

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



# **ANNUAL BUDGET SUBMISSION**

**FY 83**

**NEPAL**

**BEST AVAILABLE**

**JUNE 1981**

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

FY 1983 ANNUAL BUDGET SUBMISSION

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TABLE I NARRATIVE

Table I reflects the Mission's continued emphasis on population and health, natural resource management, and rural development, each particularly addressed to the ~~hill~~ hill areas of Nepal. The numbers do not pose a pipeline problem but do point to the mortgaging implications for future Nepal aid levels. In FY 1980 AID and the Government of Nepal (GON) agreed on three core projects to be carried out through FY 1984--Integrated Rural Health/Family Planning Services, Resource Conservation and Utilization and Rapati Zone Development. The AID contributions to these three projects through the years FY 1980-1984 total \$88.4 million.

Through FY 1981 we have obligated \$22 million or 25 percent of this total, and estimate a further \$9.2 million in FY 1982 for an interim 36 percent. To meet the full project levels by FY 1984 would require an average \$28.4 million for these three projects in each of the years FY 1983 and FY 1984. This is not possible within the AAPL for those two years. It will however be possible to meet the requirements for the Resource Conservation and Utilization and Rapati Zone Development Projects. A remaining \$4.2 million (almost equally divided between population and health funds) will remain to be obligated in FY 1985 for the Integrated Rural Health/Family Planning Services Project.

While this does not meet the FY 1984 commitment target for the health and family planning project, it is consistent with the estimated schedule of disbursements for that project and supportable on that account. With respect to all three of the core projects, the estimated disbursements reflected in the ABS Table IV, and which provide the basis for the obligation figures under Table I, are firm estimates for FY 1982. These have been extended into FY 1983 with an increase of 20 percent to reflect the expected momentum of project implementation as well as contingencies and inflation. All project budget figures involving local currency expenditures have been negotiated with the GON for the forthcoming GON fiscal year (July 1981-July 1982) and are reflected in the GON budget for that year. For the ABS these figures have been adjusted to reflect the difference of one fiscal year quarter between the AID FY 1982 and the concurrent GON fiscal year.

The forward funding guidelines have been applied for FY 1983. For FY 1982 however we propose an exception in the case of the Integrated Cereals Project (ICP, 367-0114). This project has been presented to AID/W for a three year extension with funding during two fiscal years. The initial \$1.2 million increment is to be provided in FY 1982. In view however of the other principal commitments against the funds available for FY 1982, the \$1.7 million additional for the ICP is scheduled for obligation in FY 1983.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1981 to FY 1983  
 (\$ thousands)

Country/Office Nepal

APPROPRIATION ACCOUNT	FY 1981	FY 1982	FISCAL YEAR 1983		
			MINIMUM	CURRENT	AAPL
<u>Agriculture, Rural Dev., &amp; Nutrition</u>	9,400	7,955	-	-	15,400
0102 Institute of Agriculture & Animal Sciences G	1,200	1,100	-	-	-
0114 Integrated Cereals G	-	1,200	-	-	1,700
0129 Rural Area Development G	4,900	1,805	-	-	6,800
0132 Resource Conserv. & Utiliz. G	3,300	3,450	-	-	6,400
0142 General Training & Consulting Services G	-	400	-	-	500
<u>Population</u>	1,200	4,185	-	-	3,168
0135 Integrated Rural Health/ Family Planning Services G	1,000	3,985	-	-	3,168
0144 PVO Co-Financing G	200	200	-	-	-
<u>Health</u>	2,100	3,960	-	-	3,432
0135 Integrated Rural Health/ Family Planning Services G	1,800	3,660	-	-	3,432
0144 PVO Co-Financing G	300	300	-	-	-
SUB-TOTAL - FUNCTIONAL ACCOUNTS	12,700	16,100	-	-	22,000
TOTAL - ALL DA APPROPRIATION ACCOUNTS	12,700	16,100	-	-	22,000

