

UNCLASSIFIED

Annual Budget Submission

FY 1985

Sudan

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UNCLASSIFIED

ANNUAL BUDGET SUBMISSION

FY 1985

USAID/Sudan

Khartoum

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ACTION PLAN

I. Long-Term Strategy Objectives

The primary program goal is to strengthen national productive capacity to improve the well being of the Sudanese. Sudan now faces a severe economic crisis of which a principal cause is decline in production. Production declines, in turn, have been caused by counterproductive economic policies, deteriorating transport, electric power and communication infrastructure, and lack of foreign exchange to finance essential productive inputs.

Accordingly, USAID strategy for assisting recovery and building toward longer term self-sustaining growth is to: (1) encourage and facilitate reform of economic policy through formal agreements, collaborative studies and dialogue on macro-economic issues, and building indigenous capacity for economic policy analysis and decision making; (2) supply wheat/flour under PL 480 to meet food requirements and intermediate and capital goods under the Commodity Import Program (CIP) to sustain and increase industrial and agricultural production, while macro-economic policy and institutional reforms are implemented; and (3) help relieve critical infrastructure and technology constraints to increased production in the private sector. Supplementing the above measures toward increasing production to reduce trade and budget deficits, our strategy includes other measures to relieve budgetary deficits. These include: (1) support of GOS efforts to increase revenues without discouraging production; and (2) helping devise ways to provide essential services; particularly in health and agriculture, with minimum capital and recurrent costs. In development assistance, we maximize impact by concentrating in zones with greater agricultural potential and by building on existing infrastructure and institutions.

Also, because Sudan has a large refugee population burdening its limited resources, and because most of them will likely remain for the foreseeable future, USAID will help the Sudan integrate refugees into its economy.

II. Short Range Operational Objectives

A. Macro-Economic Policy Reform

1. Reduce balance of payments deficit. The fundamental policy tool for balancing import demand and export earnings is the foreign exchange rate and the system by which it is administered. At the urging of the IMF, with support of the Consultative Group, the GOS has made substantial progress toward realistic exchange rates. Working collaboratively with the Ministry of Finance and Economic Planning (MINFEP) and other key ministries, USAID will help toward further progress in this area during FY 84-85.

By mid-FY 84, MINFEP with FY 83 ESP financing will complete a study of the effects of alternative exchange rate policies, including relative advantages of free market and dual exchange rates, and the impact of moving selected items from the official rate to the free market rate. Completed by the end of FY 84 will be a closely related study of remittances, the Sudanese workers abroad from whom they come, and the factors that encourage or discourage them to remit, e.g., exchange rate, exchange mechanism, improvements in savings and investment opportunities, etc.

A major factor in exchange rate policy is the price elasticity of export supply. In FY 84 under the Agriculture Planning and Statistics Project (APSP), the Ministry of Agriculture (MINAG) and University of Khartoum with the support of A.I.D. financed advisors will examine price elasticity of production for the major irrigated export crops: cotton, groundnuts and sorghum. A similar study of major rainfed crops will be completed in FY 85. A study will also be completed in FY 84 of gum arabic pricing policies and their impact on production and demand for this significant export of which the Sudan produces 80 percent of world consumption. The studies should better inform the GOS and IMF in considering for 1984 Standby, an FX regime providing enhanced returns to exports and for 1985 Standby a unified free floating exchange rate.

Among imported inputs for agricultural production petroleum products have been particularly problematic in both timing and amount. Continuing into FY 84 with studies started in FY 83, advisory services under the Energy Planning and Management Project (EPMP) will be applied, along with petroleum financing under the FY 84 CIP, toward transfer to the private sector during FY 84 of various petroleum importation and distribution functions now performed by the parastatal General Petroleum Corporation. To the extent the private marketing firms are able to reduce the landed costs by negotiating lower prices for petroleum and ocean transport, significant foreign exchange savings could be realized.

On the import reduction front, we will be focusing on the major commodity imports, petroleum/products and wheat/flour. Under the planning activities in energy and agriculture we will be completing in FY 84 studies already initiated on price elasticities of demand for wheat and petroleum products. A

parallel study to be completed in early FY 84, will examine the economic feasibility of composite flour (sorghum and wheat) as a means of substituting sorghum flour for up to 30 percent of wheat flour consumption. Petroleum pricing study also analyzes the production implications of higher fuel prices. These studies should well inform GOS consideration of eliminating all subsidies for both wheat and petroleum products during FY 84. A long range national energy plan due for completion in FY 84 will determine the extent to which hydroelectric and other power sources can substitute for oil fired thermal facilities.

2. Reduce domestic budget deficit. USAID will help the GOS determine and evaluate alternative means to limit expenditures, mobilize additional revenues and community resources, and expand user charges. Through the Consultative Group, USAID and other donors will encourage annual review of the Three Year Investment Program to focus limited investment resources on projects affording highest rates of economic return over the short to medium term. To assist in this process from the APSP, ministry planners and economists will complete by FY 85 a comprehensive analysis of relative returns to additional investments in the rainfed and irrigated subsectors.

In FY 84, under the Regional Finance and Planning Project (RFPP), USAID and GOS will study the central government user charge systems to review their effectiveness and to determine whether and to what extent they should be extended. In FY 85, USAID will work with the GOS to revise and expand the user charge system for selected services. RFPP will review in FY 84 the GOS 1983 study of direct taxes and advise on proposed reforms and implementation thereof.

In FY 84 Rural Health Support Project (RHSP) will initiate a consumer health expenditure study to determine the extent to which individual and community recipients of health services can contribute directly to coverage of their cost. In FY 85 under RHSP, GOS will also analyze the potential for a limited health insurance scheme as an additional means to shift financing of health.

Following up on current policy oriented projects with the Ministries of Finance and Economic Planning, Energy and Agriculture, USAID is planning for FY 85, a new, five-year project to further strengthen the capacity of the MINFEP, the University system and related institutions for analysis of economic policy issues.

B. Governmental Efficiency and Resource Mobilization

While various policy measures to reduce deficits are being studied and formulated, other actions will be taken in implementation of deficit cutting policies already adopted.

The GOS has adopted a policy of privatization of parastatal productive enterprises to end the drain upon public finances from losses incurred under inefficient management. Under the Policy Analysis and Implementation Project (PAIP) initiated in FY 83, ESF resources will finance services of private firms to help manage ailing parastatal enterprises toward profitability as a first step toward divestment. The first such activity will be underway by FY 84 in the important import substitution sugar industry.

In FY 84 new electric power tariffs, prepared with help from the EPM project will put the National Electricity Corporation (NEC) on a cost recovery basis. By FY 85, an improved financial system for billing and collection will be designed and established.

In FY 84, in order to provide for more efficient and effective management of limited resources by the central government and regional governments, RFPP will help revise training courses for auditors, bookkeepers, and accountants. By FY 85, this project should help establish a system of regional and ministerial budgets with realistic revenue projections and a single system of accounts for all regions. The RHSP will by FY 85 assist the Ministry of Services (Health) in Kordofan and Southern Regions to establish effective data collection, planning and budgeting capabilities which will help direct limited resources at highest priority needs. Similar improvements in the budgeting system of the Southern Region Ministry of Agriculture will be instituted through the Southern Region Agricultural Development Project (SRAD).

To help increase the efficiency and self-sufficiency of Sudanese health services, RHSP will continue support for the community based Primary Health Care (PHC) program. Rural community health workers will participate in a continuing education system which emphasizes preventive medicine and community motivation skills and which will retrain 300 in FY 84, and 450 in FY 85. GOS capacity to support the rural community PHC units will be improved by technical assistance for logistical support continuing through FY 84. Administration of

health services will be made more efficient through the development of a Sudanese institution to diagnose administrative deficiencies and train health administrators accordingly. One hundred senior and mid-level administrators in Kordofan and Southern regions should receive such training in FY 85.

In the effort to help balance population growth against the capacity of families and communities to provide for their progeny, USAID will continue to support public and private sector initiatives in child spacing.

To help mobilize private sector support for family planning services, A.I.D. will share financing of start-up costs for PVO pilot activities under the Model Family Planning Program. After initial testing in metropolitan Khartoum where such PVOs are now based, A.I.D. will support PVO efforts to move outward to other communities. During FY 84, a private sector commodity distribution system will be designed, since the private sector has demonstrated capacity to provide family planning commodities if foreign currency is available to import them. In FY 85, a new commercial commodity distribution program will be established, and a clinical training program for 10 physicians and 20 paramedics per year will be instituted as a basis for establishing additional family planning clinics.

With assistance under RHSP, child spacing information and services will be provided through the Primary Health Care systems for isolated communities and lowest income people who cannot be reached by PVO or commercially provided services and commodities. In FY 84 and FY 85, 100 community health workers will be retrained to enable initiation of services in 50 communities.

C. Agricultural Production and Marketing

In FY 84, under the Agriculture Planning and Statistics project, MINAG will conduct studies of technical constraints to production of the major agricultural exports and marketing constraints for groundnuts and livestock, with sorghum to be added in FY 85. Farming system research program and staff are in place at Yambio for the Southern Region Agricultural Development Project, at Damazin for the Blue Nile Integrated Agricultural Development Project, and at Kadugli for the Western Sudan Agricultural Research Project. The remaining three western research stations will be completed in FY 84. Varietal and cultural practice trials are being conducted on farmers' fields and at the research stations. In all three project zones, new agricultural technologies, such as improved sorghum and upland rice seed varieties, sorghum/cowpea intercropping practices, animal feed supplements and agricultural chemical recommendations will be ready to disseminate to farmers by FY 85. A technology transfer system using the region's private traders and extension agents should be devised and tested under the Western Agricultural Production and Marketing Project by FY 85.

To move increased agricultural production to markets requires improved transport infrastructure in both the Southern and western regions. The key to improved access to and from the South is opening the White Nile River to private competition after decades of deteriorating service from a parastatal monopoly. To facilitate entry and operation by private carriers, a licensing system will have been established and river navigation aids will have been installed by FY 84 under the Southern Region Agricultural Development Project (SRAD). To reduce transport costs and thereby motivate increased production from the fertile Kordofan Region, an all weather road for heavier, higher speed trucking will link the major marketing centers of El Obeid and Kadugli to the international markets through Port Sudan. A.I.D. financing should be authorized in FY 1985.

D. Energy Reliability and Efficiency

USAID is helping improve the reliability of the Blue Nile Electric Power Grid (BNG) in order to reduce the frequency and extent of black and brown-outs and increase the productivity of agricultural irrigation schemes, factories, and commercial end-users. Fifteen million dollars of CIP financed communications, mobile construction, and electric power equipment will be completely installed and/or operational by early FY 85. By mid-FY 84, CIP financed dredging equipment will help keep clear the turbine intakes at El Roseires Dam which provides 80 percent of BNG power.

Under the EPMP, management experts will be arriving in early FY 84 to help the National Electricity Corporation reorganize and reform for more efficient and effective operation. Concurrently under this project, the NEC will initiate a collaborative effort with the private sector to conserve power by substantially improving industrial power factors. Under the Rural Renewable Energy Project (RREP), the Energy Research Institute collaborating with private enterprises and with assistance from Georgia Institute of Technology will during FY 84-85 adapt for private sector production a more efficient charcoal and wood stove and will adapt and disseminate technology for more efficient charcoal production. Depending on consumption and rate of adoption these measures should substantially ease pressure on the Sudan's rapidly depleting forest resources, particularly the Sahelian acacia tree stands--the first line of defense against desert encroachment.

E. Refugees

To help refugee impacted communities better meet the needs of their rapidly expanded populations, USAID will be implementing three major projects during FY 84 and 85. The project to increase water supply to Port Sudan will be completed by FY 85. The design of a new system to restore and augment water supply for Gedaref will be completed in early FY

84 and construction will be contracted and underway by mid-FY 84. The project to restore wood supply and avert desertification in the badly deforested Gedaref and Kassala Regions will be underway in early FY 84 with 1,250 acres of trees planted during FY 85.

III. Integration of ESF, DA, PL 480, Participant Training and Centrally Funded Activities

A. CIP, PL 480 and DA.

As indicated above the ESF and PL 480 assistance are joined closely with DA-financed policy and planning activities to influence and support macro and sectoral economic policy reforms. The data and analysis produced under energy, agriculture and finance planning projects indicate the directions for policy reform, and the large food and commodity flows provide the entree and leverage at the policy making levels of the Government to facilitate adoption of such reforms. The CIP and PL 480 programs not only provide essential imports in support of the economic stabilization program, but also the local currency from sale of imported food and commodities thereunder is used to support high priority development programs. About one-third of the local currency generations from CIP and PL 480 is used to cover local costs of USAID projects and Mission operations. The remainder is used for GOS budgetary support, consistent with USAID/Sudan monitoring capacity and the CG/GOS emphasis on completion, maintenance and rehabilitation of existing projects and infrastructure. We will increase the amount of local currency allocated to projects as opposed to budget support.

B. Participant Training

The development assistance program will continue to support 35 or more person years of participant training annually or about three percent of project expenditures. This figure may rise somewhat as new projects are implemented. In each of FY 84 and 85 about 60 participants of which about 8 for advanced degrees, will be trained under centrally-funded projects.

C. Centrally Funded Activities

In technical assistance as well as in training, certain centrally-funded projects have been particularly helpful in enabling us to get head starts in design and pilot activities, and otherwise preparing the way for bilaterally funded projects. The centrally-funded Conventional Energy and Energy Policy and Planning projects permitted the USAID and GOS to gain a head start of almost three years in a sector of critical importance to Sudan's staggering economy. The Collaborative Research Support Program (CRSP), particularly the sorghum and millet component, has also meshed well with our Western Sudan Agricultural Research project for in depth socio-economic studies as a basis for design of extension and

marketing interventions for the proposed Western Agriculture Production and Marketing Project.

IV. Management

To manage well a large and comprehensive program of assistance for both stabilization and development, USAID will need additional staff. Beyond the AID/W proposed 28 USDH positions for FY 84 and 85, the USAID needs at least four positions: (1) an Assistant Supply Management Officer to help manage the Commodity Import Program at the \$120 million level for FY 84; this officer has already been assigned and is scheduled to arrive at post by June 30; (2) a Population Officer to succeed a PSC former AID professional who has been helping with rapidly accelerating Sudanese initiatives in family planning; (3) a Trade and Exchange Economist and (4) a Monetary Economist to help monitor the Sudanese economy and supervise and/or carry out economic analysis for GOS/USAID consideration of economic policy issues.

By early FY 84 USAID will have reorganized its staff and revised its procedures to enable a mission of this size to manage more effectively and efficiently this large and complex program. Under the reorganization, USAID management will delegate much increased authority to senior division chiefs and newly established associate director for operations.

