PD-AAS-635

AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ANNUAL BUDGET SUBMISSION

FY 82

THAILAND

BEST AVAILABLE

JUNE 1980

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523

FY 1982 ABS

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Table I

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT ($ Thousands)

Development Assistance	FY 1980 EST.	FY 1981 EST.	Decision Unit FY 1982 REQUEST MIN	CURR	AAPL	PLANNING PERIOD 1983	1984	1985	1986
Agriculture Rural Dev. & Nutrition	14,495	23,100	13,400	17,400	18,400	50,000	85,000	85,000	100,000
Grants	7,495	6,900	5,400	6,900	7,900	15,000	25,000	20,000	22,000
Loans	7,000	16,200	7,000	10,500	10,500	35,000	60,000	65,000	78,000
Population	2,280	1,900	8,000	8,000	8,000			5,000	5,000
Grants	2,280	1,900	8,000	8,000	8,000			5,000	5,000
Loans									
*Health			5,000	5,000	13,000	5,000		20,000	10,000
Grants			2,000	2,000	4,000	1,000		5,000	2,000
Loans			3,000	3,000	9,000	4,000		15,000	8,000
Education	1,100	1,000							
Grants	1,100	1,000							
Loans									
Selected Dev. Activities	820	1,000			600	5,000			5,000
Grants	820	1,000			600	5,000			
Loans									5,000
SUBTOTAL FUNC ACCOUNTS	18,695	27,000	25,400	30,400	40,000	60,000	85,000	110,000	120,000
Grants	11,695	10,800	15,400	16,900	20,500	21,000	25,000	30,000	29,000
Loans	7,000	16,200	10,000	13,500	19,500	39,000	60,000	80,000	91,000
TOTAL DA ACCTS	18,695	27,000	25,400	30,400	40,000	60,000	85,000	110,000	120,000
Grants	11,695	16,200	15,400	16,900	20,500	21,000	25,000	30,000	29,000
Loans	7,000	10,800	10,000	13,500	19,500	39,000	60,000	80,000	91,000
Economic Support Fund			MIN	CURR	AAPL				
Grants			10,000	10,000	10,000				
Loans				5,000	10,000				
TOTAL DA AND ESF	18,695	27,000	35,400	45,400	60,000	60,000	85,000	110,000	120,000
PL 480 (non-add)									
Housing Guaranties (non-add)		(15,000)			(20,000)		(40)		(30)
TOTAL PERSONNEL									
USDH	23	23	18	21	25	27	29	31	31
FNDH	69	69	61	69	69	73	76	78	78

*Plus 493-0971 Lampang Health Development Funds from Central to Mission - 1980 $50,000
1981 $400,000

Table I - Narrative

Staffing Rationale

Introduction

USAID's staffing requirements for FY 82 can be viewed in proper perspective only by understanding and comparing the Mission's staffing and program levels over the preceding period. We take FY 1978 as a base because it was the last year of the earlier phase-out strategy. It was not until FY 1979 that we began to deploy additional resources towards a renewed and expanding program.

As the following table shows, USAID's program will have expanded greatly by FY 82 from FY 78 with only a limited staff increase -- even taking maximum staff requirements associated with the FY 82 AAPL:

All Active Bilateral Projects

Year	No. of Projects	LOP Value in $ millions	Total Staff USDH	Total Staff FSN
1978	12	$42 million	18	69
1982	20	$112 million (+$35 million HIG and $5 - $20 million housing finance loan)	25 (+1 Regional Housing Officer)	69 (+1 Regional Project Asst. Singapore & 1 Regional Sec. Housing)

USAID's ability through this period to expand program much faster than staff is explained, in part, by the fact that the staff level of 1978 represented surplus capacity as frequently happens during a phase down process -- staff attrition normally lags budget reductions. In addition, internal restructuring of USAID staff enhanced the Mission capability to plan and manage projects consistent with our program strategy. For example, the Office of Rural Development has three new positions, one of which was made possible by doubling up office management and project officer roles in the Office of Health and Population. The merger of the Program and Project Development Offices yielded a position by eliminating one chief and creating a second loan officer position. Also during the period, 7 FNS's were transferred from support to technical offices.

Over the course of the next few years, we believe we can increase our program efficiency even further by properly managing the additional staff resources which will become available through reductions in administrative overhead. A likely basis for reduction in administrative overhead will be co-location with other U.S. mission elements.

In assessing appropriate staffing levels for FY 82, we have given full consideration to AID/W's directives to realize staff economies and avoid USDH staff increases unless absolutely necessary. Yet despite application of various efficiency measures, we argue here for a modest staff increase to responsibly manage our proposed program. The detailed rationale is provided below.

As a prelude to the justification, we would like to point out that sooner or later AID/W will have to address the basic dilemma of staff constraints in relationship to mandated program directions. We are concerned that AID's unique effectiveness is at risk on a worldwide basis. We are asked to investigate the conditions, causes, and incidence of poverty in our host countries, then organize meaningful programs targetted directly at poverty alleviation. We accept this challenge, but no one can doubt that it is by far the most difficult aspect of any national development program. We are not talking here about the "poorest of the poor", chronically unemployed, etc., but the significant numbers of persons, largely rural-based, who live at the subsistence level.

To affect poverty, projects must be designed on the basis of detailed understanding of local conditions and the attitudes/behavior of the intended beneficiaries, generally at the village level. Effective action calls for technological innovation and, frequently, changes in administrative modes, e.g. deconcentration of authority. A close working relationship between USAID and the implementing agencies is essential -- and requires painstaking effort. Thus, increasingly more, not less, staff is needed in order to launch effective projects that reach the poor. At the field level, we believe there is a clear relationship between staff time and quality of such projects. If field missions must continue to hold the line on staffing while program levels increase, AID/W must alter the prescribed management procedures and standards to maximize the staff resources that can be directly devoted to maximize the staff resources that can be directly devoted to individual projects, or reconsider the nature of the job to be done. We can "improvise" only so long. Otherwise we will be creating frustration for ourselves and our host governments.

Part I - FY 82 Personnel Planning Level

As part of the Mission's FY 81 ABS presentation, we proposed a means of assessing USAID's workforce requirements based on a "core" staff with additional positions determined by the size and content of the program. We have concluded that the reasoning we used then remains sound and fully applicable in the FY 82 ABS.

The core USDH staff is the cornerstone for establishing the FY 82 personnel planning level. Referred to as the pipeline workforce in the ABS guidance, it assumes an on-going program with no new obligations in FY 82. Such a program encompasses involvement in rural development and agriculture, health, nutrition, family planning, energy development and limited incrementally funded activities in education and human resource development. It also accepts the certainty that USAID will continue to be called upon to undertake macro and sector level analyses for AID and IDCA. In Thailand's case, the pipeline workforce necessary to carry to conclusion the 18 projects still active at the end of FY 81 is 13 USDH personnel. This core consists of a mission director, secretary, controller, executive officer, program officer, economist, capital projects officer, health and population officer, human resources and training officer, engineering/energy officer and three agricultural/rural development officers.

As part of the calculation of the core staff, and allowing for the variation among projects in required staff intensity, it is our judgment that a bilateral project/project manager ratio of 3:1 is about the maximum load consistent with effective management for the current USAID (and AID worldwide) mode of operations.1/

At the FY 82 minimum level, there will be 4 projects requiring new obligations in addition to the 18 pipeline projects. A more significant difference from the premise underlying the pipeline workforce calculation is that the FY 82 minimum level assumes an out year program and requires planning of that program. The total of 22 projects will require 8 project officers, a total reached by adding 2 additional project

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1/ This 3;1 ratio does not take into account irreducible regional and centrally-funded project support activities, which hit especially hard in our HRT and HPN offices in the Mission. Such support properly accounts for about one person/year of staff time.

officer positions (one health/family planning officer and one agricultural officer) to the 6 that are designated in the original 13. (Project management clusters are shown in Exhibit A to this narrative). Since we anticipate some increase in the 1983-84 out years in number of active projects, with major new initiatives in agriculture/rural development and the energy sector, we require a workforce increment of two persons for future project design. Finally, consistent with even a minimal programmatic contribution to meeting the 1982 CDSS goals, a second project development officer is needed to buttress technical project activities. The overall cumulative total is therefore 18 at the minimum level.

The current level involves a modest increase in program responsbility for FY 82, but implies greater involvement in out year planning. The mission will accordingly require the additional in-depth analytical and planning capacity of a social science advisor. An assistant program officer is also added in response to the compounded planning and evaluation needs. Furthermore, a financial analyst is required. The total staff for a program established at the current level comes to 21 persons.

The AAPL proposed only one new project in water supply and sanitation; the other two projects in the AAPL are ongoing and incrementally funded. Project management necessary to accommodate these needs would have already been included at the minimum level. The major difference in staff implications between the AAPL and the current is that the AAPL level presumes larger outyear budgets in FY 83 and FY 84, particularly, with substantially greater planning responsibilities for agriculture/rural development and renewable energy development. In effect a threshold of expanded program and planning responsibilities is passed at the AAPL level. Accordingly an additional project design officer in rural development is required. The breadth of activities in agriculture and rural development and concomitant needs to formulate future strategy in the sector will require a senior agriculture officer to serve as office director, with few project specific responsibilities. As CDSS Proposed Assistance Planning Levels are approached, we will also need a general services officer to relieve the EXO's administrative burden occasioned

by what is now a substantial staff complement, and an assistant director, who will assist the mission director in management of the markedly expanded portfolio implied by the FY 82 and out year AAPL's. The AAPL workforce planning level is therefore 25.

We should make it clear that the incremental workforce required at the AAPL level is related to our perception that only at the AAPL level in FY 82 do out year budget targets posed in the CDSS become realizable. To our mind, each decision package imparts a different expectation concerning out year budget levels and therefore future program responsibilities to which the Mission must attend with personnel in FY 82. For instance, given the way the AID budget system operates, it does not appear credible to advance from the FY 82 minimum of $25.4 million to a PAPL figure of $60.0 in FY 83. The AAPL decision package therefore places the greatest demands on the Mission for thinking through a planning outyear activity, with an associated increase in the overall span of administrative control. We therefore think it necessary to associate some portion of the additional staff responsible for future program planning and non-project specific supervisory staff at the AAPL level, despite ABS guidance (page 18) to include all future project designer positions in the minimum workforce increment. A further point to be re-emphasized is that the water/sanitation project and increments to two on-going projects to be funded in the AAPL decision package do not impose a workforce increment at this level.

Our AAPL workforce planning level exceeds by two the target figure assigned to the Mission as part of the ABS instructions. We believe the slightly higher figure is absolutely justified, as explained above, to responsibly plan and manage the cumulative program through FY 82 and serve as a base for mounting an effective program at or near PAPL estimates in the CDSS outyears. Our staff efficiency trends are still responsive to the AID/W injunction to do more with less. Between year-end FY 79 and FY 82, the ratio of USDH personnel to program level (defined as life-of-project value for all active projects) will decrease from 1:2 to 1:5. Average life-of-project-value per project will rise from $4 million at close of FY 79 to $6 million by FY 82.

The proposed increase of USAID USDH workforce from the present level of 23 to 25, i.e., two positions above the current mode ceiling, has not yet been approved by the U.S. Ambassador to Thailand, who was away from post when the Mission finally concluded that the AAPL budget level requires an overall increase of staff. We will discuss workforce levels with the Ambassador following his return to Thailand in the second week of June, and advise AID/W of the decision reached.

