obligation by Cost Component

Country	Salaries and related costs of U.S. technicians	Training participants	Commodities	Total
	(000 omitted)			
India	$137	$-	$4	$141
Pakistan	36	-	-	36
Tunisia	15	7	-	22
Morocco	8	-	-	8
Total	$196	$7	$4	$207

PLANNED OBLIGATIONS FOR LAST QUARTER OF FISCAL YEAR 1972

c2 The Congress appropriated $125 million for fiscal year 1972 population and family planning programs. During the first 9 months of fiscal year 1972, AID obligated $29.8 million. AID has tentative proposals for obligations of over $95 million in the last quarter. Comments on those proposals that are relevant to excess-currency countries follow.

AID's operating-year budget indicates that, during the last quarter of fiscal year 1972, obligations for bilateral population programs in excess-currency countries will be approximately $4.9 million, as shown below.

Tunisia	India	Morocco	Pakistan	Total
(000 omitted)				
$3,667	$828	$386	$44	$4,925

The $4.9 million to be obligated includes the authorized $3 million program grant to Tunisia for the importation of soybean oil from the United States discussed in our prior report. AID officials advised us that, as of April 30, 1972, the grant agreement had not yet been signed. AID officials advised us also that the balance of $1.9 million planned for the four countries would cover both foreign exchange costs and local costs. To meet the local costs, missions will purchase local currency from the U.S. Treasury, according to AID officials. 38

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Also AID plans to provide resources for population programs in excess-currency countries through regional- and interregional-funded programs. These programs, consisting primarily of grants to private international organizations and universities, usually benefit two or more countries or regions, and input data relative to individual recipient countries are not generally identified.

One of the major obligations planned for the last quarter is a $22 million grant to the United Nations Fund for Population Activities (UNFPA). The grant to UNFPA will be for general budget support and will not designate recipient country programs. It is our understanding, however, that UNFPA plans to finance population programs in countries designated by the Department of the Treasury as excess-currency countries.

In accordance with the wishes of your Subcommittee staff, we have not obtained agency comments on the contents of this letter.

Copies of this letter are being sent to the Chairman, Senate Committee on Appropriations.

The contents of this letter may be of interest to other committees and Members of the Congress. However, release of the letter will be made only upon your agreement or upon public announcement by you concerning its contents.

Sincerely yours,

Deputy Comptroller General
of the United States

The Honorable William Proxmire
Chairman, Foreign Operations Subcommittee
Committee on Appropriations
United States Senate

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