Also, by early FY 84 the USAID will have moved into a new office, much closer to GOS ministries, other donor missions and the U.S. Embassy. The move should substantially improve efficiency and effectiveness of USAID operations by facilitating daily communication and coordination with these other organizations.

TABLE I. LONG RANGE PLAN BY APPROPRIATION ACCOUNT

(\$000)

Appropriation Account		FY1983	FY 1984		FY 1985	Planning Period				
		Estimate	CP	Estimate	AAPL	1986	1987	1988	1989	
Agric., Rural Dev. & Nutrition	Total	25,982	17,196	17,300	23,555	31,000				
	Grants	25,982	17,196	17,300	23,555	31,000				
	Loans	--	--	--	--	--				
Population	Total	500	2,697	2,700	--	--				
	Grants	500	2,697	2,700	--	--				
	Loans	--	--	--	--	--				
(Cent. Proc. Commod.)										
Health	Total	1,000	2,103	2,100	1,100	--				
	Grants	1,000	2,103	2,100	1,100	--				
	Loans	--	--	--	--	--				
Education	Total	--	--	--	--	--				
	Grants	--	--	--	--	--				
	Loans	--	--	--	--	--				
Sel. Dev. Act.	Total	1,500	5,004	4,900	5,345	4,000				
	Grants	1,500	5,004	4,900	5,345	4,000				
	Loans	--	--	--	--	--				
Functional	SubTotal	28,982	27,000	27,000	30,000	35,000				
	Grants	28,982	27,000	27,000	30,000	35,000				
	Loans	--	--	--	--	--				
MRA	Total	5,050	--	7,450	--	--				
	Grants	5,050	--	7,450	--	--				
	Loans	--	--	--	--	--				
DA Accounts + MRA	Total	34,032	27,000	34,450	30,000	35,000	37,000	39,000	41,000	
	Grants	34,032	27,000	34,450	30,000	35,000	37,000	39,000	41,000	
	Loans	--	--	--	--	--	--	--	--	
(Of Which PVO's)										
ESF	Total	70,000	120,000	120,000	120,000	120,000	120,000	100,000	100,000	
	Grants	70,000	120,000	120,000	120,000	120,000	120,000	100,000	100,000	
	Loans	--	--	--	--	--	--	--	--	
DA, ESF & MRA	Total	104,032	147,000	154,450	150,000	155,000	157,000	139,000	141,000	
	Grants	104,032	147,000	154,450	150,000	155,000	157,000	139,000	141,000	
	Loans	--	--	--	--	--	--	--	--	
PL 480 Title I (Title III) ^{1/}		50,000	(50,000)	50,000	50,000	50,000	50,000	50,000	50,000	
PL 480 Title II ^{1/}		(20,000)	(20,000)	(20,000)	--	--	--	--	--	
Housing Guaranties										
Total Personnel										
USDH Workyears										
FNDH Workyears										

^{1/} No active program

TABLE III: PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY1983 TO FY 1985

			(\$000)			
<u>Appropriation Account</u>	<u>G or L</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	
<u>Agriculture Rural Development & Nutrition</u>						
650-0018	Blue Nile Agr. Dev.	G	2,505	-		
650-0020	Sudan Agr. Research	G	-	-	2,292	
650-0043	So. Region Road Main. & Rehab.	G	18,237	-	1,263	
650-0046	So. Agr. Dev. Phase I	G	2,840	280		
650-0047	Agr. Planning/Statistics	G	2,400	-		
650-0054	Agr. Prod/Marketing	G		8,020	10,980	
650-0060	River Transport Agr. Mktg.	G		9,000	6,000	
650-0069	Western Agr. Marketing	G			20,000	
	ARDN TOTAL		25,982	17,300	23,555	
<u>Population</u>						
650-0063	Model Family Plang. Program	G	500	2,700		
	POP TOTAL		500	2,700		
<u>Health</u>						
650-0030	Rural Health Support	G	1,000	2,100	1,100	
	HLS TOTAL		1,000	2,100	1,100	
<u>Selected Development Activities</u>						
650-0012	Regional Finance and Planning	G	-	700		
650-0041	Rural Renewable Energy	G	-	2,000	1,100	
650-0059	Energy Planning/Mang.	G	1,500	2,200	3,245	
650-0070	Macro-Economic Policy	G			1,000	
	SDA TOTAL		1,500	4,900	5,345	
	TOTAL DA		28,982	27,000	30,000	
<u>MRA</u>						
650-0050	Pt. Sudan R. Water Supply	G	500			
650-0064	Eastern Reforestation Proj.	G	4,550			
650-0065	Water & Sanitation Proj.	G	-	7,450		
	MRA TOTAL		5,050	7,450		
<u>ESF</u>						
650-K-604	Commodity Import Program	G	48,000			
650-K-605	Program Grant (Cash)	G	20,000			
650-0071	Policy Analysis/Implem.	G	2,000	3,000		
650-K-606	Commodity Import Program	G		117,000		
650-K-607	Commodity Import Program	G			120,000	
	ESF TOTAL		70,000	120,000	120,000	

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TABLE IV. PROJECT BUDGET DATA

Project No. & Title	Tech Code	G L	Oblig Date		Total Cost Auth	Total Cost Plan	Oblig Thru FY 82	FY 82 Pipe-Line	FY 1983		FY 1984		FY 85 Funded Thru AAPL	FY 86 Oblig	FY 87 Oblig	FY 88 Oblig	FY 89 Oblig	Item No.
			Init	Fin					Obligations	Expenditures	Obligations	Expenditures						
ARDN																		
650-0018 Blue Nile Integ. Ag. Dev.	230	G	78	83	12,032	12,032	9,527	2,100	2,505	1,600	-0-	-0-	1,500					
650-0020 Sudan Ag. Res.	070	G	78	86	26,000	37,312	26,000	20,328	-0-	4,500	-0-	-0-	2,292	9,020				
650-0021 S. Man- power Dev.	700	G	79	82	6,640	6,640	6,640	986	-0-	800	-0-	-0-	186					
650-0026 Wadi Halfa CD	980	G	78	82	518	518	518	498		20								
650-0031 S. Rural Infras. I	250	G	80	82	3,628	3,628	3,628	1,648	-0-	1,648	-0-	-0-	-0-					
650-0035 Yambio Ag. Res.	070	G	79	80	1,066	1,066	1,066	289	-0-	289								
650-0043 S. Region Road Main. & Rehab.	821	G	83	85		19,500		-0-	18,237	-0-	-0-	-0-	1,263					
650-0012 Regional Finance Plng.	720	G	79	79	2,000	2,000	2,000	1,737	-0-	820	-0-	-0-	700					

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TABLE IV. PROJECT BUDGET DATA

Project No. & Title	Tech Code	G L	Oblig Date		Total Cost Auth	Oblig Thru FY 82	FY 82 Pipe-Line	FY 1983		FY 1984		FY 85 AAPL	Funded Thru	FY 86 Oblig	FY 87 Oblig	FY 88 Oblig	FY 89 Oblig	Item No.	
			Init	Fin				Obligations	Expenditures	Obligations	Expenditures								
650-0046																			
S. Ag. Dev. Phase I	070	G	82	84	10,100	6,980	6,980	2,840	400	280	2,500								
650-0047																			
Ag. Planning/Statistics	053	G	81	83	4,900	4,900	4,795	2,400	1,400	-0-	2,800								
650-0054																			
Ag. Prod./Marketing	070	G	84	86	19,080	-0-	-0-	-0-	-0-	8,020	-0-	10,980							
650-0060																			
River Transport Ag. Marketing	060	G	84	86	15,000	-0-	-0-	-0-	-0-	9,000	-0-	6,000							
650-0069																			
Western Sudan Agr. Mktg Road	060	G	85	85	25,000	-0-	-0-	-0-	-0-	-0-	-0-	20,000		5,000					
ARDN TOTAL GRANT					66,884	159,096	61,259	39,361	25,982	11,477	17,300	17,686	23,555	31,000					

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TABLE IV. PROJECT BUDGET DATA

Project No. & Title	Tech Code	G L	Oblig Date	Total Cost Auth	Total Cost Plan	Oblig Thru FY 82	FY 82 Pipe-Line	FY 1983		FY 1984		FY 85 AMPL	Funded Thru	FY 86 Oblig	FY 87 Oblig	FY 88 Oblig	FY 89 Oblig	Item No.
								Obligations	Expenditures	Obligations	Expenditures							
POP																		
650-0030 Rural Health Support	440	6	81	1,881	1,881	1,881	1,851	-0-	150	-0-	500							
650-0063 Model FP Program	440	6	84	920	3,796	596	596	500	-0-	2,700	1,000							
POP TOTAL				2,801	5,677	2,477	2,447	500	150	2,700	1,500							
HEALTH																		
650-0011 M. Primary Hlth. Care	510	6	78	5,863	5,863	5,863	2,838	-0-	2,000		838							
650-0019 S. Primary Hlth. Care	510	6	78	3,686	3,686	3,686	875	-0-	875									
650-0030 Rural Hlth. Support	510	6	80	16,200	16,200	12,000	11,970	1,000	2,000	2,100	3,000	1,100						
HEALTH TOTAL				25,749	25,749	21,549	15,683	1,000	4,875	2,100	3,838	1,100						
EHR																		
650-0028 Literacy Training	620	6	79	1,400	1,400	1,400	493	-0-	493	-0-	-0-							
EHR TOTAL				1,400	1,400	1,400	493	-0-	493	-0-	-0-							

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TABLE IV. PROJECT BUDGET DATA

Project No. & Title	Tech Code	G L	Oblig Date	Oblig Init Fin	Total Cost Auth Plan	Oblig Thru FY 82	FY 82 Pipe-Line	FY 1983		FY 1984		FY 85 AAPL	Funded Thru	FY 86 Oblig	FY 87 Oblig	FY 88 Oblig	FY 89 Item Oblig	
								Obligations	Expenditures	Obligations	Expenditures							
SDA																		
650-0012 Regional Fin. & Planning	720	G	82	84	1,200	1,200	500	500	-0-	80	700	650						
650-0036																		
Southern																		
Access Rd.	820	G	80	80	10,000	10,000	7,538	-0-	3,500	-0-	3,500							
650-0039																		
Sudan Petro-																		
Leum Trng.	876	G	80	80	200	200	200	200										
650-0041																		
Rural Re-																		
newable Energy	878	G	82	85	4,600	4,600	1,500	1,497	-0-	800	2,000	1,300	1,100					
650-0059																		
Energy																		
Planning/ Mang.	878	G	82	85	6,600	8,500	1,555	1,555	1,500	700	2,200	2,000	3,245					
650-0070																		
Macro Econ.																		
Policy	973	G	85	86	5,000	5,000						1,000	4,000					
SDA TOTAL					22,600	29,500	13,755	11,090	1,500	5,080	4,900	7,450	5,345					4,000

Sudan: FY 1985 Annual Budget Submission

TABLE IV. PROJECT BUDGET DATA

Project No. & Title	Tech Code	G L	Oblig Date	Oblig Init/Fin	Total Cost Auth	Total Cost Plan	Oblig Thru FY 82	FY 1983		FY 1984		FY 85 AMPL Thru	FY 86 Oblig	FY 87 Oblig	FY 88 Oblig	FY 89 Item Oblig No.
								Pipe-Line	Expenditures	Obligations	Expenditures					
IDA TOTAL																
650-0057																
N. Kordofan																
R. Water																
Sup.		190	G	82	82	880	880	880	-0-	400	-0-	480				
IDA TOTAL					880	880	880	(880)	(-0-)	(400)	(-0-)	(480)				
MRA																
650-0050																
Pt. Sudan																
Water Sup.																
545		G	81	83	2,000	2,000	2,000	1,500	(500)	1,300	-0-	700				
650-0064																
Eastern Reg.																
forestation																
160		G	83	83	4,550	4,550	-0-	-0-	4,550	700	-0-	900				
650-0065																
Gedaref Water & Sanitation Proj.																
541		G	84	84	7,450	7,450				2,450	1,100					
MRA TOTAL					6,550	14,000	2,000	1,500	5,050	2,000	7,450	2,700				

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TABLE IV. PROJECT BUDGET DATA

Program No. & Title	Tech Code	G L	Oblig Date		Total Cost Auth Plan	Oblig Thru FY 82	FY 82 Pipe Line	FY 1983		FY 1984		FY 85 AAPL	Funded Thru	FY 86 Oblig	FY 87 Oblig	FY 88 Oblig	FY 89 Item Oblig No.	
			Init	Fin				Obligations	Expenditures	Obligations	Expenditures							
ESF																		
650-K-601 Commodity Import Pgm.		G	80	80	40,000	40,000	1.50											
650-K-602 Commodity Import Pgm.		G	81	81	50,000	50,000	5,800											
650-K-603 Commodity Import Pgm.		G	82	82	100,000	100,000	25,000											
650-K-604 Commodity Import Pgm.		G	83	83	48,000	48,000		48,000		42,000								
650-K-605 Program Grant (Cash)		G	83	83	20,000	20,000		20,000		20,000								
650-0071 Policy An- analysis/ Implem.		G	83	84	5,000			2,000		3,000								
650-K-606 Commodity Import Pgm.		G	84	84	117,000	117,000				117,000								
650-K-607 Commodity Import Pgm.		G	85	85	120,000	120,000												
ESF TOTAL					495,000	500,000	190,800	30,950	70,000	62,000	120,800	90,000	120,000					

New Project Narrative

COMMODITY IMPORT PROGRAM (C.I.P.) 650-K-606

Purpose

To provide short-term balance of payments support by financing essential imports, including raw materials, capital equipment and spare parts, which will contribute to increased export earnings and to the maintenance and expansion of the Sudan's productive capacity, and help meet other critical domestic needs.

Background

Sudan is confronted by a severe balance of payments crisis, having had sizable and growing annual current account deficits since the mid-1970s. These deficits have exhausted the country's foreign exchange reserves and led to a heavy foreign debt, most of which is in arrears and has been re-scheduled.

During 1982, the external payments crisis worsened. The current account deficit increased, and deterioration in the trade balance more than offset increased official and private transfers. IMF preliminary estimate of the overall deficit in 1982 was \$518 million, three times the earlier estimate of \$177 million. Revised estimates of external indebtedness are between US\$6.5 and \$7.0 billion in mid-1982. Debt servicing obligations exceeded projected total receipts from export of goods and nonfactor services.

To improve economic prospects for 1982/83, the Government of Sudan adopted several important policy reforms. For example, the official exchange rate was changed from LSd 0.90 = US\$1 to LSd 1.30 = US\$1 effective November 15, 1982; importation of some commodities was temporarily banned; and deposit and minimum lending rates of commercial banks were increased 3 percentage points January 1, 1983.