Part II - Workforce Requirements in Outyears

During the out years of the planning period, the projected planning levels necessarily imply an increase in the number of projects. Even given the efficiency measures outlined below, there will be a need for increased staff. We currently foresee a requirement for 5 additional USDH by FY 86. The total workforce increment of 7 proposed for FY 82-86 represents only a slight increase over the figure of 5 postulated in the CDSS. The projected functional breakdown of this increase is as follows:

1983:	1 - Engineering Officer
	2 - Project Development Officer
1984:	3 - Lawyer
	4 - Agricultural Project Officer
	5 - Rural Development Officer

These staff increases are foreseen as necessary despite creative application of the various efficiency measures suggested by AID/W. The subsector/project ranking list (Exhibit B to this narrative) provides our assessment of the complexity of each subsector included in the CDSS and the staff intensity needed to carry out projects successfully. The measure of staff intensity is largely a function of the degree to which we hope to introduce "efficiency" factors. The complexity of a sector takes into consideration the administrative and technical capacity within Thailand to handle projects and the difficulty of the problems addressed.

The most obvious conclusion to be drawn from the ranking is that many of our highest priority program areas are also highly complex and staff intensive. This conclusion is consistent with our introductory remarks above on the need for greater, not lesser staff commitments to the alleviation of poverty.

Efficiency measures will continue to be applied and refined in the out years of the planning period. Following is a listing of those factors and the approximate dollar share of the planned program associated with each measure. These estimates are based on current experience and, for the period beyond FY 82, are necessily subject to the emerging new emphases in US policy and the preferences of the Thai Government.

Enhanced Use of Intermediaries - 35% of Program

USAID is already working closely with the Peace Corps in several on-going projects. We are also deeply involved with PVO's but in the separate co-financing project rather than as intermediaries in other discreate projects. USAID will soon develop a new Title XII relationship with a U.S. university or consortium in rainfed agricultural development, the benefit of which should be especially great in the out years.

Utilization of Host Country Analytical and Management Capabilities - 80%

It is Mission policy to try to locate and use local consultants and firms before seeking outside talent. Host country expertise is used in both project design and implementation. We believe this approach to be valuable both because of its cost effectiveness and because of the possibility of establishing relationships that can be sustained over the longer term. Examples include present and future use of Thai universities for survey research and social soundness anslysis, use of Thai A&E firms, and almost universal use of direct project supervision by Thai Government line departmens. USAID is especially fortunate in having the well-established capability of the latter in carrying out projects.

Projects of Larger Average Size - 80%

This factor is becoming one of the dominant themes of our program. Current evidence of the trend is seen in the Village Fish Ponds II, Provincial Planning and Development and Northeast Rainfed Agriculture projects. We hope to hold new projects to 4 or 5 per year under steadily increasing out year AAPL's.

Replication of Successful Projects - 30%

This factor encompasses both the expansion of successful pilot efforts, such as the Village Fish Ponds Project, and the initiation of projects with qualitative new dimensions as spin-offs from earlier efforts -- e.g. non-conventional energy development. There are, however, limits on the extent a program can replicate itself without losing its risk-taking, dynamic edge.

Geographic Concentration of Programs - 80%

A basic guideline of our strategy has been to emphasize the need to concentrate our efforts in the Northeast and North of Thailand. This will continue because (1) these are the areas where most of Thailand's poorest people reside, and (2) it enables us to pursue a strategy of integrated rural development which will magnify the impact of each individual project. Even with energy projects coming on stream more vigorously in FY 83 and beyond, we expect a substantial portion of this functional sector, such as biomass development, to be focussed in the Northeast.

Utilization of Other Donors - 10%

This may be an underestimate of the impact of this factor, but experience to date indicates that while important cooperative efforts do take place (Primary Health Care, Agricultural Extension Outreach), this factor is less susceptible to USAID initiatives than others.

Sector Support - Undetermined Share

Hopefully, out year AAPL's will materialize in FY 85 and 86 to permit the USAID to begin programming sector assistance for a substantial portion of the new portfolio, although an estimated share would be premature at this time.

Exhibit A to Table I Narrative

Project Responsibility Clusters
(management units per project officer)*
Projected FY 1932

Project Manager	Fishponds II Land Settlements Sericulture
Project Manager	Lam Nam Oon NESSI (Design-one Project)
Project Manager	Seed Development I/II Ag Extension Outreach Ag Planning
Project Manager	PP&D Mae Chaem Watershed Development (Design-one project)
Project Manager	NERAD Soil Conservation and Management
Project Manager	Malaria Primary Health Water & Sanitation
Project Manager	Population Nutrition (Central Projects)
Project Manager	Hill Area Education Non-Formal Voc. Ed. PVO Co-Financing Emerging Problems
Project Manager	Non Conventional Energy Small Scale Hydro Remote Sensing for Dev.

*There will be one additional project officer who will be concerned only with future project design.

Exhibit B to Table I Narrative
Subsector Ranking 1982-1986
(Project Ranking 1982)

	Complexity Degree of Difficulty Administrative & Technical	USAID Staff Intensity Including use of intermediaries to reduce USAID staff intensity
1. Population Population Planning	L	M
2. Rainfed Agriculture NERAD Fishponds II Land Settlements Sericulture Agricultural Extension Non-Formal Vocational Ed. Seed Development Ag Planning Soil Conservation	H	H
3. Health & Nutrition Nutrition Rural Water & Sanitation Primary Health Malaria	M	M
4. Energy Renewable Energy Mini Hydro	M	M
5. Decentralization of Development Provincial Planning & Dev.	H	H
6. Irrigated Agriculture NESSI Lam Nam Oon	H	H
7. Watersheds Mae Chaem Hill Area Education	H	H
8. Housing/Reg-onal Centers (HIG) (housing Finance)	L	L
9. Selected Development Activities Remote Sensing for Development Emerging Problems in Dev. PVO Co-Financing	L	L

TABLE IV PROJECT BUDGET DATA

DECISION UNIT

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/79	FY 1980 OBLIG.	FY 1980 EXPEND.	FY 1980 CUM. PIPELINE	FY 1981 OBLIG.	FY 1981 EXPEND.	FY 1981 CUM. PIPELINE	FY 1982 SAFL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
	Population					3,337	2,280	1,771	3,846	1,900	1,806	3,940	8,000		0
0283	Population Planning	G	FY-1976	FY 81	1981	3,337	2,280	1,771	3,846	1,900	1,806	3,940	0	-	0
0325	Population Planning	G	FY-1982	FY 82	-	-	-	-	-	-	-	-	8,000	1985	
	Health					208	240	123	325	134	325	134	13,180		
0321	Nutrition	G	FY-1982	FY 82	-								2,000	1984	0
	"	L			-								3,000		0
0322	Water and Sanitation	G	FY-1982	FY 82	-								2,000	1984	0
	" " "	L											6,000		0
0249	PDS	G								134	-	134	180		0
0251	PVO	G	FY-1976	FY 80	-	208	240	123	325	-	325	-			0
	Education and Human Resources					440	1,284	436	1,288	1,034	1,146	1,176	80		
0295	Non-Formal Voc. Ed.	G	FY-1980	FY 80	1982		500	-	500	-	290	210	-	1983	
0297	Hill Area Education	G	FY-1980	FY 81	1982		600	42	558	1,000	592	966	-	1985	
0249	PDS	G	FY-1976	FY 82	-	121	184	213	92	34	126	-	80	-	0
0251	PVO	G	FY-1976		-	319	-	181	138	-	138	-			0
	Selected Development Activities					367	820	224	963	1,100	398	1,665	700	-	0
0309	Emerging Problems of Dev.	G	FY-1980	FY 84	1982		820	-	820	1,000	205	1,615	600	-	2,580
0251	PVO	G	FY-1976	FY 79	-	367	-	224	143	-	143	-			
0249	PDS	G	FY-1976	FY 82	-					100	50	50	100		
	Sub Total Functional Accounts					12,799	19,380	4,062	28,117	27,670	10,639	45,148	40,900		
	Shelf Projects														
	Ag. Planning		FY-1980	FY 80											
	Seeds II		FY-1982	FY 82											
	Small Scale Hydro		FY-1981	FY 82											

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TABLE IV PROJECT BUDGET DATA

DECISION UNIT

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/79	FY 1980 OBLIG.	FY 1980 EXPEND.	FY 1980 CUM PIPELINE	FY 1981 OBLIG.	FY 1981 EXPEND.	FY 1981 CUM PIPELINE	FY 1982 APPL. OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS Total
	Agriculture, Rural Development and Nutrition					8,447	14,756	1,508	21,695	23,502	6,964	38,233	18,940		
0289	Land Settlement	G	FY-1979	FY 80	193	100	100	-	200	-	100	100		12/84	0
	" "	L				4,000	-	-	4,000	-	1,220	2,780		12/84	
0294	Mae Chaem	G	FY-1980	FY 83	1981	-	4,300	-	4,300	-	860	3,440	2,400		3,200
0296	PVO/OPG Co-Financing	G	FY-1980	FY 84	1982		595	120	475	1,100	475	1,100	1,000		1,600
0304	Renewable Non-Conventional Energy	G	FY-1979	FY 80	1982	3,500	1,500	574	4,426	-	1,934	2,492		7/84	
0312	N.E. Small Scale Irrigation	G	FY-1980	FY 80	1982			-		500	100	400			
	" " " "	L					7,000	-	7,000	-	1,400	5,600			
0315	Provincial Planning and Dev.	G	FY-1980	FY 81	-		1,000	-	1,000	1,800	380	2,420			
	" " " "	L	FY-1981							7,200	-	7,200			
0308	N.E. Rainfed Ag. Dev.	G	FY-1981	FY 81	-					2,500	-	2,500			
	" " " "	L								7,000	-	7,000			
0324	Small Scale Hydro	G	FY-1981	FY 82	-					1,000	-	1,000	4,000*		0
	" " "	L								2,000	-	2,000			
0316	Fish Pond II	G	FY 1982	FY 82	-								3,000		0
	" "	L											7,000		0
0323	Soil Conservation	G	FY-1982	FY 82	-								1,500		0
	" "	L	FY-1982										3,500		
0249	PDS	G	FY-1976	FY 82	-	236	261	234	263	402	464	201	540		
0251	PVO	G	FY-1976	FY 79	-	611	-	580	31	-	31	-	-	-	0

*Shelf for 1982

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TABLE IV PROJECT BUDGET DATA

DECISION UNIT

PROJECT NUMBER	PROJECT TITLE	O/L	OBLIGATION DATE INITIAL	OBLIGATION DATE FINAL	DATE OF NEXT PLANNED NON-ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST ($000) CUM PIPELINE AS OF 9/30/79	FY 1980 OBLIG.	FY 1980 EXPEND.	FY 1980 CUM. PIPELINE	FY 1981 OBLIG.	FY 1981 EXPEND.	FY 1981 CUM PIPELINE	FY 1982 APPL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
	Grants					8,799	12,380	4,062	17,117	11,470	8,019	20,568	21,400		-
	Loans					4,000	7,000	-	11,000	16,200	2,620	24,580	19,500		-
	Other Programs														
	Grants					-	-	-	-	-	-	-	-		-
	Loans					-	-	-	-	-	-	-	-		-
	Total all DA Appropriation Accounts					12,799	19,380	4,062	28,117	27,670	10,639	45,148	40,900		-
	Grants					8,799	12,380	4,062	17,117	11,470	8,019	20,568	21,400		-
	Loans					4,000	7,000	-	11,000	16,200	2,620	24,580	19,500		-
	Security Supporting Assistance					-	-	-	-	-	-	-	-		-
	Grants					-	-	-	-	-	-	-	-		-
	Loans					-	-	-	-	-	-	-	-		-
	Total DA and SSA					12,799	19,380	4,062	28,117	27,670	10,639	45,148	40,900		-
	Grants					8,799	12,380	4,062	17,117	11,470	8,019	20,568	21,400		-
	Loans					4,000	7,000	-	11,000	16,200	2,620	24,580	19,500		

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PROJECT NARRATIVE

Project Number and Title: 493-0324 Small Scale Hydroelectric Technology Adaptation

Proposed Funding:
FY 81: $3.0 million
Grant: $ 1.0 million
Loan : $ 2.0 million
FY 82: $4.0 million (Loan)
Life of Project: $7.0 million
Grant: $1.0 million
Loan : $6.0 million

Appropriation Account: Food and Nutrition 103

1. Purpose

To demonstrate the practicality of various approaches to small scale hydroelectric development and thereby reduce Thailand's dependency on imported fossil fuel energy sources.