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Country/Office  
Nepal

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	OBLIGATION DATE		LIFE OF PROJECT COST		CM PIPELINE AS OF 9/30/80	FY 1981		FY 1982		ESTIMATED U.S. DOLLAR COST (\$000)				ITEM #		
		INITIAL	FINAL	AUTH	PLAN		CEL	EXP	CEL	EXP	1983 AAAPL	1984	1985	1986		1987	FUTURE YEAR
	<u>Agriculture, Rural Dev., &amp; Nutrition</u>																
0102	Institute of Agriculture & Animal Sciences	G 1974	1983	5,501	5,501	1,245	1,200	824	1,100	900							
0114	Integrated Cereals	G 1976	1983	4,990	7,970	1,824	-	1,502	1,200	1,206	1,700						
0118	Seed Production & Input Storage	G 1978	1978	4,031	4,031	3,865	-	755	-	755							
0119	Trail Suspension Bridges	G 1979	1979	3,000	3,000	2,876	-	1,315	-	1,151							
0129	Rural Area Development	G 1980	1984	26,700	26,700	3,500	4,900	2,408	1,805	7,744	6,800	9,700					
0132	Resource Conserv. & Utiliz.	G 1980	1084	27,498	27,498	2,638	3,300	2,800	3,450	6,500	6,400	11,700					
0133	RAD/RCU Design Project	G 1978	1978	2,900	2,900	1,668	-	1,668	-	-							
0134	Agric. Resource Inventory	G 1980	1980	2,400	2,400	2,400	-	400	-	715							
0142	General Training & Consulting Services	G 1982	1984	-	1,500	-	-	-	400	60	500	400	200				
498-0251	Bio-Gas Research (UMN) (OPG)	G 1979	1980	150	150	85	-	38	-	27							
	<u>Population</u>					20,101	9,400	11,710	7,955	19,058	15,400						
0096	Population/Family Planning	G 1968	1979	9,526	9,526	2,194	-	2,194	-	-							
0130	Population Policy Development	G 1979	1979	2,000	2,000	1,998	-	195	-	355							
0135	IRH/FPS	G 1980	1984	16,200	16,200	1,900	1,000	780	3,985	3,408	3,168	3,936	2,016				
0144	PVO Co-Financing	G 1981	1982	400	400	-	200	60	200	80	-						
	<u>Health</u>					6,092	1,200	5,229	4,185	3,843	3,168						
0115	Malaria Control	G 1976	1978	350	350	8	-	8	-	-							
0126	Integrated Health Services	G 1976	1979	3,577	3,577	460	-	460	-	-							
0135	IRH/FPS	G 1980	1984	18,000	18,000	2,900	1,800	92	3,660	3,692	3,432	4,264	2,184				
0144	PVO Co-Financing	G 1981	1982	600	600	-	300	90	300	75	-						
						3,368	2,100	650	3,960	3,767	3,432						



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TABLE V - FY 1983 PROPOSED PROGRAM RANKING		Country/Office Nepal							
RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Workmonths)		
					INCR	CUM	INCR	CUM	INCR
<u>DECISION PACKAGE AAPL</u>									
1	367-0135 Integrated Rural Health/Family Planning Services	0	G	PN/HE	6,600	6,600			
2	367-0132 Resource Conservation & Utilization	0	G	FN	6,400	13,000			
3	367-0129 Rural Area Development - Rapati Zone	0	G	FN	6,800	19,800			
4	367-0114 Integrated Cereals	0	G	FN	1,700	21,500			
5	367-0118 Seed Production and Input Storage	0	G	FN	-	21,500			
6	367-0134 Agriculture Resource Inventory - Nepal	0	G	FN	-	21,500			
7	367-0102 Institute of Agriculture and Animal Sciences	0	G	FN	-	21,500			
8	367-0119 Trail Suspension Bridges	0	G	FN	-	21,500			
9	367-0130 Population Policy Development	0	G	PN	-	21,500			
10	367-0123 Radio Education Teacher Training	0	G	EH	-	21,500			
11	367-0144 PVO Co-Financing	0	G	PN/HE	-	21,500			
12	367-0142 General Training & Consultant Services	0	G	FN	-	500			
	Basic Workforce								300
	Total AAPL Package and Related Workforce				22,000				300
									732
									732

PROPOSED PROGRAM RANKING AND PERSONNEL REQUIREMENTS NARRATIVE

The Table V ranking reflects concentration of the AID program in three main development sectors, and identification of these sectors proceeds from the basic Mission strategy. This essentially addresses improvement of living conditions for the people in the Hill areas of Nepal. Implementation of the strategy reflects the relationships among population and health, the natural resource base and agricultural productivity. These purposes are addressed by the three principal Mission projects: Integrated Rural Health/Family Planning Services, Resource Conservation and Utilization and Rural Area Development (Rapati Zone). These projects have been assigned first priority in the ranking.