Project Description

As a result of the much larger, revised estimates of the overall deficit in the 1982 balance of payments (US\$ 518 million), and the even larger deficit projected for 1983 (US\$859 million), the AAPL for ESF was increased from US\$ 70 million in FY 83 to US\$ 117 million annually for FY 84 through FY 87. The US\$ 117 million to be provided under this grant (FY 84) is to finance the following commodities which are expected to have a significant short and medium term impact on production and exports.

1. Agricultural and industrial machinery, equipment and spare parts;
2. Power generation, transmission and distribution equipment and spare parts;
3. Industrial raw materials, such as tallow and tinplate, chemicals;
4. Telecommunications and transport equipment.

Virtually all of the commodities imported will be allocated to private sector uses and infrastructure support of the private sector. The counterpart generated from the sale of the imported commodities will be used for expenses of administering the U.S. economic assistance program and for GOS budget, including the local currency cost of GOS development projects aimed at rehabilitating and expanding the Sudan's productive and transport facilities. Procurement under the program will be restricted to commodities of Code 941 origin and in accord with a specific list to be agreed upon by the GOS and AID.

New Project Narrative

MACRO-ECONOMIC POLICY (650-0070)

Appropriation Account: Selected Development Activities

Purpose

The purpose of this project is to help the GOS: (1) assess macro-economic policy and institutional constraints to economic development; (2) facilitate policy dialogue on national economic issues; (3) formulate conclusions and recommendations for consideration by the GOS, AID and bilateral and international development institutions; and (4) strengthen the GOS institutional capacity for national policy formulation.

Background

Sudan is in the midst of a severe balance of payments crisis, having had sizable and growing annual current account deficits since the mid-1970s. These deficits have exhausted the country's foreign exchange reserves and resulted in an extremely large foreign debt, most of which is in arrears and has been rescheduled. During 1982, the external payments crisis worsened. The current account deficit increased, and deterioration in the trade balance more than offset increased official and private transfers. Net capital inflows were higher, reflecting additional financial support committed at the donor group meeting of January 1982, but were not sufficient to offset the current account deficit. As a result, the overall balance of payments deficit increased, external payments arrears rose, and the differential increased between the official exchange rate and the free market rate at which most private import transactions occur. IMF's January 1983 estimate of the deficit in the overall balance in 1982 was revised to three times the initial estimate.

External indebtedness was between \$6.5 and \$7.0 billion in mid-1982. Debt servicing obligations exceeded projected total receipts from exports of goods and nonfactor services.

The foreign exchange crisis results primarily from ill-advised macro-economic policy decisions during the 1970's including: (1) low farmer prices for cotton; (2) an inflexible foreign exchange policy; (3) a dual preferential exchange rate for importers and penalty rate for exporters; (4) excessive accumulation of external debt; (5) insufficient administrative monitoring and management of debt and debt service; (6) low priority to investment in agriculture; and (7) excessive reliance on public enterprises, price controls, and subsidies.

Recognizing these and other policy deficiencies, the GOS has embarked on a broad program of structural change in collaboration with IBRD, IMF, the Consultative Group of donors, and the Paris Club of creditors. Assessment of many macro-economic policies is in progress and some reforms have been implemented. For example: (1) the official exchange rate was changed from Lsd 0.90 = US\$1 to Lsd 1.30 = US\$1 effective November 15, 1982; (2) importation of certain commodities was temporarily banned; and (3) deposit and

minimum lending rates of commercial banks were increased 3 percentage points January 1, 1983.

However, policy reform is a long-term, continuous task requiring constant attention by top officials of government. This project will help strengthen the institutional structure and capacity of the GOS to formulate effective national economic policies.

Project Description

This project will provide assistance to the GOS to conduct high quality economic analysis and formulate sound, macro-economic policies, institutional arrangements, and procedures through technical expertise for short and long-term periods to collaborate in policy analysis and formulation with Sudanese institutions, researchers, and officials. Collaborating institutions include the Ministry of Finance and Economic Planning, Bank of Sudan, the University of Khartoum and private Sudanese consulting firms and researchers. To facilitate modification and improvement of national development policies, \$5.0 million is needed over five years, FY 85 to FY 89, for collaborative analytical studies of macro-economic policy issues in a relatively neutral setting, in which Sudanese and American researchers may assess major national development problems in a dispassionate manner. These long-term analytical studies are expected to have a professional quality which command respect, both in the international development community and within the Government of Sudan, and to serve as a focus for public policy dialogue on issues of high priority to AID and GOS. Dialogue would be facilitated by workshops and conferences on the findings, conclusions and recommendations. The studies would be implemented through a contract with a U.S. university, consulting firm, or other well-established, internationally recognized organization specializing in macro-economic analysis of developing countries and capable of providing internationally respected specialists as researchers and short-term consultants and of undertaking such analysis in collaboration with Sudanese resources and institutions. Long-term Ph.D. training of participants will strengthen GOS institutional capacity for policy formulation.

Proposed Funding

Total LOP foreign exchange cost of the project is estimated at \$5.0 million for five years. An initial obligation of \$1.0 million is planned for FY 1985.

Target Groups

The immediate beneficiaries of applied research on macro-economic issues are the planning units of the GOS, particularly the Ministry of Finance and Economic Planning. However, both Sudanese private producers and consumers will gain from improved national and sector economic policies and procedures resulting from more systematic and careful assessment of national needs, priorities, and procedures. In addition, Sudanese non-government institutions, whose capacity to participate in national policy formulation is strengthened, also are a target group. Public and private external and domestic creditors will benefit indirectly from improved analysis and management of national economic and financial policy formulation.

Project Amendment Narrative

SUDAN AGRICULTURAL RESEARCH PROJECT (650-0020)

Appropriation Account: ARDN

Purpose

The purpose of the Sudan Agricultural Research Project (SARP) is to strengthen the capability of the Agricultural Research Corporation (ARC) to use the farming systems approach for research and extension in traditionally cultivated rainfed areas served by ARC research stations.

Background

Sudan's national research system has focused for decades on commodity oriented research for the irrigated sector. Re-orientation to rainfed farming conditions and production constraints requires a major shift in the design and testing of research and a commitment to transferring technology through research and extension workers in a collaborative manner. While the farming systems approach to research and extension encourages short-term, farm-level interventions, the design of research activities which can offer major increases in productivity and income, requires several years for testing, modification, and eventual widespread dissemination, and more effort, resources, and time to achieve major increases in output than conventional, crop-specific research. However, given the ecological zone, low levels of productivity, and the lack of research under dryland farming conditions, re-orientation and focus of the national research program is essential if production constraints and improved systems of production are to be designed and disseminated among low income farmers.

The research strategy of the Western Sudan Agricultural Research Project includes various agronomic, range science, livestock production, and socioeconomic diagnostic investigation and research trials. Thus, WSARP's research program is an integrated farming systems approach. The WSARP project terminates in 1987 but the technical assistance contract terminates in mid-1985. Efforts to expand key programs, particularly directed to high priority, local and regional production requirements, are important for continuity in agricultural research.

Project Description

In order to sustain the process of research initiated by WSARP and to adapt the farming systems approach to other areas of Sudan, the SARP will address major research constraints and farming problems as defined by regional ministries of agriculture in traditional, rainfed areas i.e., deforestation and desertification, very low crop yields, and poor livestock nutrition and health. Several

regions in Sudan with similar environments and production systems could benefit from a reorientation to farming systems research. Two of these are:

1. The Blue Nile Province of the Central Region served by the Abu Naama Research Station. Traditional rainfed agriculture is practiced by sedentary and transhumant tribes in the high rainfall areas of the Southern Fung and light rainfall areas of the Northern Fung.
2. Eastern Region - Southern Gedaref, Northern Gedaref and the Butana Plains. Traditional rainfed agriculture coexists with mechanized farming schemes. The region is served by Khasham El Gerba Research Station and field stations at Gedaref and Aroma.

SARP will contribute to increased food availability through improved agricultural production systems. SARP addresses the major thrust of AID's policy on food and agricultural development (AID Policy Paper May 1982) by improving Sudan's domestic human and institutional capacity to support agricultural research and the transfer of agricultural technology.

The SARP emphasizes increasing the production and incomes of producers who are sedentary farmers, transhumants, and nomadic herders, consistent with the requirements of section 103A of the Foreign Assistance Act and with AID's Agriculture Policy Paper (1982). USAID assistance strategy is to increase agricultural productivity in the traditional rainfed sector, which contributes importantly to domestic food supplies and export earnings. Through WSARP, Farming Systems Research (FSR) is being introduced to Sudanese scientists and farmers. The term has been applied to a wide range of activities, from increasing the body of knowledge about production systems and constraints to solving specific production problems. The proposed project will continue the activities initiated by WSARP including:

Agronomic Activities

1. Crop screening trials on traditional leguminous food and cash crops.
2. Variety trials, crop rotation trials.
3. Crop pests and disease studies and trials.

Livestock Activities

1. Nutrition studies and trials.
2. Supplemental livestock feeding trials.

3. Range resource evaluation and trials.
4. Animal health studies and interventions.

Socioeconomic Activities

1. Production and marketing studies.
2. Diagnostic production systems surveys.
3. Tribal conflict studies.
4. Labor constraint studies.

The host country implementing organization will be the Agricultural Research Corporation, a semi-autonomous national organization responsible for planning and implementing agricultural research in Sudan.

One million dollars will be reserved for training 10 long-term participants and 15 short-term participants in various specialties related to agriculture research of particular relevance to the Sudan and this project.

Proposed Funding

Total LOP foreign exchange cost of the project is estimated at \$10.6 million. An initial grant obligation of \$2.0 million is planned in FY 1985. Total LOP funding including GOS in-kind and local currency contribution is \$20.0 million.

Target Groups

The target groups are the sedentary farmers, transhumants, and nomadic herders of the region. Each group represents one type of production system on which the farming systems approach to research will impact.

New Project Narrative

WESTERN SUDAN AGRICULTURAL MARKETING ROAD (650-0069)

Project Funding

Proposed FY 1985 new start with total LOP costs of \$25 million; of which \$20 million would be obligated in FY 1985. GOS in kind and local currency contributions are estimated at LS 20 million from the CIP Program.

Appropriation Account

Agriculture, Rural Development and Nutrition (ARDN).

Project Objectives

The purpose of this road construction project from Kost-i-Um Rawaba - El Obeid is to provide an all-weather, efficient, marketing link for the rainfed agriculture areas of Western Sudan, primarily the Kordofans, to the major national and international markets via Khartoum and Port Sudan. This will result in the increase in the production of rainfed agriculture in Western Sudan; increased incomes for producers as a direct result of decreased transportation costs; and increased export earnings for the country as additional export-earning commodities are evacuated.

Discussion

Even though Kordofan Region covers only 16 percent of the area of the Sudan, and with a population of approximately 2.5 million has less than 13 percent of the population, it produces large percentages of some of Sudan's most important agricultural products, including 67 percent of the gum arabic, 25 percent of the groundnuts, 40 percent of the millet, 40 percent of the sorghum, and 5 percent of the cotton. Approximately half of the cattle, sheep and camels and about a third of the goats of the country are to be found in Kordofan, but well over half of the cattle and sheep supplied to the consuming areas of Khartoum and for export to the neighboring countries come from the Region. Increased agricultural productivity in the region can be expected to produce increased exports, thereby addressing problems of the trade deficit and repayment of the external debt, while increased production should generate resources necessary for financing development activities.

A recently completed study entitled Kordofan Region Agricultural Marketing and Transport Study by Louis Berger International Inc. confirmed that arduous, expensive transportation is one of the three major marketing constraints facing traditional farmers in the area. At present, Kordofan is characterized by an almost complete absence of graded or paved roads, the only exception being the El-Obeid-Kadugli and Dilling-Habila links. The major road network therefore consists of a system of non-permanent tracks created by small souq lorry (5-ton) trucks. These tracks are on

the natural ground and have not been the object of any improvement program. At present, camels and donkeys are used for moving agriculture harvests from the fields to village marketing centers where these small souq lorries gather loads for transport to primary marketing centers in the West; El Obeid being the major such collection point. Shipments are then consolidated and moved again by truck to Khartoum, Wad Medani and Port Sudan. The railroad is sometimes used for this purpose, but only if sufficient wagons are available and delivery can be guaranteed within a certain period of time. However, in most cases, the delay is such that the opportunity cost of waiting forces the merchant to send his products by truck.

In sharp contrast with the road transport network in the western regions is the modern paved road transport and trucking industry which has grown in the past decade. This network now connects Khartoum and parts of the modern irrigated areas between the Blue and White Niles with Port Sudan, and consequently international markets. This allows the efficient evacuation of agricultural products but it ends at Kosti, thereby effectively cutting off the western traditional rainfed agriculture sector from its benefits.

Project Description

The proposed project contemplates the construction of the 300 kilometer Kosti-Um Rawaba-El Obeid Road to a bitumen standard with a design speed of 60-100 kilometers per hour and corresponding geometric standards. Not only will this road link El Obeid, the major marketing center of North Kordofan to international markets, but it will also link Kadugli, the major marketing center of South Kordofan to international markets, given the existence of the paved Kadugli-El Obeid road. Feasibility studies performed by international consulting firms indicated that this road is extremely productive, with internal rates of return between 20-30%, depending on the section of the road. The bulk of these benefits result from the vehicular cost savings which will translate into increased producer prices for both the traditional small farmers and mechanized schemes in the area. With enhanced incentives, production will increase substantially, much of which is destined for international markets, thereby increasing the foreign exchange earnings of the Sudan.

Marketing costs to the farmer would also be lessened. A recent study on agricultural marketing and transport showed that the average cost per ton/kilometer was .2 Sudanese pounds using a typical 6-ton lorry on the dirt track roads in Kordofan region. Current estimates per ton/kilometer on different surfaces with light and heavy trucks are:

<u>Truck Size</u>	<u>Paved Road</u>	<u>Gravel Road</u>	<u>Earth Road</u>
6 ton	.10	.13	.20
20 ton	.07	.09	--

Clearly lower transport costs to the farmers and the eventual expansion of private sector trucking to include large 20 ton lorries will result in an overall increase in efficiency for the agriculture marketing sector in the West.