2. Problem

Thailand relies on foreign sources for about eighty percent of its commercial energy requirements and over forty percent of all energy consumption. Reducing Thailand's dependency on petroleum imports is crucial for maintaining the current standard of living and extending the benefits of development to rural areas. Mini-micro hydro, which we generically will call small-scale hydroelectric, is a very promising alternative energy technology which might help alleviate the need for petroleum products. It has been estimated that if all Thailand's micro-hydro potential could be tapped, it would produce 800 megawatts of firm, dry season, unregulated power. This is equal to 25 percent of the current installed electric generating capacity. While it is unlikely that this maximum potential will ever be fully utilized, the prospects for this renewable alternative technology seem most encouraging.

There have been at least two proposals on the introduction of this technology into Thailand. One approach, generally favored by the National Energy Authority (NEA), is to use appropriate technology and locally produced materials to the maximum practical extent together with the possible organizational innovation of management by local village

cooperatives for rural electrification. Advantages of this approach include the wider dispersal of economic benefits within Thailand, reduction of the drain on the balance of payments due to the decrease in the need for prepackaged foreign technology, and the direct involvement of the beneficiaries (if a cooperative management system is chosen) to help ensure equity as well as initial financial and continued operational viability.

The other approach, generally espoused by the Provincial Electric Authority (PEA), entails importing readily-available foreign technical equipment for the small scale hydro systems which would be operated by the existing state enterprise electrical corporations. The obvious benefits of this approach include the immediate reliable production of energy from technology which has proven successful elsewhere. Many more proposals can be derived from permutations and slight variations of these two approaches.

Thailand must decide which kind or kinds of small scale hydro systems it wishes to pursue. Before this decision can be made, more empirical information on the viability and associated problems is needed for the various technical alternatives.

3. Project Description

This project proposes to demonstrate the technical and socio-economic suitability of different types of small scale hydro systems throughout Thailand. The project tentatively consists of pilot demonstrations including:

A. Different mixes of foreign vs. locally-made equipment.

B. Different management systems including cooperatives and inclusion within existing management institutions.

C. Different user charges and collection systems.

D. Inclusion of small scale hydro within existing electrical grids as well as in isolated villages.

E. Experimentation with different numbers and arrays of small scale hydro within existing grids.

F. Different size mini and micro hydro schemes, ranging from 25 KW or below units up to 1 megawatt.

G. A small scale hydro scheme with project-financed complementary inputs such as irrigation pumps, fishponds and/or other employment generating schemes.

These pilot projects will be evaluated jointly by AID and the Thai Government. Promising results will be disseminated to industry, Thai agencies and institutions, and local communities as appropriate.

4. Beneficiaries

The direct beneficiaries will be the RTG agencies and their personnel whose technical skills will be upgraded by the technical assistance and training involved in this project. The ultimate beneficiaries will be Thai farm families and others in rural areas who will make use of the increased availability of energy at reduced prices. The Thai nation will benefit as a whole, as its dependency on fossil fuels is reduced and as subsidies for energy use may be reduced.

5. Project Issues

The following issues need to be addressed during project development:

(1) The centrality of electricity in meeting rural energy needs.

(2) Extent and nature of small scale hydroelectric site availability.

(3) Cost effectiveness of using small scale hydro to replace diesel generators in the district centers.

Decisions must be made on the role of the different Thai institutions and agencies. As mini-micro hydro is a relatively new technology for Thailand, the question of the institutional responsibilities for construction and operation of small scale hydro facilities has not been resolved. Another question is the qualitative standards which PEA (understandably)

requires of individual micro hydro facilities before PEA will accept responsibility for operation or permit link-up with the main grid. PEA would like to replace diesel units within its generally isolated grids with district small-scale hydro facilities. Before doing this, they would like to have the results of an RTG pre-feasibility masterplan which delineates the available small hydro resources. Such a plan might take a year or more to complete. This project is proposed in order to provide applied practical data to supplement this master plan.

6. Estimated A.I.D. Budget

	($000) FY 81	FY 82	(Shelf)
Imported Hydro Unit(s) - 500 K.W. ea.	1,000	2,000	
Local Hydro Units - 50 K.W. ea. (Incl. installation)	500	500	
Hybrid Hydro Unit - 150 K.W. ea	700	1,500	
Technical Assistance	500		
- Institutional Analysis	(100)		
- Baseline Survey	(150)		
- Control Technology	(150)		
- Other	(100)		
Training	100		
- Resource Survey	(25)		
- Design and Operation	(75)		
Contingency	200		
TOTAL	3,000	4,000	

PROJECT NARRATIVE

Project Number and Title:	493-0322 - Water and Sanitation	
Proposed Funding:	FY 82:	$8.0 million
	Life of Project:	$8.0 million
	Loan:	$6.0 million
	Grant:	$2.0 million
Appropriation Account:	Health Population 104	

1. Purpose

To increase the availability and use of clean (potable) water and sanitary latrines in the 20 provinces which are most deficient.

2. Problem

According to satistics from the Ministry of Public Health, water and sanitation-related diseases rank high on the list of common diseases, and are probable underlying causes of other morbidity, such as malnutrition. Diarrheal disease is the third most common cause of death for all ages, and the second most common cause of death for children under age six. The Royal Thai Government, in formulating health policy for the Fourth Plan period, identified water and food borne disease as the number one priority.

Despite the investment of considerable RTG resources in recent years to expand the availability of water in small villages,* a 1978 WHO assessment reported that only 10 percent of the rural population has access to safe water and about 24 percent of the rural population had access to sanitary latrines as of 1975.

Where rural water supply projects have actually been installed, they have not always demonstrated a measurable impact on diarrhea rates because some systems were not maintained, sanitary waste disposal was not integrated into the program, and increased water use did not occur. There are, however, hopeful aspects which suggest the possibility of an effective intervention in this area. Surveys have found as many as 80-90 percent of existing latrines in use, especially in villages where piped systems with household connections exist. The recent AID-sponsored Impact Evaluation conducted by Dr. Dworkin

*Communities of less than 2,000 population, representing 80% of the rural population.

revealed that piped water systems supported through earlier AID assistance have been maintained and per capita water use had increased substantially. And some villagers who have piped house connections claimed that the most important benefit of the earlier AID projects was the increase in gardening and cash-crop farming made possible.

3. Project Description

The project will assist the RTG in its efforts to expand the availability of safe water and sanitary latrines in accordance with RTG goals and priorities. The geographic focus of the project will be in 20 provinces, coinciding with the Rural Primary Health Care Expansion Project when appropriate. The project will be directed toward assisting small villages where the unmet need for safe water and sanitary latrines is greatest.

AID assistance will be used to: (1) upgrade and update technical skills within the major implementing RTG agencies; (2) support the training of additional manpower, particularly sanitarians, needed to intensify the current program; (3) provide TA and equipment to be used to field test new low cost technology available for rural water supply and sanitary waste disposal; (4) contribute to an RTG fund that will be used to make loans to communities for installation of piped water systems; (5) help finance assistance to low-income persons to install sanitary latrines; (6) train village health volunteers to provide relevant health education and assist the community in assessing its water needs; and (7) where piped water systems are not feasible for financial or other reasons, assist in developing alternative water supply schemes.

The prime implementing agencies will probably be the Provincial Water Works Authority and the Rural Water Supply and Sanitation Divisions of the Ministry of Public Health.

4. Beneficiaries

The beneficiaries will be persons living in villages of less than 2,000 in the 20 provinces where the unmet need for safe water and sanitary latrines is greatest. People in rural Thailand seem to perceive that piped water systems represent a very significant improvement in their water supply situation, and many people are willing to help pay for these improvements. Again, the recent Dworkin study found that most piped water systems that had been installed with earlier AID assistance are now self-supporting. Therefore, although initial capital costs may be high, public willingness and ability to support such systems may result in acceptable costs in the longer run.

5. Issues

Feasibility issues to be addressed during project development include:

(a) Assessment of willingess/ability of communities of less than 2,000 population to financially support piped water systems adequate to permit maintenance, proper operation, and future renovation as necessary;

(b) Further analysis of economic viability of piped water systems in small communities;

(c) How to insure access by low income persons to piped water systems;

(d) How to modify existing rural taste preference for water from unprotected sources; and

(e) Ability of currently-fragmented rural water supply sector to consolidate itself.

6. Estimated Budget	($000)
Technical Assistance	1,000
Training	1,000
Water Systems	
Piped	3,000
Non-Piped	2,000
Sanitary Latrines	1,000
Total	8,000

PROJECT NARRATIVE

Project Number and Title: 493-0321 - Nutrition

Proposed Funding:		
	FY 82:	$5.0 million
	Life of Project:	$5.0 million
	Grant:	$2.0 million
	Loan:	$3.0 million

Appropriation Account: Health and Population 104

1. Purpose

To reduce the occurence of malnutrition in Thailand, reduce infant and child mortality and increase life expectancy.

2. Problem

According to recent data (February, 1980) Thailand has a nationwide malnutrition rate of 57%. In a survey of 260,652 pre-school children, 42.68% were found to be normal, 40.84% were first degree malnourished, 14.29% were second degree malnourished and 2.19% were third degree malnourished. Clearly, malnutrition is a major health problem in Thailand. In addition, the pervasiveness of malnutrition is even more alarming when one considers that Thailand is one of seven major food exporting nations in the world. Although the Royal Thai Government has active programs in nutrition education, promotion of breast feeding, distribution of supplemental foods, staff training and nutrition surveillance, there appears to have been no significant change in malnutrition rates during the past five years.

One of the major factors contributing to infant mortality is the low birth weight of infants. Thailand's infant mortality rate is estimated to be 60/1,000, which compares favorably with other Asian nations but is not as low as would be expected for a food-rich country with a comparatively effective health care delivery network. A major determinant of low birth weight in infants is the lack of proper pre-natal maternal nutrition. Dangers associated with low birth weight are exacerbated by poor peri-natal breastfeeding habits and poor post partum maternal and child nutrition. The ultimate result of poor nutrition and improper breastfeeding habits is susceptibility to infection and high infant morbidity and mortality.

The long-term impact of malnutrition on physical and mental development has been well documented. Should prevailing malnutrition rates go unchecked, Thailand runs the risk of retarding the intellectual and physical potential of many of its people.

3. Project Description

The proposed project emphasizes: pre-natal maternal nutrition; adoption of proper breastfeeding practices; post-partum and child nutrition interventions using indigenous locally produced foods; antenatal maternal tetanus immunizations; utilization of growth charts as an integral part of nutrition surveillance; promotion of oral rehydration salts (ORS) in the community; and cultivation of home and community gardens utilizing efficient watering systems and appropriate seed selection.

