

UNCLASSIFIED

**Annual Budget  
Submission**

**FY 1985**



**PAKISTAN**

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FY 1985 ANNUAL BUDGET SUBMISSION

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## ACTION PLAN

### I. Long Range Strategy

Pakistan is something of an anomaly in the usual typology of Asian economies. It manifests many of the characteristics of the other large South Asian economies (a history of excessive government intervention in the economy, protectionist trade policies, and underinvestment in the social sectors). At the same time, Pakistan has outperformed its South Asian neighbors over the past decade in macro terms and has GNP growth rates and per capita income levels closer to the lower range of Southeast Asian economies. The first thirty five years of Pakistan's independent development have witnessed considerable overall growth despite a generally poor policy and institutional environment. Renewed US assistance to Pakistan in the 1980s comes at a time when the Government of Pakistan has raised fundamental questions about the performance of its economic institutions and the utility of its past economic policies and has inaugurated a broad but measured process of economic liberalization.

The governments of the United States and Pakistan are cooperating in a mutually developed and agreed upon program of economic assistance totaling \$1.625 billion dollars over a six year period from FY 82 - FY 87. The timing could probably not be more fortuitous from a strategic standpoint. Very substantial US investment resources, US policy skills and US technology are being made available to Pakistan at the outset of a period of potentially fundamental economic liberalization and during the incipient stages of basic economic structural change.

This program is designed to build a broad foundation for Pakistan's economic growth and ensure that foreign exchange resources are adequate to help meet the nation's needs for investment resources at a time when important defense investments will also be substantial.

The composition of the six year program reflects shared GOP/USG understanding on development investment priorities for Pakistan. On the productive side, these center on the agriculture and energy sectors, while on the social investment side the focus is on family planning and on public health interventions which bear directly upon the fertility/infant mortality nexus. Agriculture is the largest productive sector in Pakistan's economy and long term economic growth will depend upon structural transformation of this sector to permit movement towards substantially higher yield levels and a significantly higher value overall cropping mix. AID's long range strategy in the sector is twofold: firstly, to build the technological foundations for yield and productivity gains and secondly, to facilitate the policy and institutional shifts which will permit structural modernization of the sector in ways which maximize sectoral efficiency in resource use, reduce or eliminate distortions in the economic signals

which flow from the marketplace to the farmer and permit the agricultural sector to complement and support growth in the industrial, agroindustrial and service sectors of the domestic economy.

Pakistan's energy sector is presently the largest claimant of foreign exchange in the economy despite the fact that aggregate energy use rates in Pakistan are only about half those in other countries at a comparable per capita income level. Seasonal energy shortfalls are recurring with ever greater magnitude. Macroeconomic analysis suggests that total energy availabilities are a major and binding constraint on growth in all the productive sectors of the economy: agriculture, industry and services. AID's long range strategy in energy is again twofold. Firstly, we are working on a very wide spectrum of sectoral policy and management issues with the GOP designed to improve overall sector performance. These encompass classic rate and tariff policies, distribution and transmission management policies, optimization of the energy mix and improved investment and planning capacity for the sector. The second thrust relates directly to the foreign exchange aspects of the energy sector, where AID has a long term strategic objective of assisting Pakistan to optimize domestic energy sources in its overall energy mix, freeing scarce foreign exchange resources from a consumption use (imported oil) to an investment use (capital goods).

While the resources for the pursuit of this long-range strategy are ESF funds, the Government of Pakistan has urged that the objectives of the Economic Assistance Program be similar to those of a development assistance program: investments which build toward the institutional and structural basis for sustained, self-supporting and equitable economic growth. While ESF funding permits greater flexibility in our choice of assistance modes, including faster disbursement commodity assistance modes, it has been mutually agreed that AID will use this flexibility in pursuit of development goals, consistent with our balance of payments support objectives. While the ABS tables reflect sizeable levels of fast disbursing assistance over the program life, which will have substantial BOP impact, all the fast disbursing assistance is tied directly and meaningfully to our sectoral development objectives. For example, PL 480 resources are being used to frame an important policy shift towards a liberalized oilseeds sector in the private sector which will move Pakistan away from crippling high levels of edible oil imports. Agricultural and Energy Commodity assistance programs are tied directly to our structural change objectives in those sectors and serve as the vehicles for serious, sustained policy dialogue at both the financial and technical levels of the host country government.