This project is consistent with GOS and USAID strategies. It is presently the Government's highest priority new road construction project in the Sudan and supports their strategy of increasing production in the traditional rainfed agriculture sector. From USAID's viewpoint, it is totally consistent with our CDSS since it: (1) will increase production and marketing opportunities for the traditional rainfed agricultural producers in the Western regions, (2) promote further private sector investment in both agriculture and transport industries, and (3) greatly increase the possibilities of expanding exports in the medium term. The project also directly complements six on-going and proposed development projects: The Agriculture Planning and Statistics Project which is supporting agricultural policy reform in the western region; the Western Sudan Agriculture Research Project which is developing improved agriculture technologies for the traditional farmer in the Kordofans; the proposed Agriculture Production/Marketing Project which is described elsewhere in this ABS; the Regional Finance and Planning Project which concentrates in El Obeid; and the Rural Health Support/Northern Primary Health Care Projects.

Several related issues need to be addressed during project development. For one, the original feasibility studies, although performed by internationally respected consulting firms, are five years old. USAID will undertake an update of these studies during August/September 1983 to reconfirm/revalidate the social and economic feasibility of this undertaking. The second issue is that the final designs and tendering documents have been prepared. Once the feasibility of this project has been reestablished, USAID will have to examine these designs/documents in greater detail and modify them accordingly. The third issue concerns funding. The final designs establish total LOP costs at \$61 million of which \$45 million is the foreign exchange element. Clearly this is beyond our present AAPL levels. Consequently the update of the feasibility study will examine a number of options, such as staged construction and reduction in construction standards. It may also be possible to explore cofinancing with another donor(s) during the project development stage.

Target Groups

The project's priority derives from its potential impact on the Sudanese economy through substantially increased production. Otherwise, direct benefits should accrue largely to the traditional small farmers in the Kordofan, who average cultivated landholdings of 32 acres. They will benefit from increased producer prices for increased production and decreased costs for agricultural inputs. Also benefiting will be private sector mechanized farming schemes and truck transporters.

New Project Narrative

AGRICULTURAL PRODUCTION AND MARKETING PROJECT (650-0054)

Project Funding

Proposed FY 84 funding \$8.0 million grant, total LOP FX funding \$19.0 million, total LOP funding including GOS in-kind and local currency contribution \$28.5 million.

Appropriation Account

Agriculture, Rural Development and Nutrition (ARDN)

Purpose

To increase the production and marketing of agricultural commodities in the traditional rainfed sector of Western Sudan (Kordofan Region) by developing appropriate incentives and by expanding support infrastructure.

Background

Even though Kordofan Region covers only 16 percent of the land area of the Sudan, and has less than 13 percent of the population (2.5 million) it produces large percentages of some of Sudan's most important agricultural products, including 67 percent of the gum arabic, 25 percent of the ground-nuts, 40 percent of the millet, 40 percent of the sorghum, and 5 percent of the cotton. Approximately half of the cattle, sheep and camels and about a third of the goats of the country are in Kordofan, but well over half of the cattle and sheep supplied for consumption in Khartoum and for export to neighboring countries comes from the Region. Increased agricultural production and productivity in the region can be expected to produce increased exports, thereby addressing problems of the trade deficit and repayment of the external debt, and should generate tax revenues necessary for financing development activities.

Project Description

The Agricultural Production and Marketing Project directly addresses the four most serious constraints to increased agricultural production in the Region: (1) planning and policy reform required to ensure production incentives; (2) the transfer of technology to relieve technical agronomic constraints; (3) development of the private sector to market both agricultural inputs and products; and (4) development of an improved stock route for the transportation of livestock from the region.

Major responsibility for macro-economic trade, marketing and price policies, and national agricultural planning rests with the Agricultural Planning and

Statistics Project (650-0047). The APMP will complement this effort by working with the Kordofan Regional Ministry of Agriculture and Natural Resources (KRMANR) on issues of decentralization, integrated resource management, reduction of the role of the government in production, local pricing policies, taxation policy, and reduction of the number of persons involved in the agricultural public sector.

The Western Sudan Agricultural Research Project (650-0020) will be the source of the technology to deal with some of the major agronomic constraints to increased productivity. Technologies to deal with pests and diseases, limited soil fertility, limited water availability and range improvement and reduction of environmental degradation are likely to include improved crop rotation and intercropping systems, drought resistant varieties of present crops and the introduction of new crops, cropping schedules based on labor availability, and new relationships between crops, forests, and livestock. These technologies must be communicated to the target population by a system that does not significantly increase the number of government paid employees nor require recurring costs significantly above the cost of the existing system which reaches less than one percent of the farmers and pastoralists of the Region. The APMP will experiment with a variety of approaches to cost effective technology transfer including farmer training, use of existing mass media such as radios and cassette players, and the utilization of the private sector including merchants and traders in the extension of new technologies requiring purchased inputs before establishing a Regional technology transfer system.

The Region is characterized by a relatively well developed private marketing system. A need exists, however to increase competition within the system, especially for export crops and to improve the systems' ability to provide processing and transportation of the anticipated increased production while ensuring the products are competitive in world markets. The APMP will make available credit for agri-business development in areas such as processing, marketing and transporting of agricultural commodities. A major emphasis of this assistance will be to help the private sector improve its decision making skills and to deal with the inability of the public sector to provide adequate infrastructure in the transportation sector. Assistance will be in the form of credit, at commercial rates and through commercial institutions.

Transportation of livestock from the Region is constrained by the condition of the existing stock route and the poor rail service to the area. A proposed World Bank IFAD project would improve the existing traditional northern route and develop an alternative southern route. The APMP would fund the installation of up to 95 borehole wells along these routes while the World Bank will fund studies, facility construction, training, and technical assistance.

The host country entities for project implementation are the Kordofan Regional Ministry of Agriculture and Natural Resources for the planning and technology transfer elements, private commercial banks for the agro-business credit element, and as proposed by the World Bank, a new company controlled by the Livestock and Meat Marketing Corporation (LMMC) to set up the stock routes but then within three years to sell 55 percent of the new company to traders, and 30 percent to producers.

The Sudan CDSS identifies increasing agricultural production as one of three long-range objectives for the USAID program. Achievement of this objective is closely linked to the attainment of a sound economy, one of the other CDSS long-range objectives.

The "Food and Agricultural Development AID Policy Paper" (FADPP) of May 1982, identifies four major interrelated policy elements. The APMP is relevant to three of the four and can be expected to: (1) improve country policies to remove constraints to food and agricultural production, marketing and consumption; (2) develop human resources and institutional capabilities, especially to generate, adapt and apply improved science and technology for food and agricultural development; and (3) expand the role of developing country private sectors in agricultural and rural development.

The APMP includes the following activities that the FADPP identifies for AID support: (1) assistance and training to improve a country's policy analysis and planning capacity; (2) development of human resources and institutional capacity to enable individuals to obtain access to the skills, resources and services needed to increase their productivity, incomes and well-being; (3) dissemination of improved technology and related information in a cost-effective manner; (4) expanded role for private enterprise in the provision of agricultural research and the dissemination of improved technology as well as in the processing, preservation and marketing of agricultural commodities; (5) identification of private and public sector institutions, such as banks, and trade and marketing associations, through which technical and financial assistance can be effectively provided to private enterprise; and (6) dialogue with governments on changes in policies and other regulations to encourage and strengthen private sector development.

Target Groups

Consistent with the requirements of section 103A of the Foreign Assistance Act and the FADPP, the direct or indirect target of all APMP activities are the small producers of the area. They are dispersed in villages ranging from five to more than 1,000 households. The average cultivated landholding of a household head is 32 acres, but not more than one-half of this is cultivated at any given time. The project will enable them to improve their income and standard of living while contributing significantly to increased production in strengthening the Sudanese economy.

New Project Narrative

RIVER TRANSPORT AGRICULTURE MARKETING PROJECT (NO. 650-0060)

Project Funding

Proposed FY 1984 new start with total LOP cost of \$15 million, of which \$9 million would be obligated in FY 1984 and \$6 million in FY 1986. GOS in-kind and local currency contributions are estimated at LS.10 million from the PL 480 Title III Program.

Appropriation Account

Agriculture, Rural Development and Nutrition (ARDN).

Project Objectives

The purpose of this project is to improve the efficiency of river transport operation on the White Nile between Juba and Kosti by: (1) alleviating physical infrastructural constraints on the actual river channel and associated port facilities; and (2) promoting divestiture of the public River Transport Corporation (RTC) while increasing the role of private sector river transport enterprises. The goal of this project is to increase agricultural production and marketing in the Southern Region and the economic integration of the North and the South.

Background

The Southern Region comprises about one-third of Sudan's land area and contains a quarter of its total population. Over 90% of this population are traditional farmers or pastoralists who produce a limited range of food crops or engage in livestock production. Annual per capita income is estimated at \$150, about one-third of the national average. The Region now imports as much as 15% of its food requirements, although it was once a net exporter of food and cash crops. The principal reason for this decline was a long civil war which destroyed physical infrastructure and economic and social institutions, and isolated the South from the North and from southern neighboring countries.

Sorghum, the most important staple crop of the South, is of medium value, relatively nonperishable, and constitutes the bulk of agricultural commodities transport. Rice is produced in limited quantities and tends to be consumed near the point of production. Cassava and yams are low value crops with insufficient margin to cover significant transport costs. Cash crops of the Southern Region are cotton, coffee, and tea which are relatively high value, non-perishable, and dominate agricultural exports. Fresh fruits and vegetables are produced and shipped in limited quantities to local markets. Livestock production rivals sorghum in importance, but beef nearly always travels on the hoof to market because transport costs are prohibitive and cattle are sold by the head rather than by weight. Hardwoods are another significant product which has great potential but is not developed to any great extent.

In Western and Southern Sudan, about 200 million acres of arable land are suitable for rainfed agriculture production. Of this area, about 17 million

acres are being utilized. The Southern Region alone has a rainfed agricultural production potential of perhaps 50 million acres, a unique and immensely valuable natural resource.

The physical isolation of the South directly blocks realization of this agricultural potential. The critical importance of transport infrastructure to improving the performance of the South's economy, particularly the agricultural sector, has been asserted and emphasized by other donors and numerous study teams. Two examples of such studies are the Sudan-Agriculture Strategy Assessment, prepared in 1982 for USAID by an outside firm and Donor Financing of Agricultural Development in Southern Sudan by professors Jean and John Due of the University of Illinois.

Access to and from the Region includes seven main routes. The principal link in terms of tonnage and North-South trade is barge traffic on the White Nile. However, at present the White Nile is grossly underutilized yet it represents the cheapest and most important transportation system for Sudan which can serve to more fully integrate the economic systems of both the North and South. Currently, there are no reliable, year-round transport routes for commodity flows between Northern and Southern Sudan. A recent transport study of the Southern Region by Louis Berger International, Inc. confirmed the importance of the White Nile to provide a reliable agricultural marketing link between the North and South.

This lack of efficiency in river operations is attributable to many factors, not least of which is the monopoly of RTC on river transport. Despite an official GOS proclamation in 1980 which officially broke up the dominance of the RTC in transport operations, private entry into river transport is very difficult. Licensing procedures are unclear or non-existent, warehousing facilities at major ports are in need of repair or must be constructed, and the river channel itself presents formidable physical constraints to navigation. Added to this are very poor port handling facilities which contribute to longer turn-around time and higher implicit costs. Despite these obstacles, there is substantial private sector interest in river transportation activities as evidenced by a recent survey carried out by the GOS Ministry of Finance and Economic Planning. Those private operators which do exist on the river are conducting profitable businesses between Khartoum and Juba. By improving the entire system of river navigation and transportation, USAID will be encouraging more competitive and efficient river transportation through the private sector.

This will improve the marketing of agricultural products to and from the South. At present, sufficient regional price differences exist between North and South to make trade profitable. In return for much needed sorghum and petroleum products, the South is able to provide hardwood, fruits, and vegetables. With the implementation of the Southern Regional Agricultural Development project, anticipated increases in agricultural production will have to be transported by river to the North. Road and rail links are not extensive enough nor reliable enough now to accommodate this trade. The greatly underutilized capacity of the White Nile, by one recent estimate, could handle about 10 times the present traffic. Establishing this route

as an efficient trade link between North and South would encourage more regular and consistent trade patterns and would serve to reduce the current price differentials which prevail between these two regions. Improved river transport should also reduce current Southern dependence for supply routes through Kenya and Uganda which are vulnerable to interruption and high cost virtually all in foreign exchange.

Project Description

The River Transport Agriculture Marketing Project consequently will have two major elements. The first will be the removal of key physical constraints to improved river transport operations. These include the provision of navigational aids (both distance and hazard markers); improvement in key ports such as Renk, Mongalla, Juba and Bor; warehousing at these locations, the dredging of the channel between Juba and Mongalla, and needed port handling facilities.

Concurrent with this will be the reform of the institutions currently transporting both goods and passengers. This essentially means phasing out the inefficient River Transport Corporation and encouraging competitive and efficient private operators. Support in this area will include technical assistance/training in licensing procedures for the Government and direct support to private entrepreneurs, such as TA for feasibility studies, vocational training related to river operations, and credit for initial capitalization through an intermediate credit institution.

This project is consistent with USAID/Sudan CDSS strategy and is also consistent with AID/W policy regarding the involvement of the private sector in development as well as policy dialogue as an element of USAID strategy. GOS agrees with encouraging private sector activity on the river and realizes that pricing policy towards freight and demurrage charges must be changed to reflect opportunity costs. This project will: (1) strengthen the existing institutions and the Inland Navigation Department of the Ministry of Transport and Communications; (2) increase private sector activity in river transport; (3) institutionalize already important, yet weak agriculture marketing links between the North and South; and (4) assist in the overall integration of the Sudan.

Target Group

The beneficiaries of this project include private merchants and transporters, who will directly participate in new river transport operations, and agricultural producers in the Southern Region, who will benefit from the greater supply of agricultural inputs, increased markets, and better prices for their products, and consumers in the North who will benefit from a cheaper and more reliable supply of products.

Project Amendment Narrative

MODEL FAMILY PLANNING PROGRAM (650-0063)

Project Funding

Amendments to the Model Family Planning Programs are proposed to add another \$2,876,000 to increase the LOP cost to \$3,796,000, of which \$500,000 would be obligated in FY 1983 and \$2,700,000 in FY 1984. \$596,000 was obligated in FY 1982.

Appropriation Account: Population

Project Purpose

To promote the concept and practice of family planning through private organizations operating in Khartoum and its environs by the provision of accessible, high quality child spacing services for a modest user's fee; and by the provision of contraceptives on a wider scale through private pharmaceutical company distributors in order that couples might freely decide the size of their family to attain a better life for themselves and their children.

Background

The population growth rate of 3% is a serious long-term issue for Sudan's economy. Rapid urbanization and concomitant growing demand for public services and jobs are outstripping the economic growth.