In addition, the project will include the deployment of 1,000 village level nutrition workers paid for on a one-year contract basis, who will be given credit for one year's government service should they decide to work for the Government after their tour of service. These nutrition workers will be trained in Thai institutions in nutrition education, community development, simple agricultural techniques, and preventive nutritional practices that can be adapted to community life.

The project will focus on Northeastern provinces that have been included in the Primary Health Care Expansion Project, and will utilize the existing primary health care service network. Each village worker will work in a minimum of two mubans (villages). The technology developed will be institutionalized in the community and transferred to other interested village workers outside of the service area.

4. Beneficiaries

The primary project beneficiaries will be women and children suffering the consequences of malnutrition. The seven Rural Primary Health Care Expansion Project provinces located in the Northeastern part of Thailand have a total of 9,214 villages. This project would focus village-based nutrition efforts on approximately 25% of those villages.

5. Issues

Feasibility issues to be addressed during project development include:

a. Completion of an ethno botanic study of the proposed project localities in Northeast Thailand.

b. Determination of the proper administrative control unit for project activities.

c. Exploration of the possibility of involving village level religious organizations in the day-to-day nutrition surveillance and education activities.

d. Examination of the possibility of limited food production with water-efficient cultivation techniques in water scarce rural areas.

e. Assessment of the potential for change in the traditional infant feeding and weaning practices used in target communities.

PROJECT NARRATIVE

Project Number and Title:	493-0323 -- Soil and Water Conservation and Management	
Proposed Funding :	FY 82:	$5.0 million
	Life of Project:	$5.0 million
	Grant	$1.5 million
	Loan	$3.5 million
Appropriation Account:	Food and Nutrition 103	

1. Purpose

To develop and extend low-cost technologies for addressing the most pervasive soil problems of rainfed agricultural areas.

2. Problem

One of the most intractable constraints on rainfed agricultural production in Northeast Thailand is the low productivity of the soil, due to poor structure, low inherent soil fertility, and low organic matter content. Soil problems are heightened by farmer practices: low fertilizer application rates, cultivation of rice on soils much better suited to field crops or unsuited for agriculture, continuous cultivation of nutrient-depleting crops such as cassava without rotation with soil-building leguminous crops, etc. These problems have been further compounded by the progressive deforestation and devegetation of upland areas as farmers have sought additional land to cultivate. This stripping of natural ground cover has led to rapid run-off of rainfall and soil erosion, yet farmers have been slow to adopt effective soil conservation measures.

Thailand has a pressing need for a set of farm practices, low-cost and attractive for adoption by low-income farmers, that will preserve and enhance the productive capacity of its soil.

3. Project Description

The project would assist the Royal Thai Government (RTG) in four crucial areas: soil and water conservation, soil management and improvement, soil survey and classification, and land use planning.

(a) Soil and Water Conservation

In seriously-degraded catchment areas, conservation structures and measures would be introduced on a catchment-wide basis to demonstrate the feasibility and value of comprehensive schemes.

At the farm level, the facilities, staff, and service programs of regional soil and water conservation centers would be upgraded to promote more widespread on-farm use of conservation techniques. A credit scheme to induce farmer acceptance might be introduced. Use of the agricultural extension network of tambon agents to convey conservation techniques to farmers would be explored.

(b) Soil Management and Improvement

Principal project activities would involve research, development, and extension of different techniques to increase soil fertility through use of such organic matter as compost, green manure, cover crops and crop residue. Project financing would cover promotional measures such as farmer training, production of seed and organic matter for farmer use, on-farm trials of techniques tested at regional centers, etc.

(c) Soil Survey and Classification/Land Use Planning

Appropriate soil conservation and management practices must be reinforced by intelligent land use planning based on knowledge of land capability and current land use patterns.

The project will finance the costs of equipment, staff training, and field work as required to restudy the soil series established for Thailand with regard to chemical, physical, and mineralogical properties as a basis for classifying the soils into different categories of the soil taxonomy.

The project will also assist in increasing the overall capacity of the Soil Survey Division to service increasing requests from agricultural project planners for detailed soil surveys and land use plans. Again, the principal needs are foreseen as additional staff, training, equipment, and the local costs of surveying and mapping.

(c) Implementing Agencies

The principal implementing agencies would be the Department of Land Development (DLD) and the Department of Agricultural Extension (DOAE) of the Ministry of Agriculture and Cooperatives (MOAC). The Soil and Water Conservation and Management Division of DLD presently has 22 Soil and Water Conservation Centers, including 9 in the Northeast, which carry out research and disseminate conservation and management techniques. However, the Division needs further strengthening, including assistance in ways of effectively extending on-farm practices to farmers. Similarly, the capabilities of DLD divisions responsible for soil survey and classification and land-use planning are being severely strained by current RTG efforts to intensify agriculural production and promote more rational patterns of land use.

4. Beneficiaries

The primary intended beneficiaries are, broadly, the farm population in rainfed agricultural areas of Northeast Thailand.

A more effective program of soil conservation and management, allied with concurrent efforts in research, extension, and improved security of land tenure, should boost agricultural productivity. Conservation measures on a catchment basis will prevent the degradation of agricultural land. Improved on-farm practices will increase soil fertility, prevent loss of topsoil, and increase the water-holding capability of the soil.

5. Issues

(a) The principal issue is how to provide a sufficient set of incentives for farmers to adopt improved soil conservation and management practices. Most of these practices involve an opportunity cost to the farmer and the returns are not apparent in the short term.

(b) A second issue is the need for a broader land use and development policy that would provide support for project activities by addressing such questions as shared costs between the government and farmers in land improvement, legal requirement for conservation practices on certain classes of land, etc.

6. Estimated A.I.D. Budget

	($000)
Field Services	1,500
Improvement of Facilities	500
Equipment and Materials	500
Staff Training	
- Overseas	250
- In-country Workshops	250
Technical Assistance	1,000
Farmer Credit	500
Research and Development	500
TOTAL	5,000

PROJECT NARRATIVE

Project Number and Title: 493-0325 - Expanded Population Planning

Proposed Funding:		
	FY 82:	$8.0 million
	Life of Project:	$8.0 million
	Grant:	$8.0 million
	Loan:	None

Appropriation Account: Health Population 104

1. Purpose

To (a) assist the RTG in its efforts to make comprehensive family planning information and services available to all persons who need and want such services; and (b) strengthen RTG capability to assess the consequences and determinants of high fertility.

2. Problem

The current population of Thailand is about 47 million. The crude birth and death rates are 29.9 and 7.9 per thousand respectively, yielding an annual growth rate of 2.2 percent. This rate represents a substantial decline since 1970, when the population was growing at about 3.0 percent per annum, but is still high enough to materially impede achievement of RTG economic development and benefit distribution goals.

The dramatic decline in fertility has come about largely because of an increase in contraceptive use. According to a recent survey more than 50 percent of the married women of reproductive age were practicing a modern method of contraception, versus only 17 percent in 1970. This remarkable achievement has resulted from a combination of high level RTG commitment, effective leadership in the Ministry of Public Health (MOPH), timely donor assistance, and readiness to accept family planning among the Thai population. There has been a very high return on USAID's relatively modest investment in population planning in Thailand.

Although the RTG is greatly encouraged by these achievements, it realizes that further reductions are necessary if long term development goals are to be met. As evidence of this concern, the RTG recently established a target of a 1.5 percent per capita growth rate by the end of the Fifth Plan (1982-86).

However, with UNFPA shifting away from direct support to the National Family Planning Program (NFPP), and uncertainties about assistance from other donors, we believe that our continued support may become even more critical if the 1.5 percent is to be realized. Given the vast experience of AID in population planning, and the extensive technical resources available to us, we can play a role that could not be filled by any other donor.

3. Project Description

Based on the experience of the past decade, USAID believes that the critical element of Thailand's population planning strategy will continue to be a strong and effective voluntary family planning program. In the proposed new project, high priority is given to sustaining this effort, while shifting our support from expenditures that will become routine elements of the RTG budget toward more innovative components of the program.

Data covering the period 1970 to 1980 indicate that actual fertility has fallen more rapidly than stated desired family size. Although it is difficult to predict what future changes may occur in family size desires, if this apparent trend continues, it is possible that the level of contraceptive use would plateau short of demographic goals. Therefore, in addition to continued attention to the supply system, we foresee the need for additional program activity directed toward creating "demand" for family planning services, particularly in areas where acceptance is low. Probable efforts to strengthen demand creation would include, but not be limited to, support for such activities within the National Family Planning Program.

Based on our assessment of current RTG efforts to affect fertility, and probable donor assistance, the major components of the proposed new population planning project are outlined below:

Continue to:

(a) Supply contraceptives at roughly the current level, but representing a decreasing portion of the total RTG budget for contraceptives;

(b) Provide support to institutions providing voluntary surgical contraception, but at a gradually reduced level;

(c) Support a strategy directed toward intensifying family planning efforts in provinces where the level of contraceptive use is low.

New and/or Expanded Initiatives to be Supported:

(a) The development and support of an information, education and communication strategy, using person-to-person communication and directed more toward affecting family-size norms;

(b) Efforts to expand community-based distribution of family planning information and services;

(c) RTG efforts to expand the availability of IUD and VSC services below the district level;

(d) Small-scale operational research to test new contraceptive technology and methods of delivering services;

(e) Improvements in the contraceptive logistics and supply system, focusing on maintaining adequate supplies at all levels of the system.

As fertility continues to decline, it may become more important to examine the indirect determinants of fertility. Given the ambitious goal of the Fifth Plan, and the general lack of attention to this area to date, we propose that a component of the new project be directed toward:

(a) Support for policy-relevant research regarding the determinants of fertility;

(b) Assistance to the RTG in integrating population variables into development planning; and

(c) Possible funding of small-scale community incentive experiments.

The prime implementing agency will continue to be the Family Health Division of the Ministry of Public Health. The population and development component of the project would be implemented through the National Economic and Social Development Board (NESDB), but would involve the universities and line Ministries such as Agriculture and Education.

4. Beneficiaries

The beneficiaries will be persons who need and desire family planning services, focusing on the rural, low income segment of the population that otherwise would not have access to such services. Geographic coverage will be nationwide.

5. Project Development Issues

The following issues will need to be addressed during project development:

(a) Potential for expanding community-based distribution of family planning information and services;

(b) Further study of trends regarding actual fertility, desired family size, and levels of contraceptive use;

(c) Identification of factors influencing inter-provincial differences in contraceptive use;

(d) Assessment of probable future RTG budget support for family planning and role of other donors in support of the National Family Planning Program; and

(e) Assessment of RTG interests and needs relevant to population and development.

6. Estimated Budget	($000)
1. Commodities	
Contraceptives	2,050
Other Commodities (AV equipment, VSC kits, etc.)	800
2. VSC Institutional Support	1,800
3. Action Research/Evaluation	1,000
4. Training	800
5. (Population in Development?)	350
6. Intensified Services/Community-Based Service Delivery	1,200

PROJECT NARRATIVE

Project Number and Title: 493-0326 - Seed Development II

Proposed Funding:
FY 82: $4.0 million (shelf)
Life of Project: $4.0 million
Loan: $4.0 million

Appropriation Account: 103 Food and Nutrition

1. Purpose - To fully institutionalize within the Royal Thai Government (RTG) the capacity to produce high quality seed and promote comparable private sector seed industry investment.

2. Problem - Average farmer yields of crops have shown no substantial increase in the last 10 years. One reason for the slow rate of improvement in increasing crop yields is due to the very low quality of seed generally available to farmers for planting purposes. Use of improved quality seed of existing improved varieties, without increase of other technical inputs, can raise farmer yields 15-20%.