This strategy and the projects which implement it provide the basic framework for assignment of priorities to the second group of Mission projects. In this context each is ranked in terms of its contribution to the major purposes addressed by the three core projects. The research and production contribution of the Integrated Cereals Project is an obvious example, but Seed Production and Input Storage, Suspension Bridges, etc. each has a directly supportive and contributing role in terms of the larger program purposes.

The remaining Mission projects have a subsidiary relationship to the second group above. For example, Population Policy, as important as the question is, has probably already accomplished one of its major purposes in securing establishment of the National Population Commission and recognition within the GON of population policy issues. Limited continued technical assistance funding by AID will reinforce that momentum and it is expected that the reach of population policy will be felt increasingly over the next few years in many more development activities. Radio Education Teacher Training, another example, has the potential for contributing to the larger development strategy discussed above, and this Mission will certainly direct it toward that purpose, but the connection is obviously less immediate.

The ranking of the PVO Co-Financing Project reflects the subordinate but not unimportant role of the PVOs, but it also recognizes this potential is limited in scope. Finally, the place of the General Training Project reflects the subordinate role of this project, whether carried out as a bilateral activity or as a contribution to an Asia regional program. This is not meant to minimize its importance but simply recognizes the place it has in the Mission total program. It is important to note here this project also provides flexibility for the Mission if the foreign assistance legislation continues to include requirements with respect to selection of participants.

In view of the reduced FY 1983 funding level, the Mission is submitting only one decision package--the AAPL. This level represents the minimum in funding and personnel necessary to achieve reasonable progress toward the objectives addressed in the Mission CDSS. In proposing this decision package we recognize that deletion of the two new FY 1981 and 1982 projects, PVO Co-Financing and General Training respectively, would not really affect progress of the main program purposes. They do however reflect a potentially useful and flexible means of addressing more limited development issues, they will be targeted in support of the main Mission program and they reflect an important AID priority. For those reasons we have included them in the AAPL decision package. They do not in any case involve any increase in personnel work year requirements. In the event these projects were deleted, the funds released, to the extent available, will be assigned to the three core projects.

OVERSEAS WORK FORCE REQUIREMENTS

The Full-Time Equivalent (FTE) work years allocation effectively results in a reduction of Mission staff by two positions each for U.S. direct hire and Foreign Service Nationals. For U.S. direct hire part-time, the allocation is a cut by 50 percent. These reductions are reflected in Table IX as follows:

For U.S. direct hires for each year, beginning in FY 1982 through FY 1985, two of the Mission's 27 ceilings are kept vacant. These vacancies change with each year and are used both to convert IDIs to full-staff positions and to assign replacement U.S. direct hire staff. The scheduling of the two vacancies also permits the Mission, beginning in FY 1983, to accept one new IDI each year through FY 1985.

For FY 1982, however, the scheduled assignment of a third IDI can only be accomplished under the FTE allocation in January/February 1982. This will follow the transfer of an Assistant Project Development Officer. To accommodate this IDI assignment from the beginning of FY 1982 will require an additional allocation by the Bureau of four to five additional FTE work months.

In the case of the Foreign Service National FTE allocation, the reduction is effectively from a staff of 64 to a new total of 61. With 63 FSNs actually assigned at the moment, this on-board level will be reduced by two retirements between now and the beginning of FY 1982. This will bring the Mission FSN FTE within the 61 allocation.

For the part-time U.S. direct hire FTE allocation, the reduction will be carried out through a straight 50 percent cut in the work months for each of the three employees.

TABLE VIII

## OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 1980		FY 1981		FY 1982			
	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	25.9	52.9	1735.7	28.5	60.9	1467.5	25.0	58.7
FN Direct Hire	64.0	2.3	165.1	63.5	2.6	170.8	61.0	2.8
US Contract Pers.	1.0	41.4	-	-	-	-	-	-
FN Contract Pers.	23.2	3.0	75.3	30.1	2.5	49.3	29.0	1.7
Housing Expense	23.5	11.9	199.8	27.0	7.4	270.0	25.0	10.8
Office Operations	xx	xx	996.0	xx	xx	1099.0	xx	xx
Total Budget	xxx	xxx	3171.9	xx	xx	3056.6	xx	xx
Mission Allotment *	xxx	xxx	1871.0	xx	xx	1800.0	xx	xx
FAAS	xxx	xxx	**	xx	xx	**	xx	xx
Trust Fund	xxx	xxx	346.0	xx	xx	208.0	xx	xx

\*Dollars only

\*\*Estimate to be made by AID/W