The GOS has no explicit population policy but family planning services are allowed in both public and private sectors. In spite of widespread, informal acceptance of family planning, neither the public nor private sector is able to respond effectively to increasing demand for services. The public sector, in particular, gives low priority to family planning because of surging demand for other health services and limited resources.

Project Description

Given these problems, in 1982 the Sudan Fertility Control Association (SFCA), an indigenous private voluntary organization, submitted a proposal totalling \$4.8 million for a project including six programs: (1) Khartoum Model Clinic Program; (2) information, education and communication program; (3) clinical training program; (4) direct distribution program; (5) research and evaluation; and (6) administration. However, prior to signing the agreement the project was redesigned because it seemed unlikely that the Government of Sudan would make local currency from the Commodity Import Program available for these purposes. Therefore, since local currency was 51% of the original budget, major aspects of the project had to be reduced.

In late 1982, the project was redesigned and authorized at \$920,000, of which \$596,000 was obligated on September 27, 1982. The present project provided funds for the Khartoum Model Family Planning Clinic with limited administrative, IEC, and evaluation activities to support clinic services. In addition, centrally funded contraceptives were to be provided by AID/W.

In 1983, the project will be amended to increase LOP funding from \$920,000 to \$1,796,000. The additional bilateral funds of \$876,000 will be used to purchase \$550,000 worth of contraceptives for the clinic over five years and will fund a small clinical training program which has been requested by the Ministry of Health.

Under the amendment, however, some aspects of the original design will remain unfunded. Therefore, SFCA will seek support from centrally funded population projects for selected project components such as additional IEC resources, voluntary surgical contraception (VSC), and research.

This model program, administered by SFCA, involves technology transfer to a full range of family planning services through a private sector clinic. It thereby addresses the increasing demand for child spacing services which is as yet unmet in the Khartoum metropolitan area, whose population is growing at a rate of 9% per year. The program will also promote the concept of family planning through an information, education and communications (IEC) program. The need for more trained personnel for the public and private sectors will be addressed by a formal, fee-for-service training program for medical and paramedical personnel (10 physicians and 15 nurses per year for three years). To continually evaluate and improve the efficiency and effectiveness of service programs, there will be an applied clinical research and evaluation component.

In 1984, USAID is proposing to add another dimension to this project which will further move family planning services into the private sector. The project will be further amended to establish a commercial retail distribution system and provide commodities to allow private pharmaceutical firms to import and market contraceptives. This system will closely parallel the system established for USAID's Commodity Import Program. Private drug firms will have the opportunity to obtain foreign exchange for importation of family planning commodities for which they will pay the local currency equivalent. These counterpart generations will then be placed in a special account to be used for local costs of other family planning activities. In September 1983, a consultant will assess the demand for such commodities through the private sector and help design the proposed procurement, importation, and distribution system.

Seventeen staff members will receive short-term, U.S./third country and on-the-job training to augment their technical, research and management skills. The total budget for short-term training and for the clinical training program described above over the LOP is \$340,000.

Target Groups

The target group served by this project will be couples in the Khartoum area who choose to plan their families. About 90% of the women will have knowledge of services and contraceptive methods and 140,000 women years of contraceptive protection will be provided over the five-year life of the project. Through the private sector distribution system an estimated additional 350,000 women years of contraceptive protection will be provided.

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TABLE V. FY 1985 PROPOSED PROGRAM RANKING

<u>Rank</u>	<u>Activity</u>	<u>Ongoing</u> <u>New</u>	<u>Long</u> <u>Grant</u>	<u>Appr</u> <u>Acct</u>	(\$000)	
					<u>Program</u> <u>INCR</u>	<u>Funding</u> <u>CUM</u>
1	650-K-607 Commodity Import Pgm VI.	N	G	ESF	120,000	120,000
2	PL 480 Title I	--	--	--	(50,000)	120,000
3	650-0070 Macro-Economic Policy	N	G	SDA	1,000	121,000
4	650-0020 Sudan Ag. Research	0	G	ARDN	2,292	123,292
5	650-0069 Western Sudan Ag. Mktg. Road	N	G	ARDN	20,000	143,292
6	650-0043 S. Region Road Main. & Rehab.	0	G	ARDN	1,263	144,555
7	650-0059 Energy Planning/Management	0	G	SDA	3,245	147,800
8	650-0041 Rural Renewable Energy	0	G	SDA	1,100	148,900
9	650-0030 Rural Health Support	0	G	HE	1,100	150,000

Table 5 Narrative: Proposed Project Ranking

The US assistance strategy in Sudan from FY 1983 through FY 1989 is to finance essential commodity imports and provide support to help the economy overcome the external and domestic financial crisis; and provide development assistance to help increase production and marketing of agriculture goods, improve the reliability and efficiency of the country's electrical power grid, and broaden the availability of primary health care and family planning services. The strategy includes support for GOS programs for decentralization of government administration and expansion of private enterprise.

The ranking of FY 1985 proposed program activities in Table 5 follows approved priorities in USAID's CDSS strategy. Top ranking is given to the CIP and PL 480 programs because of the need to reduce balance of payments and budgetary deficits. A new project, ranked third, is to assess macro-economic policy and institutional constraints to economic development, facilitate policy dialogue, formulate conclusions and recommendations, and strengthen GOS institutional capacity for national policy formulation because of the urgent need for policy reforms. Development projects in agriculture and energy to increase national output are ranked high in accordance with the CDSS. Lesser priority is assigned to supporting health and population activities although these are important for distributing the benefits of development equitably and contributing to economic growth.

The FY 1985 CIP Program is the sixth year of ESF support although it is identified as a new rather than ongoing project. The Sudan Agricultural Research Project is the highest ranking agricultural project because it will sustain research initiated by the Western Sudan Agricultural Research Project to adapt the farming systems approach to other areas of Sudan. The Western Sudan Agricultural Marketing Road Project is ranked fifth because it will provide a high priority, all weather, efficient, marketing link from the rainfed agricultural areas of Western Sudan to major national and international markets via Khartoum and Port Sudan.

ISSUES NARRATIVE: FY 1984-1985 EVALUATION PLAN

In accordance with AID policy, three or at most four, in depth, outside evaluations are planned each year. Projects are selected according to the following criteria:

1. The project represents a major element of the USAID strategy in terms of funding level or policy importance;
2. The project and sector, often previously unevaluated, has or should have lateral linkages to other projects in USAID's portfolio;
3. There are major project issues (redesign, termination, design of a follow on project) for which formal analysis and recommendations from outside evaluators, USAID and GOS staff are desirable.

These formal evaluations are in addition to Quarterly Implementation Meetings and Reports as well as Project Review Meetings, which are held when circumstances require.

The Rural Renewable Energy Project (650-0041) will be the first project in our new but growing energy sector portfolio to undergo evaluation. Success of this project is a test of our ability to mobilize the private sector more actively in Sudan's development. In addition, renewable energy needs to gain an accepted place in Sudan's total energy use complex. The evaluation will help define the renewable energy module for the more general and policy oriented Energy Planning/Management Project (650-0059). USAID is interested in fostering coordination, specification of roles, and financial commitment among the private sector, the National Energy Administration, the Energy Research Institute and other concerned public and private entities. The choice of specific technologies for development needs to be expedited. The evaluation will convoke Sudanese and American experts in alternate energy applications for experimental and entrepreneurial introduction in the market-place.

In September 1982, the Rural Development Planning (RDP) Project was amended to add a finance training and research component and was retitled Regional Finance and Planning (650-0012). Actual implementation of the RDP Project began in late 1981 and involves technical assistance and training to improve the capacity of the regional governments to plan and implement development projects. The Planning project was designed prior to regionalization. GOS ministries have undergone change since project approval. In addition, economic conditions in the country have changed considerably since project approval. Consequently, the evaluation will assist in determining whether the planning portions of the Regional Finance and Planning Project are still relevant and if not, to refocus activities to meet GOS needs better and provide useful suggestions for improving central and regional government and intra-and inter-ministerial coordination under the project. The evaluation also will provide information for determining how to integrate planning and finance budgeting activities more effectively and maintain the present level of effort on planning or to direct relatively more attention to the newly instituted finance portion of the project.

The five-year plan, \$100 million Title III program ends in 1984. The program has been reviewed internally annually and was evaluated in 1982 by an FVA, AFR, USDA and Treasury team. However, answers to complex questions have not been resolved. These include heavy USAID and GOS manpower expenditure on project support and the relative merits of the utilization of counterpart funds for project support versus food security and other program and policy benefits potentially achievable through the Title III mechanism when other mechanisms exist to assure adequate local currency support for Development Assistance projects. The evaluation, by impartial outsiders familiar with the multiple goals of PL 480 will assist USAID and the GOS to focus on a decision whether to submit a new and modified five-year project to Washington for FY 1985-1989.

The Agricultural Planning and Statistics Project (650-0047) is the policy arm of USAID's large agricultural production portfolio. The success of this project in guiding agricultural policy formulation, economic planning, and production should have discernible impact on Sudan's economic recovery by influencing production strategies and marketing, trade and price policies (e.g. livestock, sorghum and domestic and imported wheat).

The Rural Health Support Project (650-0030) will be the sole project in the Health-Population sector to be evaluated in the 1984/85 evaluation period. The ambitious aim of this community based health project is to provide primary health care which is both qualitatively better and more cost effective than that of the present delivery system through community participation in construction, recurrent cost recovery and retraining of locally recruited primary health workers and their supervisors. Community use and support of facilities under the differing conditions applicable in the North and in the Southern Region will be evaluated and the desirable mid project changes recommended.

The Southern Region Agricultural Development Project - Phase I will be the set piece of USAID's strategy for the unique conditions prevailing in Sudan's Southern Region. The project's five, linked components (marketing, farming systems research, budget/financial planning, manpower development, and area development) and a relatively weak institutional base will present exceptional implementation challenges. The project has not yet reached implementation stage. Evaluation is scheduled for FY 85 to permit mid-project corrections and for forward planning for SRAD II.

The Economic Support Fund (ESF), through a series of Commodity Import Programs 650-K-601/5 (FY 80-84), will have provided some \$380 million^{1/} to Sudan, by far the largest budgetary element in our program of ESF, PL 480, DA and Refugee Relief. Almost by definition, an ESF Program provides the immediate quick disbursing Balance of Payments support which is its intended purpose. The appropriated dollars are not allocated to general budget support but to the financing of crucial commodities requiring scarce foreign exchange. The commodities are imported or, in some cases, are already in country. Local currencies are paid at the time of purchase, or arrival of goods in Port Sudan, based upon the invoiced dollar price and the applicable exchange rate, currently -- LS 1.30/\$1.00 for the public

<u>1/</u>	<u>Yr.</u>	<u>\$m</u>
	80	- 40
	81	- 50
	82	-100
	83	- 70
	84	-120 AAPL
Total		380

sector and LS 1.86/\$1.00 for the private sector. Local currency in turn is programmed for longer range development projects. The trade off between immediate and longer term development assistance ascribable to ESF depends upon which commodities are imported, what end uses are made of the commodities and which projects are supported by the counterpart Sudanese pounds. The consumption, BOP, and long-term development effects of ESF differ for consumer goods (gasoline, foodstuffs, tallow), intermediate or packaging goods (diesel fuel, jute bags for cotton exports, spare parts, agricultural inputs) and capital goods (transport and power generation equipment). USAID monitors ESF programs but the economic impact has not been systematically examined in terms of alternate commodities, disbursement modes, private vs. public sector split, the time horizon of economic or political benefits, and the effectiveness of policy reforms linked to the ESF program.

The issues are complex, difficult to operationalize with available data, and, above all, sensitive to a sovereign recipient government. Despite these difficulties, the need is pressing for an economic impact evaluation. Cooperation of the GOS must be sought. The GOS must be convinced that the analysis is in its own best interests and the U.S. must be prepared to devote some of its best analysts to work with GOS experts.

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TABLE VII. LIST OF PLANNED EVALUATIONS FY 84/85

Project No. & Title	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)				
PL 480 Title III	10/82	1	1			Examine program impact, macro-economic, food security and project implementation issues of counterpart funds. Analyze USAID and GOS staff intensity question as input to decision on seeking new five-year proposal.	PDS (83)	20	PL 48C Specialist Ag. Policy Expert
650-0041 Rural Renewable Energy	NA	1	2			Choices of Technology and Effectiveness of Technology Distribution and Marketing systems. Role of private sector.	Project	44	Renewable Energy Engineer Energy Economist Marketing Specialist
650-0042 Regional Finance & Planning	NA	3	4			Assess the appropriateness of planning PDS portions of project; Recommend mechanism for improving integration; Assess merits of continuing assistance levels.	38	44	Rural Development Planning Specialist; Finance Specialist
650-0047 Agricultural Planning and Statistics	NA	4	4			Provide mid project evaluation of Project impact on agricultural statistics, policy formulation and program planning. Assess methods of collecting and compiling agricultural data and their use by policy analysts, planners and decision makers. Review policy studies undertaken by project personnel and evaluate their impact upon agricultural production and policies. Recommend changes as necessary.	Project	44	Ag. Policy and Planning Expert, Ag. Statistician

Thomas H. Eighmy, Program Economist 15%

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TABLE VII. LIST OF PLANNED EVALUATIONS FY 84/85

Project No. & Title	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source	USAID Person Days	Collateral AID Assistance
		Start (Qtr)	To AID/W (Qtr)	Start (Qtr)	To AID/W (Qtr)				
650-K-601 (80) 602 (81) 603 (82) 604 (83) 606 (84) ESF Commodity Impact Program Impact Evaluation	NA			1	2	Assess 1) Foreign Exchange, Production and Export Trade/ Import Substitution Impact; 2) Disbursement system and Problems; 3) End use of commodities; 4) OSS and private sector accounting of \$ funds and commodities; 5) Accounting and use of counterpart funds	ESF 45	66	Supply Management/Procurement Specialist, Macro-Economist/Foreign Exchange Expert, Auditor/Accountant
650-0030 Rural Health Support	NA			2	3	Assess contractor and GOS performance for both Northern and Southern components. Analyze community use of facilities and support of recurrent costs. Recommend mid-project design changes.	Project 30	33	Community Based Health Expert (with strong administrative skills) Health Economist MCH/FP (REDSO/EA)
650-0016 Southern Region Agricultural Development I	NA			3	4	Mid Project Evaluation and implementation recommendations for 5 project components. Provide input for design of SRAD II.	Project 70	66	Farming systems/ Tropical Ag. Expert, Ag. Marketing Expert, Rural Development Expert