In the specialized area of vegetable production, there is increased emphasis in rural development programs on home garden production to provide for better-balanced diets. Yet consumption of vegetables in rural areas is still very limited. Provision of larger quantities and more reliable vegetable seed in small-volume packets would contribution significantly to the RTG's nutrition objectives.

USAID is currently supporting the Thailand Seed Development Project with a $3.7 million loan. The principal activity under the project has been to produce improved seed for six principal crops (rice, corn, sorghum, soybean, peanuts, and mungbean) and more importantly, demonstrate the value of improved seed to farmers and the private sector.

The Seed project has not yet reached the stage where it can maintain and increase its momentum on its own. Particularly, more attention is needed for production of seed for field crops of significance to rainfed areas of Northeast Thailand--peanuts, mungbean, and soybeans. In addition, the Seed Division is now considering the establishment of a vegetable seed processing plant.

The policy of the MOAC and DOAE is that the private sector should bear the major responsibility for commercial-scale seed multiplication and distribution to farmers. Private sector interest in seed production has already been stimulated, but primarily in corn and sorghum seed. For various reasons, the private sector is not likely to replace the DOAE Seed Division's role in seed production

for rice, peanut, soybean, and mungbean in the near future. Furthermore, a stronger Seed Division, as foreseen under Seed Development II, may be the most effective means of promoting private sector interest and know-how.

3. Project Description

a. Technical Assistance

Few DOAE Seed Division staff have training in seed technology or experience in managing and operating technical seed operations. During the next few years, the Seed Center facilities must be operated and seed multiplication, processing, and distribution systems developed to minimize seed costs and losses, and make the maximum amount of high-quality seed available at desired planting times. Technical assistance will be provided to provide an experience base and to upgrade staff through on-the-job training.

b. Working Capital Funds

A Working Capital Account (WCA) has been established under the Seed Project to facilitiate prompt payment to contract seed growers, and timely purchase of supplies. Additional working capital account funds are needs because: (1) a new seed center is proposed which requires additional WCA: and (2) seed production and purchase from contract farmers will substantially increase over previous years.

c. Equipment

The project will establish a single small pilot Seed Center to process, package, and store vegetable seed for both the North and Northeast regions. Plant costs will be financed by the RTG budget, while the AID loan will cover equipment costs. The project will also finance additional equipment for processing and safe storage of foundation seed to meet the expanding needs of the Seed Project. This equipment will be provided to a selected six of the approximately 20 research stations now supplying some foundation seed. Finally, the project will finance audio-visual equipment for use in Seed Division training facilities.

d. Additional Training

The project will finance the training costs of 16 persons for master's degree study in seed technology and 20 trainees in the TC-130-3 course conducted each year at Mississippi State University by the U.S. Department of Agriculture.

4. Implementing Agencies

The principal implementing agency will be the Seed Division of the DOAE. This division is already well-established with 250 personnel. However, few of the staff have had training in seed technology, and the Seed Development II project is intended to assist with further staff upgrading.

Other participating agencies will be the Department of Agriculture, which provides the foundation seed and the Crop Promotion Division of DOAE, which will carry out seed distribution.

5. Beneficiaries

Whereas the broader objectives of the Seed Development Project are intended to benefit the farm population throughout Thailand, the manner in which the project is managed assures direct relevance to low-income farmers. Contract farmers for seed multiplication have been small farmers. Some 30-40% of processed seed is distributed to low-income farm families through rural development projects. The vegetable seed produced under Seed Development II will be especially targetted at low-income areas of Northeast and North Thailand.

6. Issues

- The principal issue will be to assure that further strengthening of the DOAE's Seed Division does not create a tendency to promote public sector expansion in seed industry, thereby pre-empting private sector involvement.

- The project will need to devise improved procedures to assure that the working capital account is replenished to a greater extent by seed sales, rather than requiring periodic infusions of new capital.

7. Estimated Budget

	($000)
Technical Assistance (4 years)	500
Working Capital ($500,000/yr. for 4 yrs.)	2,000
Equipment	1,050
6 Foundation Seed Units @100,000	
1 Vegetable Seed Center 300,000	
Audio-visual training equipment 150,000	
Training	450
16 M.S. (4/year) !18,000 ea	
20 TC 130-3 (5/year) @8,000 ea	
	$4,000

Table V - Supporting Narratives

Part I - Program Ranking

A. Introduction

Our 1982 CDSS cites the key problem areas where USAID proposes to intervene over the next six years, but does not explicitly prioritize them. Before composing decision packages for the FY 82 ABS, we found it useful to rank order our selected program areas, primarily on the basis of their criticality in achieving the goals established in the CDSS. Secondary considerations were cost effectiveness, the comparative advantage of AID to make a significant contribution in the area, and the degree of complementarity with other high-ranking program areas.

Such a program ranking provides a rational basis for selecting projects for each decision package in the ABS. Other considerations being equal, such as readiness on the part of the RTG to proceed with a given project and/or lack of responsiveness by another foreign donor, a project associated with a high-priority program area should take precedence over one categorized lower in the hierarchy.

B. Sector Ranking

1. Population Planning

High level RTG commitment and support for population planning have been the major factors behind the recent decline in the population growth rate from 3.0 percent to 2.2 percent in 1980. Despite these impressive gains, if the current growth rate continues unabated, the population will double in less than 35 years. Recognizing this, the RTG decided to make every effort to further reduce the annual population growth rate to 1.5 percent by the end of the Fifth Plan period (1982-1986).

The RTG places a high value on USAID assistance, and there is a close and exceptionally effective working relationship between USAID and concerned MOPH officials. Our usefulness to the RTG has been in direct proportion to our flexibility and

responsiveness to changing needs, and perceptions of those needs. Through the decade-long AID-assisted Population Planning Project, innovations such as the use of paramedical personnel to deliver oral contraceptives, training of nurses to insert IUD's, and the training of traditional healers to motivate and provide family planning services were introduced. More recently, AID has assisted the NFPP in its efforts to expand the availability of male and female sterilization services.

AID assistance to the population planning program in Thailand has and will continue to yield a high return for relatively modest investment, both in terms of USAID staff involvement and financial resources. In addition, AID is uniquely qualified, in terms of available technical resources and experience, to respond to Thailand's future needs in population planning. For these reasons, and because rapid population growth continues to be an inhibiting factor in virtually all other areas of USAID assistance, we have given highest priority to continued assistance in this sector.

2. Rainfed Agricultural Development

The Mission involvement in this subsector is at the core of USAID's strategy for alleviation of rural poverty, especially in the North and Northeast. Concentration of development assistance in rainfed areas is intended to provide the basis for short-term income gains and long-term, sustained patterns of increased productivity and overall welfare.

The significance to a strategy of overall rural poverty alleviation of raising productivity/incomes in rainfed areas is well established; only 4% presently, and 20% ultimately, of Northeastern farm families can ever hope to be served by year-round irrigation. Even more persuasive is the high correlation between the incidence of absolute poverty and farmers practicing rainfed agriculture in Northeast and North Thailand (World Bank studies). About one-third of the country's total population and most of its poorest people live in the rainfed areas of Northeast Thailand. It is the main focus of the RTG's rural development efforts and it is

also the prime geographic area of program concentration for USAID. It is increasingly apparent that the most persistent development problems of this population must be addressed on an area specific basis.

USAID activities in the rainfed areas will therefore continue to be larger than in any other single subsector. The population sector is ranked ahead of it only because of that sector's pervasive effect on all other aspects of development in Thailand, and because of the well-demonstrated cost-efficiency of financial support to family planning.

3. Health/Nutrition/Water/Sanitation

The RTG recognizes that poor health, manifested, inter alia, by non-availability of domestic water, malnutrition and poor environmental sanitation, is both a determinant and indicator of poverty. These causal factors of poor health have been addressed in the 1982 CDSS and are recognized problem areas in the Asia Bureau health strategy. The existence of a generally effective primary health care structure puts Thailand within striking distance of the WHO targets for improved health status by the year 2000. Yet further action on problem areas outlined above is necessary, particularly in low-income rural communities.

A special characteristic of activities in this subsector, which enhances their priority, is their synergistic relationship with both program areas described above: population planning and rainfed agricultural development. The existing primary health care delivery system integrates family planning with health services. Nutrition promotion activities will help to strengthen the linkage between increased agricultural production and improved local diets intended in rainfed agriculture initiatives, including Village Fish Pond Development. Finally, improved water and sanitation facilities will reduce the incidence of gastro-intestinal infection and the associated loss of nutrients.

USAID has a particularly unique advantage in assisting in the development of preventative health approaches due to extensive recent experience with primary health care

activities, an effective in-country professional health staff, and the ability to commit funds for innovative programs. The choice of these two subsectors is heavily influenced by the desire to work at underlying or chronic causes for morbidity and mortality, i.e. our program will have a strong preventative bias.

4. Energy

As with family planning, favorable developments in the energy sector will help determine the overall well-being of Thailand's society and economy. The current overwhelming need to finance energy requirements threatens to divert scarce resources from development activities. If alternative energy sources are not rapidly developed, it is doubtful whether the RTG can direct sufficient resources to rural development to make a meaningful difference in the lives and welfare of low-income farm families.

Furthermore, as noted in the CDSS, the spread of modern agricultural techniques in rural Thailand (examples: pumping, process heat) will require increasing amounts of expensive petroleum-based resources if no alternatives present themselves. USAID's current involvement in this program area is intended to provide the basis for larger-scale project initiatives as new technologies prove workable.

Compared with population planning, significant results will have a longer time horizon. Further, while the U.S. has specialized capabilities in non-conventional energy development, other donors and private sector interests will be active.

5. Decentralization of Development Administration

A consistent policy emphasis of the RTG over the recent past has been the deconcentration of development authority -- in the interests of greater efficiency, responsiveness to the felt needs of the people, and increased local participation. The seriousness of the RTG in this area can be seen in the RTG's New Village Development Program, the Provincial Development Program, and the rural employment creation program of 1980. USAID

hopes to build on these, particularly the latter, to encourage the establishment of effective local planning and administrative capabilities and genuine local participation.

The means of effecting such deconcentration are still being debated and tested on a limited basis. Only a small percentage of the RTG development budget is, in fact, made available for local disposition. The lower priority ranking of this program area in USAID's strategy is attributable largely to this gap between intention and current performance. Its place in the program hierarchy could be significantly elevated if the RTG were to promulgate policies now under consideration for greatly expanding the authority of provincial and local administration over development efforts.

6. Irrigated Agriculture

The placement of this subsector in a lower order of priority is primarily a reflection of the limited potential of irrigation development to address the most pervasive problems of poverty in Northeast and North Thailand. As noted above, it is estimated that 80% of Northeast farm families can never be served by year-round irrigation systems. Nevertheless, in the command areas of existing systems, many farmers fail to take advantage of the increased water availability and remain in a rainfed agricultural condition because of lagging strategies in on-farm productivity. We believe, however, that USAID is especially suited to address the problems that have prevented the attainment of the productive potential of the irrigated areas of the Northeast. These problems involve organization, systems management and maintenance, and marketing.

AID's ability to call upon technical expertise and concurrently assist in completion and rehabilitation of on-farm distribution systems complements and supports the larger scale irrigation construction activities of the IFI's.

7. Resource Use and Development in Northern Watersheds

This program area embraces numerous complex economic, sociological, and environmental problems. Effective watershed management includes concern for opimal vs. current land utilization, patterns of tenure and land

use rights, conservation practices, and compatible agricultural and forestry activities. Interventions in this area require innovative approaches and involve considerable risk, both aspects consistent with a useful USAID role in the foreign donor community. The longer-term environmental benefits of improved watershed management are significant.

The lower priority ranking of this program area is due to two related factors: the relatively high per capita cost of development interventions and a preferred tactic of awaiting early experience from the Mae Chaem Watershed Development Project (FY 1980) before planning additional interventions in this area.

8. Housing And Regional Growth Centers

This subsector encompasses the Housing Guarantee (HG) program for Thailand, off-farm employment promotion, and creation of facilities/institutions which reinforce other development interventions by AID. The activities of this subsector include urban/town sites and services, which provide complementary support for the activities of the higher ranked population, health (water and sanitation) and energy subsectors. Other rural development objectives can be advanced by creation of rural service centers, farm produce markets, etc., and employment opportunities that provide a source of non-farm cash income.

This subsector has a somewhat lower priority for one main reason: its partial orientation towards urban shelter and town-and-market development dilutes its potential impact on the low-income rural population, the prime target for the overall AID program.

9. Special Development Activities

This category encompasses such projects as Remote Sensing and Emerging Problems of Development which are significant aspects of our program and contribute to the eventual success of interventions in other program areas ranked higher. Its lower place in the hierarchy is attributable to the indirectness of its benefits.

ESF

The one major exception to our sector ranking is proposed ESF funding for FY 82. Because this program mode differs substantially in its rationale from the North/Northeast Thailand poverty-alleviation focus of the DA program, it did not appear appropriate to include in a program ranking per se. For a number of reasons stated below, however, the USAID and the Embassy accord high priority to provision of such assistance in the context of our overall program.

Decision Package Narrative

Introduction

The following decision packages for FY 82 have been selected in relationship to the ranking of program interventions discussed above and the CDSS objectives associated with each of the top-ranked program areas. Broadly stated, the CDSS goal is to increase the flow of resources and services to low-income rural areas of Northeast and North Thailand and to stimulate effective local participation in development, thereby addressing the causes of and problems associated with poverty. More specific CDSS objectives call for significant action on the key development problems listed on pages 42-43 of the CDSS with the objectives most relevant to our decision packages repeated here:

-- to improve the resource endowment for agriculture in the Northeast and North, with particular attention to soil and water;

-- to increase the productivity of land and labor resources of low income farm households;

-- further reduction of still-high population growth rates, to 1.5% by 1986;

-- reduced rates of child mortality and morbidity.

Minimum

An FY 82 funding level of $25.5 million is considered essential for USAID/Thailand to maintain a credible development presence and make any meaningful progress toward the CDSS goal and the most important objectives, as stated above, during the FY 82-86 planning time frame. At a minimum, we believe we must continue to advance the objectives of the RTG's population program, assist in providing improved production/income possibilities for low-income farm families, and provide some assurance that increased income is translated into improved overall welfare. The minimum package proposed below encompasses all of these fundamental objectives. In terms of intermediate targets delineated on pages 53-55 of the CDSS, the minimum package will develop small-scale water resources, promote

improved nutrition and increased incomes from pond aquaculture, support further reduction in fertility rates, reduce rates of child malnutrition, and increase local acceptance of improved land preparation and cultivation practices in Northern watersheds.

Furthermore, we believe A.I.D. support to Thailand must be consistent in real dollar terms with assistance levels in FY 80 and FY 81, and their implied trend. Continued effective dialogue and collaboration with the RTG is based on the quality and responsiveness of our assistance in meeting Thai development objectives and the degree of stable financial commitment which the RTG have to come to expect from all donors operating in Thailand. The $27 million FY 81 Congressional Presentation level for Thailand is broadly known. An FY 82 $25.4 minimum terms from the assumed FY 81 level, which would signal to the RTG a diminished seriousness on the part of the U.S. to supporting Thailand's development efforts.

Mae Chaem Watershed Development (0294) earns top precedence for FY 82 funding by virtue of the fact that it is a carefully-paced, 3-phase project, with sequential obligation of tranches linked to a tight implementation schedule. The incremental funding proposed in FY 82 cannot be deferred to another fiscal year; it is needed to meet assistance expectations of a portion of the watershed population that will not be servied by the FY 80 obligation. Furthermore, this activity addresses one of the key problem areas addressed in the CDSS and is, in fact, the centerpiece of USAID's program in North Thailand.

The proposed new Population Planning activity (0283) follows behind a successful predecessor effort. It will work at the forefront of research on and demonstration of improved methodologies in family planning, especially among heretofore resistant groups. Each .5% reduction in the growth rate is likely to mean a $5.00 per person bonus to each Thai annually (or $225 million p.a. in the aggregate) -- statistics which, if anything, understate the benefit to rural populations at the end of the income spectrum. As such, this is probably the most cost-effective investment A.I.D. can make in Thailand at this time.

Village Fish Ponds II (0316) is an excellent mechanism to increase both cash incomes and nutritional standards of Northeastern Thai farm families who lie outside the access zones of continuous stream flow or major irrigation systems. It is conceived as a companion piece to other planned USAID rainfed agriculture development activities, such as the Northeast Rainfed Ag Development (NERAD) project to commence in FY 81. The project has high potential for replicability throughout the Northeast on a community-managed basis.

The proposed new Nutrition project claims relatively high priority because it builds upon RTG institutional infrastructure in primary health care; represents an especially decisive move toward preventive health care (vs. curative); synthesizes several USAID program themes such as small farm agriculture, health and inducements to family planning; and focuses directly on nutritionally vulnerable groups in the rural Thai population. The proposed outreach concepts are innovative and the intervention has great potential for results at a relatively low cost per person.

Current

The proposed FY 82 current level of $30.4 million represents a straight-lining from the FY 81 CP level in real dollar terms.

At this decision level, one additional activity is proposed for funding in FY 82: Soil and Water Conservation and Management. This project would focus on what is, after water, the key physical resource problem of Northeast Thailand: soil fertility. While strengthening the core capabilities of the Department of Land Development, and perhaps the Department of Ag Extension, the project would extend field operations throughout Northeast Thailand, aimed at helping the farmer preserve and build up the soil base through use of cost-effective runoff check structure/organic enrichment, cropping alternations, and similar investments of knowledge and resources. This project will also help to develop the technology and service systems that can progressively be applied to project sites selected in the Northeast Rainfed Agricultural Development Project (FY 81) and similar, successor projects. This latter project role is especially appropriate

for a project contained in the current decision package, since a activity at this level should support a tangible increment of capability beyond the above-stated minimum decision package "base" projects in achieving the medium-to-long term objectives of the CDSS.

AAPL

In the AAPL, we propose a Water and Sanitation Project that has a close, mutually reinforcing relationship with two projects included in the minimum package: Village Fish Pond Development II and Nutrition. In combination with the proposed Nutrtiion Project and the on-going Rural Primary Health Project, the Water and Sanitation Project will provide the basis for a comprehensive attack on the causes of disease and malnutrition among the poor. By providing improved sources of drinking water and means of waste disposal, it will reduce the incidence of gastro-intestinal infections and associated loss of nutrients through diarrheal action. Further, in will ages served by the Fish Pond Project, it will provide an alternate, more hygienic source of domestic water and reduce the possibility that pond water, polluted with animal wastes, would be used for domestic purposes.

The Water and Sanitation project appears only at the AAPL stage because of our judgment that, while the positive relation of the project to improved nutrition of the poor is clear, that relationship is not as proximate as the impact of the nutrition project itself. Likewise, the higher ranked soil conservation project will have a more immediate nutrition impact in terms of promoting increased local food production.

The remaining two projects in the AAPL are incrementally funded activities, authorized in previous years with a requirement for additional funds in FY 82. Both projects contribute to CDSS objectives by advancing promising ideas to the development stage through advisory services and pilot project activities. By doing so, they increase the range of possibilities for outyear project selection by the Mission in relationship to the most important CDSS objectives. Additionally, they will assist in the devlopment of institutional capabilities, both Thai Government agencies and voluntary intermediaries, to mount increasingly effective development programs.

The PVO Co-Financing Project (0296) is incrementally-funded to fit the anticipated annual level of OPG activity. This project provides an excellent basis for experimentation with small, high-risk efforts which may ultimately yield up possibilities for larger-scale interventions related to our rural poverty alleviation strategy. Support of PVO's also fosters a people-to-people reltionship which has historically jelped stimulate popular U.S. support for foriegn assistance programs.

The Emerging Problems of Development Project (0309) will focus U.S. and local advisory services and training on key policy issues in Thai development. The appropriate resolution of these issues will be important to the further elaboration of our development assistance strategy in the outyears and choice of interventions.

These incrementally-funded activities are placed in the AAPL because, if forced by budget stringencies, they could be deferred to FY 83. However, the disadvantage would be a loss of momentum under both projects and some opportunity cost in terms of future A.I.D. project development.

Economic Support Fund (ESF)

In response to the disruptive affects upon Thailand of the continuing Kampuchean conflict, the USAID and the Embassy proposed an ESF package in FY 82 additional to the regular DA program.

Such a program would be focussed upon assisting adversely affected Thais -- by some estimates ranging into the hundreds of thousands -- located in border provinces. Adverse impacts include local road deterioration, curtailment of cultivation opportunities, dislocation of entire villages, and animosities fanned by local perceptions of favored treatment of Kampuchean refugees relative to poor Thais in the vicinity.

An appropriate minimum response in FY 82 would be a $10 million grant tentatively earmarked for improving community-identified public infrastructure (e.g. transport, water supply, health delivery systems), probably using a variant of the Provincial Planning and Development project mechanism. At a "current" level of $15 million or a PAPL of $20 million, a second intervention would be added to improve or develop economic self-sufficiency of affected villages, many of which nave had the available agricultural resource base reduced or eliminated. No project narratives have been developed at this time.

This program would be conducted at the FY 82 AAPL staffing level of 23 plus 2 DA program-related additional personnel requested and justified elsewhere in the ABS. That is, no new staff is requested for an FY 82 ESF program.