TABLE VIII - FY 1983

ORGANIZATION USAID/SUDAN

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,432.8		2,432.8	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,285.7		1,285.7	25.5
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	237.9		237.9	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	46.7		46.7	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119	7.0		7.0	XXXXX
EDUCATION ALLOWANCES	U106	126	95.8		95.8	17
RETIREMENT - U.S.	U107	120	90.0		90.0	XXXXX
LIVING ALLOWANCES	U108	128	17.0		17.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	34.7		34.7	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	2.5		2.5	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	70.5		70.5	19
POST ASSIGNMENT - FREIGHT	U112	22	272.0		272.0	19
HOME LEAVE - TRAVEL	U113	212	72.0		72.0	24
HOME LEAVE - FREIGHT	U114	22	117.2		117.2	24
EDUCATION TRAVEL	U115	215	11.2		11.2	3
R AND R TRAVEL	U116	215	40.2		40.2	22
ALL OTHER CODE 215 TRAVEL	U117	215	32.4		32.4	18
<u>FOREIGN NATIONAL DH</u>	U200		44.7	62.7	107.4	XXXXX
BASIC PAY	U201	114	40.7	49.2	89.9	14.6
OVERTIME, HOLIDAY PAY	U202	115	1.0	4.4	5.4	1.1
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	3.0	6.1	9.1	XXXXX
BENEFITS FORMER FN PERS.	U205	13		3.0	3.0	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		437.4	213.0	650.4	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	397.4	107.5	504.9	14.0
ALL OTHER U.S. PSC COSTS	U303	255	40.0		40.0	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113		105.5	105.5	9.4
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		837.4	710.7	1,548.1	XXXXX
RENT	U401	235	247.3	432.5	679.8	
UTILITIES	U402	235		72.6	72.6	XXXXX
RENOVATION AND MAINT.	U403	259	1.7	47.8	49.5	XXXXX
QUARTER ALLOWANCE	U404	127	5.0		5.0	
PURCHASES RES. FURN/EQUIP.	U405	311	325.7	28.8	354.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	254.2		254.2	XXXXX
SECURITY GUARD SERVICES	U407	254		129.0	129.0	XXXXX
OFFICIAL RESIDENCE ALLOW	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

TABLE VIII - FY 1983

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<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,974.0	1,444.2	3,418.2	xxxxx
RENT	U501	234	92.2	1.3	93.5	xxxxx
UTILITIES	U502	234		19.9	19.9	xxxxx
BUILDING MAINT./RENOV.	U503	259		41.8	41.8	xxxxx
OFFICE FURN./EQUIP.	U504	310	171.6	7.6	179.2	xxxxx
VEHICLES	U505	312	152.0		152.0	xxxxx
OTHER EQUIPMENT	U506	319	322.0	3.5	325.5	xxxxx
TRANSPORTATION/FREIGHT	U507	22	450.0	26.3	476.3	xxxxx
COMMUNICATIONS	U508	230	1.5	3.5	5.0	xxxxx
SECURITY GUARD SERVICES	U509	254		.7	.7	xxxxx
PRINTING	U510	24	.2	.1	.3	xxxxx
REG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	110.6	28.8	139.4	122
INFORMATION MEETINGS	U513	210	12.4		12.4	3
TRAINING ATTENDANCE	U514	210	25.7	.5	26.2	11
CONFERENCE ATTENDANCE	U515	210	9.2		9.2	3
OTHER OPERATIONAL TRAVEL	U516	210	62.8	9.6	72.4	31
SUPPLIES AND MATERIALS	U517	26	290.0	89.6	379.6	xxxxx
FAAS	U518	257		890.0	890.0	xxxxx
CONSULTING SVCS - CONT.	U519	259				xxxxx
MGT./PROF. SVCS. - CONT.	U520	259				xxxxx
SPEC. STUDIES/ANALYSES CONT.	U521	259				xxxxx
ALL OTHER CODE 25	U522	259	273.8	321.0	594.8	xxxxx
TOTAL O.E. BUDGET			5,726.3	2,430.6	8,156.9	xxxxx
RECONCILIATION			1,695.0		1,695.0	xxxxx
OPERATING ALLOWANCE REQUEST			4,031.3	2,430.6	6,461.9	xxxxx

OTHER INFORMATION:

Dollar requirement for local currency costs
 Exchange rate used (as of May 1, 1983)

-0-
\$1.00 = SL.1.30

-45-
TABLE VIII - FY 1984

ORGANIZATION USAID/SUDAN

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
U.S. DIRECT HIRE	U100		2,827.9		2,827.9	xxxxx
U.S. CITIZENS BASIC PAY	U101	110	1,484.3		1,484.3	31.0
PT/TEMP U.S. BASIC PAY	U102	112	52.0		52.0	2.0
DIFFERENTIAL PAY	U103	116	253.8		253.8	xxxxx
OTHER AID/W FUNDED O.C. 11	U104	119	47.7		47.7	xxxxx
OTHER MISSION FUNDED O.C.11	U105	119	7.0		7.0	xxxxx
EDUCATION ALLOWANCES	U106	126	191.4		191.4	22
RETIREMENT - U.S.	U107	120	105.4		105.4	xxxxx
LIVING ALLOWANCES	U108	128	94.3		94.3	xxxxx
OTHER AID/W FUNDED O.C.12	U109	129	43.4		43.4	xxxxx
OTHER MISSION FUNDED O.C.12	U110	129	2.4		2.4	xxxxx
POST ASSIGNMENT - TRAVEL	U111	212	37.9		37.9	9
POST ASSIGNMENT - FREIGHT	U112	22	198.4		198.4	9
HOME LEAVE - TRAVEL	U113	212	62.8		62.8	18
HOME LEAVE - FREIGHT	U114	22	57.0		57.0	18
EDUCATION TRAVEL	U115	215	12.5		12.5	10
R AND R TRAVEL	U116	215	152.6		152.6	60
ALL OTHER CODE 215 TRAVEL	U117	215	25.0		25.0	15
<u>FOREIGN NATIONAL DH</u>	U200		119.9	68.3	188.2	xxxxx
BASIC PAY	U201	114	84.8	53.5	138.3	19.2
OVERTIME, HOLIDAY PAY	U202	115	1.8	5.0	6.8	1.0
ALL OTHER CODE 11 - FN	U203	119	25.4		25.4	xxxxx
ALL OTHER CODE 12 - FN	U204	129	5.9	6.8	12.7	xxxxx
BENEFITS FORMER FN PERS.	U205	13	2.0	3.0	5.0	xxxxx
<u>CONTRACT PERSONNEL</u>	U300		514.5	717.9	1,232.4	xxxxx
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY; BENEFITS	U302	113	317.0	107.8	424.8	12.1
ALL OTHER U.S. PSC COSTS	U303	255	197.5	23.2	220.7	xxxxx
F.N. PSC - SALARY/BENEFITS	U304	113		481.6	481.6	43.0
ALL OTHER F.N. PSC COSTS	U305	255		105.3	105.3	xxxxx
<u>HOUSING</u>	U400		907.6	1,095.1	2,002.7	xxxxx
RENT	U401	235	239.6	562.0	801.6	33
UTILITIES	U402	235		159.6	159.6	xxxxx
RENOVATION AND MAINT.	U403	259	2.0	97.8	99.8	xxxxx
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	367.8		367.8	xxxxx
TRANS./FREIGHT - CODE 311	U406	22	294.2		294.2	xxxxx
SECURITY GUARD SERVICES	U407	254		275.7	275.7	xxxxx
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	xxxxx
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0	xxxxx

TABLE VIII - FY 1984

ORGANIZATION USAID/SUDAN

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		3,171.7	1,735.0	4,906.7	xxxxx
RENT	U501	234	172.4	289.0	461.4	xxxxx
UTILITIES	U502	234		40.0	40.0	xxxxx
BUILDING MAINT./RENOV.	U503	259		70.0	70.0	xxxxx
OFFICE FURN./EQUUIP.	U504	310	277.4		277.4	xxxxx
VEHICLES	U505	312	106.0		106.0	xxxxx
OTHER EQUIPMENT	U506	319	639.4		639.4	xxxxx
TRANSPORTATION/FREIGHT	U507	22	786.4		786.4	xxxxx
COMMUNICATIONS	U508	230	1.5	7.0	8.5	xxxxx
SECURITY GUARD SERVICES	U509	254		19.1	19.1	xxxxx
PRINTING	U510	24	.2	1.0	1.2	xxxxx
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	169.9	108.9	278.8	452
INFORMATION MEETINGS	U513	210	43.9		43.9	18
TRAINING ATTENDANCE	U514	210	69.1		69.1	19
CONFERENCE ATTENDANCE	U515	210	97.1		97.1	33
OTHER OPERATIONAL TRAVEL	U516	210	78.4		78.4	8
SUPPLIES AND MATERIALS	U517	26	450.0	200.0	650.0	xxxxx
FAAS	U518	257		950.0	950.0	xxxxx
CONSULTING SVCS - CONT.	U519	259				xxxxx
MGT./PROF. SVCS - CONT.	U520	259				xxxxx
SPEC. STUDIES/ANALYSES CONT	U521	259				xxxxx
ALL OTHER CODE 25	U522	259	280.0	50.0	330.0	xxxxx
TOTAL O.E. BUDGET			7,541.6	3,616.3	11,157.9	xxxxx
RECONCILIATION			1,986.6		1,986.6	xxxxx
OPERATING ALLOWANCE REQUEST			5,555.0	3,616.3	9,171.3	xxxxx

OTHER INFORMATION:

Dollar requirement for local currency costs
 Exchange rate used (as of May 1, 1983)

-0-
\$1.00 = SL.1.30

Estimated Wage Increases - FY 1983 to FY 1984
 Estimated Price Increases - FY 1983 to FY 1984

30%
 25%

TABLE VIII - FY 1985

ORGANIZATION USAID/SUDAN

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		3,123.8		3,123.8	xxxxx
U.S. CITIZENS BASIC PAY	U101	110	1,558.8		1,558.8	31.0
PT/TEMP U.S. BASIC PAY	U102	112	54.0		54.0	2.0
DIFFERENTIAL PAY	U103	116	266.5		266.5	xxxxx
OTHER AID/W FUNDED O.C.11	U104	119	52.4		52.4	xxxxx
OTHER MISSION FUNDED O.C.11	U105	119	7.0		7.0	xxxxx
EDUCATION ALLOWANCES	U106	126	224.7		224.7	29
RETIREMENT - U.S.	U107	120	109.1		109.1	xxxxx
LIVING ALLOWANCES	U108	128	99.8		99.8	xxxxx
OTHER AID/W FUNDED O.C.12	U109	129	43.5		43.5	xxxxx
OTHER MISSION FUNDED O.C.12	U110	129	2.3		2.3	xxxxx
POST ASSIGNMENT - TRAVEL	U111	212	42.0		42.0	12
POST ASSIGNMENT - FREIGHT	U112	22	308.4		308.4	12
HOME LEAVE - TRAVEL	U113	212	119.2		119.2	31
HOME LEAVE - FREIGHT	U114	22	77.8		77.8	31
EDUCATION TRAVEL	U115	215	12.5		12.5	10
R AND R TRAVEL	U116	215	120.8		120.8	40
ALL OTHER CODE 215 TRAVEL	U117	215	25.0		25.0	15
<u>FOREIGN NATIONAL DH</u>	U200		155.1	87.8	242.9	xxxxx
BASIC PAY	U201	114	110.4	69.5	179.9	20.7
OVERTIME, HOLIDAY PAY	U202	115	1.9	6.5	8.4	1.0
ALL OTHER CODE 11 - FN	U203	119	33.1		33.1	xxxxx
ALL OTHER CODE 12 - FN	U204	129	7.7	8.8	16.5	xxxxx
BENEFITS FORMER FN PERS.	U205	13	2.0	3.0	5.0	xxxxx
<u>CONTRACT PERSONNEL</u>	U300		524.3	937.8	1,462.1	xxxxx
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	326.0	118.5	444.5	12.1
ALL OTHER U.S. PSC COSTS	U303	255	198.3	25.5	223.8	xxxxx
F.N. PSC - SALARY/BENEFITS	U304	113		650.9	650.9	47.0
ALL OTHER F.N. PSC COSTS	U305	255		142.9	142.9	xxxxx
<u>HOUSING</u>	U400		718.2	1,440.9	2,159.1	xxxxx
RENT	U401	235	267.5	671.4	938.9	34
UTILITIES	U402	235		218.4	218.4	xxxxx
RENOVATION AND MAINT.	U403	259	2.0	144.5	146.5	xxxxx
QUARTERS ALLOWANCE	U404	127				
PURCHASE RES. FURN/EQUIP.	U405	311	247.1		247.1	xxxxx
TRANS./FREIGHT - CODE 311	U406	22	197.6		197.6	xxxxx
SECURITY GUARD SERVICES	U407	254		406.6	406.6	xxxxx
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	xxxxx
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0	xxxxx

TABLE VIII - FY 1985

ORGANIZATION USAID/SUDAN

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,926.6	1,785.4	3,712.0	xxxxx
RENT	U501	234		289.0	289.0	xxxxx
UTILITIES	U502	234		45.0	45.0	xxxxx
BUILDING MAINT./RENOV.	U503	259		80.0	80.0	xxxxx
OFFICE FURN./EQUIP.	U504	310	124.6		124.6	xxxxx
VEHICLES	U505	312	94.0		94.0	xxxxx
OTHER EQUIPMENT	U506	319	208.0		208.0	xxxxx
TRANSPORTATION/FREIGHT	U507	22	313.1		313.1	xxxxx
COMMUNICATIONS	U508	230	1.5	8.0	9.5	xxxxx
SECURITY GUARD SERVICES	U509	254		26.7	26.7	xxxxx
PRINTING	U510	24	.2	1.0	1.2	xxxxx
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	183.7	110.7	294.4	454
INFORMATION MEETINGS	U513	210	43.9		43.9	18
TRAINING ATTENDANCE	U514	210	57.1		57.1	16
CONFERENCE ATTENDANCE	U515	210	97.1		97.1	33
OTHER OPERATIONAL TRAVEL	U516	210	73.4		73.4	7
SUPPLIES AND MATERIALS	U517	26	450.0	200.0	650.0	xxxxx
FAAS	U518	257		975.0	975.0	xxxxx
CONSULTING SVCS - CONT.	U519	259				xxxxx
MGT./PROF. SVCS - CONT.	U520	259				xxxxx
SPEC. STUDIES/ANALYSES CONT.	U521	259				xxxxx
ALL OTHER CODE 25	U522	259	280.0	50.0	330.0	xxxxx
TOTAL O.E. BUDGET			6,448.0	4,251.9	10,699.9	xxxxx
RECONCILIATION			2,084.3		2,084.3	xxxxx
OPERATING ALLOWANCE REQUEST			4,363.7	4,251.9	8,615.6	xxxxx