Bureau Code: Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

DECISION UNIT: USAID/Thailand

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000) INCR	PROGRAM FUNDING ($000) CUM	WORKFORCE (Number of Positions) USDH INCR	USDH CUM	FNDH INCR	FNDH CUM
	Decision Package Minimum									
	Pipeline Projects									
	493-0270 Seed Development	P	L	FN	(74)	(74)				
	493-0271 Sericulture Settlements	P	L	FN	(43)	(117)				
	493-0272 Lam Nam Oon	P	L	FN	(1,500)	(1,617)				
	493-0280 Agricultural Extension Outreach	P	L	FN	(902)	(2,519)				
	493-0283 Population Planning	P	G	PN	(3,940)	(6,459)				
	493-0289 Land Settlements	P	L	FN	(2,780)	(9,239)				
	493-0289 Land Settlements	P	G	FN	(100)	(9,339)				
	493-0291 Rural Primary Health	P	L	HE	(1,000)	(10,339)				
	493-0295 Non-Formal Vocational Ed.	P	G	EH	(210)	(10,549)				
	493-0297 Hill Area Education	P	G	EH	(966)	(11,515)				
	493-0304 Renewable Non-Con. Energy	P	G	FN	(2,492)	(14,007)				
	493-0305 Malaria & Vector Control	P	L	HE	(983)	(14,990)				
	493-0305 Malaria & Vector Control	P	G	HE	(188)	(15,178)				
	493-0308 NE Rainfed Ag Development	P	L	FN	(2,500)	(17,678)				
	493-0308 NE Rainfed Ag. Development	P	G	FN	(7,000)	(24,678)				
	493-0312 NE Small Scale Irrigation	P	L	FN	(5,600)	(30,278)				
	493-0312 NE Small Scale Irrigation	P	G	FN	(400)	(30,678)				
	493-0315 Provincial Planning & Dev.	P	L	FN	(7,200)	(37,878)				
	493-0315 Provincial Planning & Dev.	P	G	FN	(2,420)	(40,298)				
	*493-0317 Agricultural Planning	P	G	FN	-					
	493-0324 Small Scale Hydro Power	P	L	FN	(2,000)	(42,298)				
	493-0324 Small Scale Hydro Power	P	G	FN	(1,000)	(43,298)				
	**493-0253 Remote Sensing Training Center	P	G	SD	(1,810)	(45,108)				
	493-0314 Remote Sensing for Dev.	P	G	SD	(65)	(45,173)				
	Sub-total (Non-Add)					(45,173)	13	13	34	34

* Shelf 81

**Centrally funded regional project managed in Thailand.

AID 1330-9 (4-80)

Bureau Code: Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

DECISION UNIT
USAID/Thailand

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000)		WORKFORCE (Number of Positions)			
							USDH		FNDH	
					INCR	CUM	INCR	CUM	INCR	CUM
	New and Continuing Projects									
	493-0294 Mae Chaem Watershed Dev.	O	G	FN	2,400	2,400				
	493-0325 Population Planning	N	G	PN	8,000	10,400				
	493-0316 Village Fishponds II	N	L	FN	7,000	17,400				
	493-0316 Village Fishponds II	N	G	FN	3,000	20,400				
	493-0321 Nutrition	N	L	HE	3,000	23,400				
	493-0321 Nutrition	N	G	HE	2,000	25,400				
	Basic Workforce					25,400	2	15	27	61
	Workforce Increment for Project Design					25,400	3	18	-	61
	Total Minimum Package and Related Workforce				25,400		18		61	
	Decision Package Current									
	493-0323 Soil Conservation	N	L	FN	3,500	28,900	0	18	2	63
	493-0323 Soil Conservation	N	G	FN	1,500	30,400				
	Workforce Increment Current Package-Program Supp.						2	20	6	69
	Workforce Increment for Project Design						1	21		
	Total Current Package and Related Workforce				5,000		3		8	
	Decision Package AAPL									
	493-0322 Water and Sanitation	N	L	HE	6,000	36,400	-	21	-	69
	493-0322 Water and Sanitation	N	G	HE	2,000	38,400	-	21	-	69
	493-0296 PVO Co-Financing	O	G	FN	1,000	39,400	-	21	-	69
	493-0309 Emerging Problems in Dev.	O	G	SD	600	40,000	-	21	-	69

Bureau Code: Decision Code:

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

DECISION UNIT
USAID/Thailand

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING ($000) INCR	PROGRAM FUNDING ($000) CUM	WORKFORCE (Number of Positions) USDH INCR	WORKFORCE (Number of Positions) USDH CUM	WORKFORCE (Number of Positions) FNDH INCR	WORKFORCE (Number of Positions) FNDH CUM
	HIG - Low Income Housing Guarantee Program				(20,000)	40,000	(1)	21	(1)	69
	Housing Finance Loan				(5,000-20,000)	40,000	-	21	-	69
	Workforce increment AAPL Package-Program Support						3			
	Workforce increment for Project Design						1			
	Total AAPL Package and Related Workforce				40,000		4	25	0	69

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AID 1330-9 (4-80)

TABLE VI
PROJECT SUMMARY

NUMBER OF PROJECTS

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
IMPLEMENTATION AT BEGINNING OF YEAR.....	8	14	17	21	21	21
MOVING FROM DESIGN TO IMPLEMENTATION DURING YEAR.....	6	7	3	3	4	5
DESIGN FOR FUTURE YEAR IMPLEMENTATION.....	8	9	6 + 4 1/	2 2/ + 6 1/	1 2/ + 8 1/	9 1/
SUBTOTAL.....	22	30	30	32	34	35
NUMBER OF NON-PROJECT ACTIVITIES.....	28	20	19	10	10	10
TOTAL.....	50	50	49	42	44	45

NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE

AID'S CONTRIBUTION TO LIFE OF PROJECT COST (Identified Projects)

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
LESS THAN $1 MILLION.....	3	1	0	0	0	0
$1 TO $5 MILLION.....	3	3	1	1	2	2
$5 TO $15 MILLION.....	0	3	2	2	2	3
$15 TO $25 MILLION.....	0	0	0	0	0	0
MORE THAN $25 MILLION.....	0	0	0	0	0	0

1/ Estimated number of unidentified New Projects for FY 83 and beyond.

2/Identified Projects for which funding postponed from FY 82 to 83 at min and curr funding levels for 82.

TABLE VII
OPERATING EXPENSE FUNDED PERSONNEL
YEAR END POSITIONS

FUNCTIONS	FY 79				FY 80				FY 81			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	2				2				2			
Program Planning	4	3			4	3			4	3		
Project Design	4	8			3	2			3	2		
Project Implementation	9	14			10	21		1	10	21		1
Financial Management	2	15			2	14			2	14		
Mission Support	2	29		2	2	29		2	2	29		2
Non Mission Specific	1	-			1	2			1	1		
TOTAL.....	24*	69		2	24*	71**		3	24*	71**		3
PLUS: PASAs (OE & Program)												
LESS: JAO Details		IDIs				IDIs				IDIs		
MODE Required	24*				24*				24*	1		

See Table VIIA

* Including 1 Regional Housing Officer
** Including 2 Regional Positions: Singapore and Housing Secretary

Note: Housing Secretary is requested new position

TABLE VII

FUNCTIONS	FY 82 MINIMUM				FY 82 CURRENT				FY 82 AAPL			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	2				2				3			
Program Planning	2	2			3	3			4	3		
Project Design	3	2			4	2			5	2		
Project Implementation	9	20	See Table VIIA	1	9	23	See Table VIIA	1	9	23	See Table VIIA	1
Financial Management	1	12			2	14			2	14		
Mission Support	1	25		2	1	28		2	2	28		2
Non Mission Specific	1	1			1	1			1	1		
TOTAL.....	19*	62**		3	22**	71**		3	26*	71**		3
PLUS: PASAs (OE & Program)												
LESS: JAO Details		IDIs				IDIs				IDIs		
MODE Required	19*				22*	1			26*	1		

* Including 1 Regional Housing Officer
** Including 2 Regional Positions: Singapore and Housing Secretary

Note: Housing Secretary is requested new position

Table VIIA

Program Funded Personnel
Operating Expense Funded Personnel

	FY 79		FY 80		FY 81		FY 82	
	US	FSN	US	FSN	US	FSN	US	FSN
Program Funded								
1. PSC (PDS funded)	19	10	3	3	6	6	10	10
2. Institutional Contracts								
a. Host Country	13	1	7	1	10	2	15	4
b. AID Direct	4	-	6	-	6	-	10	-
c. Other								
3. Other (Non-Personal Service)	-	3	1	-	2	3	3	6
Operating Expense Funded								
1. Institutional Contracts	-	-	-	-	-	-	-	-
2. Other: Summer Hire	3	-	3	-	3	-	3	-
PSC (Short-term)	-	1	-	1	-	1	-	1

TABLE VIII

OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 1979			FY 1980			FY 1981		
	($000's)	Related Workyear	Unit Cost	($000's)	Related Workyear	Unit Cost	($000's)	Related Workyear	Unit Cost
US Direct Hire	969.0	20	48.5	1,180.0	22	53.6	1,312.9	23	57.1
FN Direct Hire	468.0	69	6.8	550.6	69	8.0	613.6	70	8.8
US Contract Pers.	.9	.3	3.0	3.0	.8	3.8	3.0	.8	3.8
FN Contract Pers.	6.0	2	3.0	15.3	3.3	4.6	15.0	3	5.0
Housing Expense	223.1	25	8.9	225.5	25	9.0	402.4	25	16.1
Office Operations	556.2	xx	xx	470.3	xx	xx	811.3	xx	xx
Total Budget	2,223.2	xxx	xxx	2,444.7	xx	xx	3,158.2	xx	xx
Mission Allotment	1,425.0	xxx	xxx	1,479.3	xx	xx	2,076.3	xx	xx
FAAS	15.3	xxx	xxx	16.4	xx	xx	13.9	xx	xx
Trust Fund		xxx	xxx		xx	xx		xx	xx

TABLE VIII

COST SUMMARIES	FY 1982 MINIMUM			FY 1982 CURRENT			FY 1982 AAPL		
	($000's)	Related Workyear	Unit Cost	(000's)	Related Workyear	Unit Cost	($000's)	Related Workyear	Unit Cost
US Direct Hire	1,110.7	18	61.7	1,295.6	21	61.7	1,542.3	25	61.7
FN Direct Hire	680.5	61	11.2	694.2	70	9.9	679.2	70	9.7
US Contract Pers.	3.0	.8	3.8	3.0	.8	3.8	3.0	.8	3.8
FN Contract Pers.	15.0	3	5.0	15.0	3	5.0	15.0	3	5.0
Housing Expense	355.9	20	17.8	412.4	23	17.9	477.7	27	17.7
Office Operations	566.4	xx	xx	626.0	xx	xx	662.9	xx	xx
Total Budget	2,731.5	xx	xx	3,046.2	xx	xx	3,380.1	xx	xx
Mission Allotment	1,820.5	xx	xx	1,986.3	xx	xx	2,121.5	xx	xx
FAAS	16.3	xx	xx	16.3	xx	xx	16.3	xx	xx
Trust Fund		xx	xx		xx	xx		xx	xx

TABLE VIII

Administrative Support Narrative

Along with efforts to establish a lean, efficient system for project development and management, USAID is also intent upon upgrading the efficiency of our administrative support services.

The single most significant change in the interests of efficiency and reduced administrative overhead would be USAID's eventual co-location with the Embassy. As an interim measure, we are currently studying the feasibility of moving the USAID offices to a USICA compound that has surplus capacity. USICA is now located on US Government-owned property which is managed by the Department's Office of Foreign Building Operations. If this co-location can be arranged, there would be sizeable financial savings to USAID in rental payments. Further, combined administrative services would enable the mission to convert a few administrative positions for foreign service nationals to program/technical positions. These savings would only be achieved, however, if AID/W makes available sufficient additional funds for the refurbishment and expansion of USICA office space.

Over the longer term, it is our understanding that the Department's Office of Foreign Building Operations has decided to construct additional US Government-owned properties in Bangkok. Upon completion of construction, and assuming that adequate office space can be provided to USAID in the Chancery area, we anticipate significant savings to USAID and the US Government in terms of personnel and operational expenses.

USAID relocation in the Embassy, assuming that we would receive maximum administrative support from the Embassy (sizeable increases above our current FAAS costs of $15,000 annually), would result in significant savings in administrative costs borne by USAID. It would also permit reduction of USAID administrative staff (at least 1 USDH and several foreign service nationals) which would enable USAID to establish new technical and program support positions without net increase in overall staff.

While the Embassy might have to increase its staff to accommodate the increased workloads, additional costs associated with the increase would be shared by all entities of the US Mission under the Foreign Affairs Administrative

Service Agreement (FAAS). The areas of combined administrative support which result in significant savings to USAID are in Real Property Management and Maintenance (no rental payments), personnel management, general services, and communications and records management.

In sum, there cannot be significant reductions in administrative overhead without combining with other elements of the US Mission. The costs of this process will only become clear as plans further develop.

Table VIII

Narrative on ADP/WP Systems

USAID wishes to incorporate the use of ADP (mini computer with word processing capability in FY 1981 if possible but certainly no later than FY 1982. We are including estimated costs in our amended FY 1981 budget. Should system installation fail to materialize during FY 1981 we wish to transfer the cost and to install such capability in FY 1982. Funding for such an acquisition should be at the minimum level.