OTHER INFORMATION:

Dollar requirement for local currency costs
Exchange rate used (as of May 1, 1983)

-0-
\$1.00 = SL.1.30

Estimated Wage Increases - FY 1984 to FY 1985
Estimated Price Increases - FY 1984 to FY 1985

30%
25%

-49-
TABLE VIII(a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

	-----Fiscal Year-----		
	1983	1984	1985

A. <u>Capital Investments</u>			
1. Purchase of ADP Equipment	10.5	10.5	10.5
2. Purchase of Software	15.0	15.0	15.0
Subtotal	25.5	25.5	25.5
B. <u>Personnel</u>			
1. Compensation, Benefits, Travel	0	0	0
2. Workyears	0	0	0
Subtotal	0	0	0
C. <u>Equipment Rental and Other</u>			
<u>Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	0	0	0
2. Supplies and Leased Software	0	0	0
Subtotal	0	0	0
D. <u>Commercial Services</u>			
1. ADP Service Bureau	0	0	0
2. Systems Analysis and Programming	0	10.0	10.0
3. ADPE Maintenance (If separate from item C.1.)	1.5	1.5	1.5
Subtotal	1.5	11.5	11.5
E. <u>Total Obligations (A-D)</u>	27.0	37.0	37.0
F. <u>Interagency Services</u>			
1. Payments	0	0	0
2. Offsetting Collections	0	0	0
Subtotal	0	0	0
G. <u>Grand Total (E+F)</u>	27.0	37.0	37.0
<u>Amount included in Mission allowance for existing systems</u>	27.0		
<u>Amount included in Mission allowance for new/expanded systems</u>		37.0	37.0

TABLE VIII(b) -
OBLIGATIONS FOR WP SYSTEMS
(\$000)

	-----Fiscal Year-----		
	1983	1984	1985
A. Capital Investments in W/p Equipment :	40.0	84.0	45.0
B. W/P Equipment Rental and Supplies	0	0	0
C. Other W/P Costs	0	0	0
Total			
Amount included in <u>Mission allowance</u> for existing systems	40.0		
Amount included in <u>Mission allowance</u> for new/expanded systems		84.0	45.0

Table VIII Operating Expense Narrative

Section A. Management Improvement

USAID/Sudan has been under staffed and under equipped. Staff morale has been adversely affected. The February revision of the FY 83 operating expense budget attempted to address these shortcomings. This submission is a continuation of the efforts thus begun which must continue during the next several fiscal years.

It has proved difficult to hire and retain competent Sudanese staff. Therefore, it has been necessary to recruit third country nationals and a larger than normal contingent of U.S. direct hire and contract staff to provide minimum coverage for this large program. The person years indicated in each of the fiscal years are the minimum required to assure that projects and programs are adequately planned, implemented and evaluated and to reduce the untold hours of overtime present staff has to work.

We are planning major expenditures for office furniture and equipment, residential furniture and equipment, vehicles and supplies. When the staff and families are more comfortable and spending more time together, we anticipate that the U.S. direct hire morale will improve, turnover rate will decrease and we will have more continuity with consequently enhanced effectiveness and efficiency. The Mission vehicle fleet deteriorates rapidly with the difficult driving conditions and inferior maintenance and repair services in the Sudan; the principal standardized sedan model has proven woefully deficient, necessitating major immediate investment in replacements.

With the long lead times and continuing deficiencies in procurement, shortage of supplies has been a chronic problem. While the JAO should provide common supplies, USAID must provide any items that are AID specific as well as all fuel and lubricants for the Juba office, In the past we have bought many supplies directly and it appears that this practice must continue for the foreseeable future.

Section B. Justification for Funding Changes

U.S. Direct Hire

These costs will significantly increase in FY 84 and 85 because of the increase in work years from 25.5 in 1983 to 31.0 in 1984 and ^{because of} the increase of post assignments and home leaves in 1985 over 1984. Most of the increased numbers of personnel will arrive at post late in FY 83 or early 84. We must anticipate a consequent large number of home leaves late in FY 85. All of the allowances reflect increases because of the larger staff and an anticipated increase in the post allowance. (It should be noted that for several months in FY 83 the post allowance had been reduced to zero).

Foreign National Direct Hire

During FY 1983 the Mission has recruited three direct hire third country nationals for our Controllers Office.

In FY 1984, we plan to add a TCN in the Management Office. In addition the Mission will be converting the promising professional employees from personal service contracts to direct hire status. We have included salary increase of thirty percent based on estimated cost of living increases.

Contract Personnel

Through FY 1983 only long term contract personnel costs were recorded in these accounts. The Mission has had to resort to a relatively large number of short term personal service contracts to manage the ever increasing work load of this rapidly expanding program. In the past and through FY 1983 costs of these short term contracts had been recorded as all other code 25 services under Office Operations. In the future costs for all contract staff will be recorded as contract personnel whether short or long term.

Housing

Costs for housing U.S. staff reflects the increase in the number of direct hire and contract American staff. This budget also proposes the continuation of our program to adequately but not ostentatiously furnish mission residences.

Office Operations

Obligations for office operations will increase significantly because of the planned move to a new office building. Rental costs will be larger but will be paid from the Trust Fund rather than dollar funds. We also must continue to procure office furniture and equipment, vehicles and other equipment. In addition our travel requirements will increase in order to enable this Mission to adequately monitor this much-expanded program.

Staffing Levels

We have prepared Table VIII A on the basis of 28 regular direct hire and 3 IDI American positions. However, State 125084

discussed names of 31 regular direct hire Americans to staff the post. In addition AID/W and the Mission have discussed the possibility of 2 additional regular direct hire positions. We believe that this large and diverse program needs a minimum of 3 regular and 3 IDI American positions. These positions need to be fully staffed as early in FY 84 as possible.

To fund these additional positions Washington costs would be increased by \$357,000 in FY 84 and \$382,800 in FY 85. Mission costs would increase by \$46,500 and \$71,800 for FY 84 and FY 85 respectively. Every consideration should be given to providing the additional funds in order to adequately staff this Mission.

Section C - Trust Funds

This budget reflects USAID policy to pay all in-country costs from the Trust Fund of local currency generated by the Commodity Import Program. There are a few residential leases that have not yet been renegotiated and still require payment in U.S. dollars. We will be covering some hard currency costs because we are budgeting all FAAS charges except purchase of the recreational facility from the Trust Fund. We are presently reviewing the FAAS budget to determine what portion should be paid in U.S. dollars. If necessary, we will request an increase to cover these dollar costs.

USAID/SUDAN

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
034001	Director	1.0	1.0	1.0	1.0
034002	Deputy Director	1.0	1.0	1.0	1.0
030193	Executive Asst.	1.0	1.0	1.0	1.0
034006	Asst. Director/Economist	.6	1.0	1.0	1.0
011001	Program Economist	1.0	1.0	1.0	1.0
034501	Program Officer	.2	1.0	1.0	1.0
034503	Asst. Prog. Officer	.7	1.0	1.0	1.0
034006	Asst. Director Operations	1.0	1.0	1.0	1.0
040106	Agric. Develop. Officer	1.0	1.0	1.0	1.0
040108	Asst. Ag. Dev. Officer	1.0	1.0	1.0	1.0
040108	Asst. Ag. Dev. Officer	.8	1.0	1.0	1.0
040108	Asst. Ag. Dev. Officer	1.0	1.0	1.0	1.0
011035	Ag. Economist	1.0	1.0	1.0	1.0
060204	Health and Family Planning	1.0	1.0	1.0	1.0
068505	Public Health Advisor	1.0	1.0	1.0	1.0
080101	Senior Gen. Engineer		1.0	1.0	1.0
080101	Engineer	1.0	1.0	1.0	1.0
034079	Proj. Dev. Officer	1.0	1.0	1.0	1.0
0340801	Asst. Proj. Dev. Officer	.4	1.0	1.0	1.0
034089	General Dev. Officer		1.0	1.0	1.0
200301	Supply Mgt. Officer	1.2	1.0	1.0	1.0
034103	Management Officer	1.4	1.0	1.0	1.0
110209	Contract Officer	.2	1.0	1.0	1.0
050502	Controller	1.0	1.0	1.0	1.0
050503	Deputy Controller	1.0	1.0	1.0	1.0
034089	General Dev. Officer	1.0	1.0	1.0	1.0
034060	Asst. Gen. Dev. Officer	1.0	1.0	1.0	1.0
034235	Asst. GSO Field Sup.	1.0	1.0	1.0	1.0
034033	Refugee Officer	.5			
034094	IDI Agriculture	.6	1.0		
040116	IDI Proj. Operations	.6	1.0	1.0	1.0
	IDI Management Off.		1.0	1.0	1.0
050508	IDI Controller			1.0	.5
040116	IDI Proj. Operations				.5
	Total Priority	25.2	31.0	31.0	31.0

Following Positions in priority order

200305	Asst. Supply Mgt. Off.	.3	1.0	1.0	1.0
068516	Population Advisor		1.0	1.0	1.0
011001	Program Economist		1.0	1.0	1.0
011001	Program Economist		1.0	1.0	1.0
034060	Asst. Gen. Dev. Off.		1.0	1.0	1.0
		25.5	36.0	36.0	36.0

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

USAID/SUDAN

<u>SKILL CODE</u>	<u>POSITION TITLE</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
	Chief Accountant	.7	1.0	1.0	1.0
	Project Accountant	.4	1.0	1.0	1.0
	Program Accountant	.5	1.0	1.0	1.0
	Electronic Tech.		1.0	1.0	1.0
	Senior Accountant		.5	1.0	1.0
	Senior Accountant			.7	1.0
	Admin Accountant	1.0	1.0	1.0	1.0
	Driver	1.0	1.0	1.0	1.0
	Economic Asst.	1.0	1.0	1.0	1.0
	Program Asst.	1.0	1.0	1.0	1.0
	Admin. Asst.		1.0	1.0	1.0
	Asst. Supply Mgt. Off.		.7	1.0	1.0
	Secretary	1.0	1.0	1.0	1.0
	Driver	1.0	1.0	1.0	1.0
	Driver	1.0	1.0	1.0	1.0
	Accountant	1.0	1.0	1.0	1.0
	Secretary	1.0	1.0	1.0	1.0
	Agr. Proj. Asst.	1.0	1.0	1.0	1.0
	Admin. Asst.	1.0	1.0	1.0	1.0
	Training Spec.	1.0	1.0	1.0	1.0
	Driver	1.0	1.0	1.0	1.0
		14.6	19.2	20.7	21.0

TABLE IX(c) - JOINT CAREER CORPS

FY 1983

ORGANIZATION USAID/SUDAN

<u>EXPENSE CATEGORY</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>JOINT CAREER CORPS</u>				
BASIC PAY				
DIFFERENTIAL PAY				
EDUCATION ALLOWANCES				
RETIREMENT				
LIVING ALLOWANCES				
OTHER SALARIES/BENEFITS				
POST ASSIGNMENT - TRAVEL				
POST ASSIGNMENT - FREIGHT				
HOME LEAVE - TRAVEL				
HOME LEAVE - FREIGHT				
EDUCATION TRAVEL				
R AND R TRAVEL				
ALL OTHER CODE 215 TRAVEL				
<u>HOUSING</u>				
RENT				
UTILITIES				
RENOVATION AND MAINT.				
QUARTERS ALLOWANCE				
PURCHASES RES. FURN/EQUIP.				
TRANS./FREIGHT - CODE 311				
SECURITY GUARD SERVICES				
<u>OFFICE OPERATIONS</u>				
OFFICE FURN./EQUIP				
VEHICLES				
OTHER EQUIPMENT				
TRANSPORTATION/FREIGHT				
SITE VISITS				
INFORMATION MEETINGS				
TRAINING ATTENDANCE				
CONFERENCE ATTENDANCE				
OTHER OPERATIONAL TRAVEL				
SUPPLIES AND MATERIALS				
ALL OTHER COSTS				
TOTAL O.E. BUDGET				

N O N E

TABLE IX(c) - JOINT CAREER CORPS

FY 1984

ORGANIZATION USAID/SUDAN

<u>EXPENSE CATEGORY</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>JOINT CAREER CORPS</u>	122.8		122.8	xxxxx
BASIC PAY	50.0		50.0	1.0
DIFFERENTIAL PAY	12.5		12.5	xxxxx
EDUCATION ALLOWANCES	12.3		12.3	1
RETIREMENT	3.5		3.5	xxxxx
LIVING ALLOWANCES	3.5		3.5	xxxxx
OTHER SALARIES/BENEFITS	4.0		4.0	xxxxx
POST ASSIGNMENT - TRAVEL	4.5		4.5	1
POST ASSIGNMENT - FREIGHT	23.3		23.3	1
HOME LEAVE - TRAVEL				
HOME LEAVE - FREIGHT				
EDUCATION TRAVEL	2.5		2.5	1.0
R AND R TRAVEL	6.7		6.7	4.0
ALL OTHER CODE 215 TRAVEL				
<u>HOUSING</u>		37.9	37.9	xxxxx
RENT		23.4	23.4	1
UTILITIES		6.7	6.7	xxxxx
RENOVATION AND MAINT. QUARTERS ALLOWANCE		6.0	6.0	xxxxx
PURCHASE RES. FURN/EQUIP. TRANS./FREIGHT - CODE 311				
SECURITY GUARD SERVICES		1.8	1.8	
<u>OFFICE OPERATIONS</u>	9.0	1.0	10.0	xxxxx
OFFICE FURN./EQUIP VEHICLES				
OTHER EQUIPMENT				
TRANSPORTATION/FREIGHT				
SITE VISITS	4.5	1.0	5.5	3
INFORMATION MEETINGS				
TRAINING ATTENDANCE				
CONFERENCE ATTENDANCE				
OTHER OPERATIONAL TRAVEL	4.5		4.5	1
SUPPLIES AND MATERIALS				
ALL OTHER COSTS				
TOTAL O.E. BUDGET	131.8	38.9	170.7	xxxxx

FY 1985

ORGANIZATION USAID/SUDAN

<u>EXPENSE CATEGORY</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>JOINT CAREER CORPS</u>	90.4		90.4	xxxxx
BASIC PAY	51.5		51.5	1.0
DIFFERENTIAL PAY	12.9		12.9	xxxxx
EDUCATION ALLOWANCES	12.3		12.3	xxxxx
RETIREMENT	3.6		3.6	xxxxx
LIVING ALLOWANCES	3.5		3.5	xxxxx
OTHER SALARIES/BENEFITS	4.1		4.1	xxxxx
POST ASSIGNMENT - TRAVEL				
POST ASSIGNMENT - FREIGHT				
HOME LEAVE - TRAVEL				
HOME LEAVE - FREIGHT				
EDUCATION TRAVEL	2.5		2.5	1
R AND R TRAVEL				
ALL OTHER CODE 215 TRAVEL				
<u>HOUSING</u>		37.0	37.0	xxxxx
RENT		23.4	23.4	
UTILITIES		8.4	8.4	xxxxx
RENOVATION AND MAINT. QUARTERS ALLOWANCE		3.0	3.0	xxxxx
PURCHASES RES. FURN/EQUIP.				xxxxx
TRANS./FREIGHT - CODE 311				xxxxx
SECURITY GUARD SERVICES		2.2	2.2	xxxxx
<u>OFFICE OPERATIONS</u>	9.0	1.0	10.0	xxxxx
OFFICE FURN./EQUIP				xxxxx
VEHICLES				xxxxx
OTHER EQUIPMENT				xxxxx
TRANSPORTATION/FREIGHT				xxxxx
SITE VISITS	4.5	1.0	5.5	3
INFORMATION MEETINGS				
TRAINING ATTENDANCE				
CONFERENCE ATTENDANCE				
OTHER OPERATIONAL TRAVEL	4.5		4.5	1
SUPPLIES AND MATERIALS				xxxxx
ALL OTHER COSTS				xxxxx
TOTAL O.E. BUDGET	99.4	38.0	137.4	xxxxx

Table IX Narrative

We have prepared the workforce levels on the basis of instructions from AID/W. However, other guidance indicate that we will have thirty one regular direct hire Americans with the possibility of an additional two Americans. Our present staff is being stretched to the very limit and sometimes beyond. We believe that thirty three regular staff members and three IDI's will be required to provide the minimum coverage for this program. We do not think that even at these staffing levels projects will be adequately monitored. We hope that the increases will provide some relief to an overworked staff that have been working six and seven day weeks.