USAID staff has been looking forward to greatly expanded ADP/WP capability for some time. We have informally discussed the possibility and necessary arrangements with SER/DM during the recent past. In addition we have purchased services from FADPC (now RAMC) on several occasions for special programs, although the fact that USAID and FADPC/RAMC are not co-located has substantially reduced efficiencies and opportunities.

Following the outline provided by recent cable from AID/W, STATE 125120, dated 5/12/80, we had anticipated early access to both the computer and word processing equipment via terminal stations from a recent installation of WANG computer and word processing equipment at the American Embassy, Bangkok. This equipment was installed at the Embassy in March-April 1980. However, after an encouraging demonstration, we were disappointed to find that terminal stations physically located outside the Embassy compound were not possible due to heavy electrical interference and unrealibility of the telephone lines. Until the Bangkok public telecommunications system is modified and substantially improved, we are advised by FADPC and WANG representatives that a direct terminal tie to the Embassy equipment would not be possible. (The installation of a direct cable is not currently possible because USAID is located approximately two miles from the Embassy.)

We would hope to use both the ADP and WP capability installed in the mission for a maximum number of functions throughout USAID, i.e., financial management and accounting functions; executive office functions, such as property/ inventory controls, personnel, etc.; program functions, i.e., multi-variate regression analyses, statistical baseline data for projects, project progress reporting, etc. On the financial management systems we would hope to take advantage of the completed programming already in existance from the pilot work done in USAID Philippines as well as any other standardized packaged programs that have been completed elsewhere for both

ADP and WP equipment. Packages for cost/benefit analysis have also been developed by AID/W and could be easily adapted to the USAID system. The WP equipment would replace a fully-utilized, first generation magnetic card typewriter leased by USAID.

As noted, we are including the cost of the equipment and software in our revised FY 1981 figures with a footnote to FY 1982 should it become necessary to delay installation. We plan to communicate with SER/DM in the interim to determine reactions, possible timing and initiate planning for future installation.

We have estimated an amount of $185,000.00 for all costs involved in bringing the system on-line, including purchases of CPU, terminals, and software. We would hope the major portion of the required support costs could be acquired through commercial service contracting for installation, training, programming, or through TDY support with prepackaged programs. Subsequent to installation, we would probably require at least one FSN as a full-time programmer. AID/W (SER/DM) will have the current up-to-date costs of all ADP/WP models and supporting equipment and services available under the STATE/AID/ICA contract. Neither the contracts nor detailed costs are currently available at USAID. Our estimate may be too high or too low; it will be adjusted accordingly as more definitive information becomes available.

TABLE VIII

ADP SYSTEMS INVENTORY

	Fiscal Year 1980 $	1980 TF	1980 TOT	1981 $	1981 TF	1981 TOT	1982 $	1982 TF	1982 TOT
A. Capital Investments									
1. Purchase of ADP Equipment[1/]				$65,000					
2. Purchase of Software				20,000					
3. Sub-Total				$85,000					
B. Personnel[2/]									
1. Compensation, Benefits, Travel									
2. Work-years									
3. Sub-Total									
C. Equipment Rental and Other Operating Costs									
1. ADP Equipment (ADPE) Rentals[3/]									
2. Supplies and Leased Software									
3. Sub-Total									
D. Commercial Services									
1. ADP Service Bureau[4/]									
2. Systems Analysis and Programming				$90,000					
3. ADPE Maintenance (If separate from Item C.1)				10,000					
4. Sub-Total				$100,000					
E. Total Obligations - (Sum of A.3, B.3, C.3 & D.4)				$185,000*					

* Scheduling for FY-1981. Will transfer to FY-1982 if not funded in FY-1981.

F. Interagency Services[5/]

1. Payments
2. Offsetting Collections
3. Sub-Total

G. Grand Total - (Sum of E plus F)

4. Report on Inventory of Word Processing Systems

This report will contain information on obligations.

	Fiscal Year 1980 $	1980 TF	1980 TOT	1981 $	1981 TF	1981 TOT	1982 $	1982 TF	1982 TOT
1. Capital Investments in W/P Equipment									
2. W/P Equipment Rental and Supplies (IBM MAG CARD I and II)	$7,000								
3. Other W/P Costs									
4. Total - (Sum of A, B, and C)	$7,000								

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1980 - 1982
(By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT
USAID/Thailand

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
Executive Direction										
Director's Office										
Director	1		1		1		1		1	
Assistant Director									1	
All other	1		1		1		1		1	
Sub-Total Executive Direction	2		2		2		2		3	
Program Planning										
Program Office										
Program Officer	1		1		1		1		1	
Assistant Program Officer	1		1				1		1	
Program Economist	1		1		1		1		1	
Behavioral Science Advisor	1		1				1		1	
Economic Specialist		1		1				1		1
All other (non-professional)		2		2		2		2		2
Sub-Total Program Planning	4	3	4	3	2	2	4	3	4	3
Project Design and Implementation										
Food and Nutrition Office										
Senior Agricultural Officer	1		1						1	
General Development Officer	1		1		1		1		1	
Assistant Gen. Dev. Officer	1		1		1		1		1	
Assistant Ag. Dev. Officer	2		2		2		2		2	
Agronomy Advisor	1		1		1		1		1	

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TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1980-1982
(By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
Project Officer	1		1						1	
Assistant Project Officer		5		5		4		6		6
(All other (Non-Professional)		4		4		3		4		4
Health & Population Office										
Public Health Advisor	1		1		1		1		1	
Population Advisor	1		1		1		1		1	
Assistant Project Officer		2		2		2		2		2
All other (Non-Professional)		2		2		2		2		2
Education/Human Resources Office										
Human Resources Develop. Officer	1		1		1		1		1	
Assistant Project Officer		3		3		3		3		3
AID Program Assistant (Singapore)		(1)		(1)		(1)		(1)		(1)
All Other (non-Professional)		2		2		2		2		2
Engineering Science & Tech. Office										
General Engineering Officer	1		1		1		1		1	
Engineering Officer		2		2		2		2		2
Energy Engineering Specialist					1		1		1	1
All other (Non-Professional)		1		1		1		1		1
Program Office										
Capital Resources Development Officer	1		1		1		1		1	
Capital Projects Development Officer	1		1		1		1		1	
Assistant Project Officer		1		1		1		1		1
All Other (non-professional)		1		1		1		1		1
Sub-total Project Design & Implementation	13	23	13	23	12	21	12	24	14	24

AID 1350-18 (4-80)

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1980-1982
(By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
Financial Management										
Controller's Office										
Controller	1		1		1		1		1	
Accountant/Financial Analyst	1		1				1		1	
Supervisory Budget Analyst		1		1		1		1		1
Accountant/Budget Analyst		1		1		1		1		1
Voucher Examiner/Analyst		3		3		3		3		3
Cashier		1		1		1		1		1
Supervisor Accountant/Financial Analyst		1		1		1		1		1
Accountant		5		5		4		5		5
Accounting Technician		1		1				1		1
All other non-professional		1		1		1		1		1
Sub-total Financial Management	2	14	2	14	1	12	2	14	2	14
Mission Support										
Executive Office										
Executive Officer	1		1		1		1		1	
Assist. Gen. Services Officer	1		1						1	
Translator/Interpreter		1		1		1		1		1
Librarian		1		1		1		1		1
Personnel Specialist		2		2		2		2		2
Contract Specialist		1		1		1		1		1
Real Property Management Specialist		1		1						
General Services Asst.		1		1		1		1		1
Property & Supply Asst.		2		2		1		2		2

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
POSITION REQUIREMENTS - FY 1980-1982
(By Function, Organizational Unit, Position Title and Professional Speciality)

DECISION UNIT

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS									
	FY 1980		FY 1981		FY 1982					
					Minimum		Current		AAPL	
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
Property & Equipment Asst.		1		1		1		1		1
Transportation Asst.		1		1		1		1		1
Motor Transportation Supervisor		1		1		1		1		1
All Other (non-professional)		17		17		15		17		17
Sub-total Mission Support	2	29	2	29	1	25	1	28	2	28
Regional										
Housing Investment Guarantee										
Regional Advisor	(1)		(1)		(1)		(1)		(1)	
*All other (non-professional)		(1)		(1)		(1)		(1)		(1)
Grand Total	23	69	23	69	18	60	21	69	25	69

* Required but not on board

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DECISION UNIT: USAID/Thailand

TABLE X SPECIAL CONCERNS
ADDITIONAL PROJECTS

PROJECT NUMBER AND TITLE	APPROP	CONCERN CODE		FUNDING FOR SPECIAL CONCERN ($000)				
		PRIME	SUB 1/	FY 1980	FY 1981	FY 1982 MINIMUM	FY 1982 CURRENT	FY 1982 AAPL
493-0322 Water and Sanitation	HE	ENVR	6					5,000
493-0323 Soil Conservation	FN	ENVR	4					5,000
493-0324 Small Scale Hydro	FN	ENER			3,000			
493-0316 Fishponds II	FN	ENVR	4			8,000	8,000	8,000
		ENVR	5			2,000	2,000	2,000
493-0308 NERAD	FN	ENVR	4		2,000			
		ENVR	5		2,000			

1/ Use only for Environment Activities

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

DECISION UNIT: 493 THAILAND

TABLE X

PROJECT NUMBER AND TITLE: 4930294 HIGHLAND AREA DEVELOPMENT

APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 5000 BUDGET IN ABS: FY 1980 - $ 4,300

FY 1981 - $ 0 FY 1981 - $_____

FY 1982 - MINIMUM: $ 2400 CURRENT: $ 2,400 AAPL: $ 2,400

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
196	ENER		$ 250	$ 46	$ 0	$____	$ 46	$____	$____
1966	ENVR	4	$ 200	$ 3,010	$ 0	$____	$ 2,134	$____	$____
	ENVR	3		$ 1,079			$ 160		
	ENVR	2		$ 70			$ 60		
	ENVR	1		$ 141			0		

PROJECT NUMBER AND TITLE: 4930296 PVO CO-FINANCING PROJECT

APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 300 BUDGET IN ABS: FY 1980 - $ 595

FY 1981 - $ 1200 FY 1981 - $ 1100

FY 1982 - MINIMUM: $_____ CURRENT: $_____ AAPL: $ 1600

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2966	PVOD		$ 300	$ 595	$ 1200	$ 1100	$____	$____	$ 1600

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 493C304 RENEWABLE NON-CONVENTIONAL ENERGY DEV APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 1500 BUDGET IN ABS: FY 1980 - $_____

FY 1981 - $ 0 FY 1981 - $_____

FY 1982 - MINIMUM: $_____ CURRENT: $_____ AAPL: $_____

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
1907	ENER		$ 1500	$_____	$ 0	$_____	$_____	$_____	$_____
2605	ENVR	3	$ 750	$_____	$ 0	$_____	$_____	$_____	$_____

PROJECT NUMBER AND TITLE: 493C312 NORTHEAST SMALL SCALE IRRIGATION APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - $ 5000 BUDGET IN ABS: FY 1980 - $ 7000

FY 1981 - $ 2500 FY 1981 - $ 500

FY 1982 - MINIMUM: $_____ CURRENT: $_____ AAPL: $_____

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN	SUB-CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	1982 BUDGET IN ABS CURRENT:	1982 BUDGET IN ABS AAPL:
2605	ENVR	5	$ 5000	$ 7000	$ 2500	$ 500	$_____	$_____	$_____