If staffing levels are held to 28, serious consideration will have to be given to reduction of our project portfolio. If staff cuts in the magnitude of 10% are effected, the Mission will be forced to do some serious retrenching.

PL 480 NARRATIVE: TITLES I AND III

Ongoing Program. USAID/Sudan currently has both a Title I and III PL 480 Program. The programs will continue to be utilized in three ways:

- as balance of payment support for critically needed foodstuffs;
- to include policy analysis and reform in the agricultural sector; and
- as a source of local currency to finance important agricultural and rural development projects tied closely to our DA program.

Title I. PL 480 Title I is a particularly useful instrument for helping the Sudan with its macro-economic problems. Financing wheat, an essential import, has direct and immediate beneficial impact on the balance of payments as well as being a source of local currency for the support of productive activities in the agricultural and related development sectors. Aside from this direct benefit, Title I is used to help encourage needed policy reforms of particular importance to increasing agricultural production.

Title III. The debt forgiveness feature of the Title III program makes it even more useful than Title I for balance of payments support and enhances our leverage in support of policy reforms. Local currency generations under Title III are programmed to finance specific development activities. The use of counterpart is closely linked to USAID/Sudan DA-financed projects, being a key factor in the financial viability of several of them. As with Title I, self-help measures are negotiated in support of needed policy reforms with particular emphasis on the agricultural sector.

In FY 1980 a five-year PL 480 Title III agreement valued at \$100 million was executed. FY 1984 will see the \$20 million last tranche disbursed under the program.

Local currency proceeds generated through the Title III program are being used to finance various projects integrated within our agricultural development program under the CDSS. Such projects include agricultural research in Western Sudan, primary health care in the Western and Southern regions, regional finance and planning, river transport (with particular relevance to marketing between north and south), railroad rehabilitation for the West and South, agriculture planning and statistics, rural renewable energy, agricultural production and marketing in the South, and a Blue Nile integrated agriculture production project.

A major mid-term evaluation of the Title III program highlighted some of the management/implementation problems but confirmed its development impact. There can be no doubt that the program, coupled with other mechanisms, such as ESF/CIP, has given the U.S. a major role in persuading and supporting the GOS in its policy and structural reforms, which are now beginning to show results in terms of increased production and declining inflation. USAID will use the FY 1983, Title I/III negotiations to obtain elimination of bread price subsidies. This is an appropriate policy objective for the U.S. to address since the PL 480 program provides the bulk of Sudanese wheat/flour imports.

Food Situation Up-Date. Total consumption of wheat in the Sudan is estimated at 682,000 MT in FY 1983 and has been increasing at approximately 12% annually. Domestic production in FY 1983 is estimated at 135,000 MT, down from 190,000 MT during the previous year due to a restriction in the total area planted to wheat (150,000 feddans). The shortfall between production and consumption is being met by a combination of concessional and commercial imports. Domestic wheat production is expected to increase to previous levels during the next cropping season and gradually increase as a result of the Gezira Rehabilitation program. However, major shortfalls are expected over the next 3-5 years particularly if the GOS does not continually phase-in price increases thereby reducing both GOS budget and foreign exchange subsidies.

There is a potential prospect in the Sudan to switch to a policy of composite flour (wheat/sorghum) in bread making. USAID, in collaboration with the GOS, is conducting a study of the economic feasibility of this alternative during FY 83. Based upon technical research undertaken at the Sudanese Food Research Institute the rate of technical substitution of sorghum flour for wheat flour could be in the range of 20-30%, thereby significantly reducing wheat import requirements.

GOS Priority for Domestic Food Production. Over the past several years the GOS has undertaken a number of actions to reduce policy and pricing constraints on domestic production of food and agricultural exports including reducing or eliminating export taxes, improving price relationships on the irrigated schemes, and increasing commodity prices for both rainfed and irrigated crops. Also, significant has been a move to reduce government involvement in a number of direct agricultural production and marketing activities.

Major Elements of Proposed PL 480 Title I Program. USAID requests a continuation of the current \$50 million PL 480 level in Fiscal Years 1984, 1985 and 1986. There are no indications that the Sudanese balance of payments and wheat import requirements are likely to decrease in that time frame, thus the same level of assistance from the U.S. to help fill these gaps will be needed.

We are considering transferring the entire \$50 million in foreign exchange and commodity support under Title I in FY 1985. The Title III evaluation highlighted the difficulties and delays in project implementation that have occurred under the existing Title III agreement. Given Sudan's heavy development project burden, the stringent management requirements of a Title III program and the necessity to effectively control, program and manage the Title III local currency generations may be beyond the current capability of the GOS infrastructure, although much progress has been made in the five years of the current program. While providing the needed budgetary and resource support, Title I, because of its role in furthering U.S. foreign and domestic interests, has not proven as effective in fostering policy dialogue, as Title III. However, USAID will continue to urge needed policy reform and supporting self-help measures as a quid pro quo for continued Title I assistance.

PL 480 Title II. The Catholic Relief Services (CRS) MCH, Nutrition Education programs was terminated in May, 1982 at the request of the GOS Ministry of Health. USAID is presently carrying out discussions with the Ministry of Health to reestablish a Title II Program. The Seventh Day Adventist World Service (SAWS) organization is designing a proposal for an MCH/Nutrition Education to begin in early FY 84. The proposal will be completed and reviewed by USAID/S, REDSO/Nairobi and AID/W in late FY 83. At the present time there are no estimates of the number of persons expected to participate in the program nor of the types and quantities of food commodities required.

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TABLE XI: PL 480 TITLE I/III REQUIREMENTS

Commodities Title I	FY 1983				Estimated FY 1984 ^{1/}				Projected FY 1985 ^{1/}					
	Agreement		Shipments		Agreement		Shipments		Agreement		Shipments		Carry into FY 1986	
	\$	MT	\$	MT	\$	MT	\$	MT	\$	MT	\$	MT	\$	MT
Wheat			39.5	232.3	42.0	242.8	42.0	242.8	42.0	240.0	42.0	240.0		
Wheat Flour ^{2/}			10.5	61.8	8.0	44.8	8.0	44.8	8.0	44.5	8.0	44.5		
Total			50.0	294.1	50.0	287.6	50.0	287.6	50.0	284.5	50.0	284.5		
Of which Title III														
Wheat			17.0	100.0	16.8	97.2	16.8	97.2						
Wheat Flour ^{2/}			3.0	17.6	3.2	17.1	3.2	17.1						
Total			20.0	117.6	20.0	114.3	20.0	114.3						

^{1/} Based on commodity prices State 129958.

^{2/} Includes wheat flour converted at the ratio: 1.0 MT flour equals 1.39 MT wheat.

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TABLE XII: PL480 TITLE I/III SUPPLY AND DISTRIBUTION

(000 MT)

<u>STOCK SITUATION</u>	<u>FY 1984</u>	<u>Estimated FY 1985</u>
Commodity - Wheat		
Beginning Stocks	60	60
Production	190	205
Imports	533	465
Concessional	288 <u>1/</u>	285 <u>1/</u>
Non-Concessional	245	180
Consumption	723 <u>2/</u>	670 <u>3/</u>
Ending Stocks	60	60

1/ This figure represents gap, or import needs over PL 480; GOS will not be able to meet commercially.

2/ Assumes rate of increase is reduced from 12% to 6% as move to U.S.
\$1.00 = LS 1.30.

3/ Composite flour replaces wheat at 10%.

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ANNEX A: AID NON BILATERAL FUNDED ACTIVITIES

<u>Number</u>	<u>Title</u>	<u>Date Activity Started</u>	<u>Terminal Date of Activity</u>	<u>AID Office with Principal Responsibility</u>	<u>Expected LOP Cost of Activity in Sudan (\$000)</u>	<u>Priority Rank High, Medium Low</u>	<u>Person Months (USDH, PSC)</u>
932-0537	Regional Research and Training Program with Sudan Fertility Control Association	4/79	Continuing	USAID/Sudan	194.0	Medium	1.0
932-0604	Laproscope Maintenance, Central Equipment Workshop (AID/Pha-G-1064)	6/79	Continuing	USAID/Sudan	84.5	Low	0.2
"	Continuing Education in Reproductive Health for Medical Officers	8/81	Continuing	USAID/Sudan	177.0	Low	0.5
932-0632	Community Based Health Project (AID/pha-G-1107)	4/80	8/83	USAID/Sudan	755.0	High	1.0
932-0637	Resources for the Awareness of Population Impact on Development (RAPID-C-1195)	4/80	Continuing	USAID/Sudan	1/	High	1-2
932-0644	Paramedical, Auxiliary and Community Family Planning Personnel Training (C-0058 INTRAH)	1979	Continuing	USAID/Sudan	1/	Medium	1.0
932-0655	Integrated Population/Family Planning (IPOP)	10/79	10/84	USAID/Sudan	34.8	Medium	0.2

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Number	Title	Date Activity Started	Terminal Date of Activity	AID Office with Principal Responsibility	Expected LOP Cost of Activity in Sudan (\$000)	Priority Rank High, Medium Low	Person Months (USBH, PSC)
932-0662	United Nations Fund for Population Activities (UNFPA)	Continuing	Continuing	ST/POP	1/	Medium	0.4
932-0838	Sudan Family Planning Assoc. (AID/Pha-G-1135)	1961	1990	ST/POP	1/	Low	0.2
932-0955	Hag Yousif Clinic MCH/FP (AID/Pha-G-1131-Sudan 02)	1977	Continuing	USAID/Sudan	77.0	High	1.0
932-0968	Assistance to Sudan Fertility Control Association (AID/pha-G-1128) In Service Training in Fertility/Infertility at Soba University Hospital	6/77	Continuing	USAID/Sudan	194.0	Medium	1.0
"	Female Service and Training Program - Khartoum North Hospital	8/82	Continuing	USAID/Sudan	54.0	Medium	1.0
	Sub-Total				1570.3 + 1/		8.7
Health							
698-0408.2	Health Constraints to Rural Production (Schistosemiasis)	1/81	12/85	USAID/Sudan	2122.0	Medium	4.0
	Sub-Total				2122.0		4.0

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ANNEX A: AID NON BILATERAL FUNDED ACTIVITIES

Number	Title	Date Activity Started	Terminal Date of Activity	AID Office with Principal Responsibility	Expected LOP Cost of Activity in Sudan (\$000)	Priority Rank High, Medium Low	Person Months (USDH, PSC)
698-0384	African Manpower Development II, African Graduate Program	1977	1987	USAID/Sudan	2500.0	High	5.0
	Sub-Total				2500.0		5.0
	Other						
650-0044	Jonglei Swamp Transport (AIP)	1980	3/84	USAID/Sudan	472	Low	0.5
698-0427	Environmental Training/Management (ETMA)	9/80	9/85	AFR/RA	489	Medium	1.0
936-5703	Energy Policy/Planning	1/81	6/88	ST/EY	741 2/	High	0.2
936-5724	Conventional Energy Technical Assistance	1/82	1/	ST/EY	1/ 3/	High	0.1
936-9977	Conventional Energy Training	1981	1986	USAID/Sudan	1/	Medium	4.0
	Sub-Total				1702.0		5.8

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ANNEX A: AID NON BILATERAL FUNDED ACTIVITIES

<u>Number</u>	<u>Title</u>	<u>Date Activity Started</u>	<u>Terminal Date of Activity</u>	<u>AID Office with Principal Responsibility</u>	<u>Expected LOP Cost of Activity in Sudan (\$000)</u>	<u>Priority Rank High, Medium Low</u>	<u>Person Months (USDH, PSC)</u>
	<u>Refugee Assistance</u>						
650-0064	CARE Reforestation	1983	3/88	USAID/Sudan	4550.0	Medium	1.2
650-0068	Southern Sudan Refugee Assistance	1982	7/83	USAID/Sudan	1800.0	Medium	1.2
	Sub-Total				6350.0		2.4
<u>Total</u>					14244.3 + 1/		25.9

1/ Funding information not available at USAID/Sudan.

2/ Continuation funded under Energy Planning and Management Project (650-0059).

3/ Bilateral projects in Energy Sector mean that USAID/Sudan has not taken normal advantage of this project.

ANNEX B: PROPOSED BUDGET FOR PDS FUNDS

<u>Year and Project</u>	<u>\$000</u>
<u>FY 1984</u>	
<u>ARDN</u>	
River Transport Agr. Mkting (650-0060): PP development.	114
Agriculture Production/Mkting (650-0054): PP development.	<u>133</u>
Subtotal	247
<u>FY 1985</u>	
<u>ARDN</u>	
Western Agr. Mkting. Road (650-0069): PP development.	76
Sudan Agriculture Research (650-0020): PID/PP development.	95
<u>SDA</u>	
Macro Economic Policy (650-0070): PID/PP development.	<u>57</u>
Subtotal	228
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