## II. Operational Objectives for FY 84 and FY 85

Within the framework of the longterm strategy outlined above, the assistance program encompassed in this ABS has 16 clusters of operational objectives for the next 24 months:

- 1. policy dialogue on overall national economic management within the context of the sixth five year plan
- 2. achievement of development policy progress in the sectors of AID concentration: Agriculture and Irrigation, Energy and Fertility-related Health and Population policies
- 3. responsiveness to the GOP's desire for faster disbursing aid flows
- 4. tangible progress on the control and eradication of opium poppies through innovative linking of development and enforcement
- 5. reopening of the public sector dominated financial sector to private Pakistani financial intermediaries
- 6. a series of food production/distribution objectives:
  - improved capacity of the GOP to conduct the policy analyses necessary to develop effective food and agricultural policy. This will be accomplished by introducing improved data collection techniques in the Ministry of Agriculture and establishing a Federal/Provincial economic analysis network
  - improved cereal grain storage and distribution capabilities of the public and private sector through storage management training, facility rehabilitation, storage and handling research, and pilot activities in on-farm, commercial and bulk storage
  - increased fruit and vegetable production in the Northwest Frontier Province through support to a private sector oriented fruit and vegetable development board, establishment of a market research and information system, financial support to marketing and distribution enterprises, and technical assistance in wholesale marketing, packaging and producer credit systems
  - increased privatization of edible oilseeds processing and distribution

- 7. increased privatization of fertilizer distribution and sales
- 8. enhanced planning and management of scarce public investment resources for backward and lagging areas of the Northwest Frontier and Baluchistan
- 9. establishment of the basic framework for linking agricultural education, research and extension at the national, provincial and local levels
- 10. initiation of a modern, land grant type agricultural university in Pakistan which can feed the long term manpower needs of agricultural research and agricultural extension in the nation, particularly the Northwest Frontier, and can serve as an institutional model for productivity-oriented agricultural education throughout the nation
- 11. harnessing Pakistan's considerable private sector marketing, distribution and sales capacity to accelerate the national use and availability of contraceptive materials on a national basis
- 12. building a strong management and planning capacity into Pakistan's substantial rural electrification program which can increase the efficiency of resource use, the returns on new investment and the concentration of new capacity on productive uses in agriculture and rural industry
- 13. technical upgrading of the operation and maintenance (O&M) capacities of the rural electrification system in Pakistan with specific objectives of enhanced revenue collection, increased transmission/distribution efficiency, reduced power theft, improved maintenance financing and improved overall system maintenance on a cost-recovery basis
- 14. establishing a high quality national energy planning capacity at the Federal level with the staff and technical wherewithall to develop and promulgate policy with respect to:
  - defining the nation's long term energy objectives
  - optimization of the energy "mix"

- optimization of domestic energy resource use
  - utility rate and tariff structures
  - energy investment decision criteria
  - maximizing private sector investment and management in the energy sector
- 15. improved irrigation system management encompassing:
- improved quality of basic investment decisions on new capital additions to the system
  - progressive movement towards water charges which cover system costs
  - improved provincial and local level system management
  - technical and managerial improvements in water use at the farm level
- 16. integration of private sector initiatives into the overall Mission portfolio. In addition to a \$50 million private sector finance project which has been used by Mission as a tool in getting GOP progress on liberalization in the banking sector, the Mission's objective is to build expanded participation of the private sector into every element of the program where there is any scope for private initiatives. This includes private sector distribution of contraceptives, private sector contractors to build rural roads, private sector coal mining development in our energy projects, private fuelwood development, private sector fruit and vegetable marketing in the Northwest Frontier, private sector edible oil processing and distribution as a condition of PL 480 support and private sector fertilizer marketing within the Agricultural Commodities and Equipment program. The portfolio-wide focus on private sector initiatives will permit the Mission, over the FY 84/85 period, an enormous range of opportunities to pursue our policy objectives on this key issue at all levels, in a wide range of sectors and in direct association with tangible assistance resources. We anticipate measureable progress on these areas over the next 24 months, and have built baseline measures into our projects to permit quantification of this progress

The Mission has set specific operational objectives for the next 24 months within each of these areas which are challenging and feasible. Some are fully quantifiable, but most involve performance and policy improvements which are measureable and verifiable, but where it is the rate and direction of change rather than tangible outputs which define success. Where this is the case, the Mission projects include systems of baseline measurement, monitoring and policy reviews to insure meaningful accountability. The tangible project objectives for our portfolio are summarized very briefly in the listing above. They are presented in finer detail in the project papers. This action plan narrative concentrates on our major policy objectives for the FY 84/85 period and our special concerns such as pipeline management and narcotics which are not well summarized elsewhere. The more important of our policy objectives and special issue objectives are outlined below:

#### POLICY DIALOGUE (NATIONAL)

The IMF and the IBRD, through the mechanisms of an Extended Fund Facility and a Structural Adjustment Program, have set out an agenda of policy reform for the Government of Pakistan. The core of this agenda is major movement towards economic liberalization in which public and private sectors will be increasingly focussed upon their areas of comparative advantage, with the public sector concentrating on the provision of public goods and infrastructure and the private sector increasingly responsible for the production and distribution functions within the economy. These goals are to be pursued in a climate of fiscal restraint and with sufficient monetary controls that inflation remains within appropriate bounds. The USAID supports the overall IBRD/IMF initiatives in its policy dialogue with the GOP, but we have set our national agenda against somewhat narrower goals than the multilateral donors. USAID's macro level dialogue focusses on the key issues of improved delineation of public and private sector roles. Our portfolio is designed to sharpen public/private distinctions at the sectoral level and our macro policy dialogue will be very specifically focussed on what the GOP terms "deregulation". The scope of "deregulation" is wide, encompassing trade liberalization and banking reform, as well as industrial liberalization. The elements of the GOP deregulation program upon which USAID will seek to have a sustained policy impact include:

- policies to curb new capital spending on public sector production enterprises
- policies to limit capacity increases in existing public sector plants

- policies to remove inequitable credit access favoring public sector enterprises over private enterprises
- policies to properly price capital so as to reflect its opportunity costs
- policies which remove administered prices to the maximum extent possible and remove barriers to private entry into industrial sectors
- progressive disinvestment of inappropriate public sector assets
- equitable investment rules and tax treatment for private sector productive investments
- equitable pricing of inputs (e.g. electric power) to private users
- policies designed to enhance private sector resource mobilization
- simplified investment sanctioning and import regulations for private sector enterprises

The US Mission in Pakistan will be vigorously pursuing forward movement on all of these issues in the coming 24 months. We cannot promise 100% success on every one, but we expect to be able to make some progress on every item in the list above, and to achieve substantial movement in a number of cases. These same macro policy themes are reiterated at the sector and micro levels in the policy components of our project portfolio. In the case of oilseeds industry, for example, our macro dialogue on progressive disinvestment and price deregulation will be reinforced by our PL 480 negotiations which set specific performance benchmarks for privatization in oilseeds processing and in our Agricultural Production and Distribution project which will incorporate economic policy analysis to assist the GOP in the definition of a liberalization program in agriculture. We have deliberately chosen to concentrate our macro policy dialogue on those areas where our investment portfolio provides vehicles for sectoral and micro level reinforcement of our objectives. It is the firm belief of the Mission that this complementarity of macro and project policy goals will improve the chances of realizing our policy objectives in the FY 84-85 period.

POLICY DIALOGUE (SECTORAL AND MICRO)

Energy: Mission expects to have a basic national rural electrification policy document prepared (by US technicians and GOP technicians jointly), reviewed, approved and partially implemented within the FY 84/85 period. Specific policy changes will include (but not be limited to):

- a cost and economic-return basis for adding new increments of line to the distribution system
- an electric load management system which minimizes economic losses due to load shedding
- an improved rate structure for rural electricity users
- a cost recovery approach to system maintenance

During this same time period the Mission will have completed the necessary steps with the GOP to establish an Energy Planning Cell and to provide that cell with the technical underpinnings for national level strategic planning in energy. Specific objectives which will be achieved within this period are the production of a medium term investment plan for the energy sector, the development of specific Government of Pakistan policies to increase the exploitation of domestic energy resources (especially coal), and identification and implementation of policies which will expand the role of the private sector in energy production and distribution.

Agriculture: Through the careful management of the policy elements of two agriculture projects (Ag Production, Distribution and Storage; Ag Education, Research and Extension) our agricultural commodities program and our substantial PL 480 Title I program, the Mission will pursue a challenging set of policy goals in the FY 84/85 period in the Agriculture sector. Our policy objectives center on raising sectoral productivity through (a) classic price liberalization policies designed to improve production incentives and efficient resource allocation (b) substantial privatization of key marketing and distribution functions on both the input and output sides (c) the forging of effective links between research, education and extension at the national, provincial and farm level. On the price side, we will be continuing our policy efforts to sustain GOP progress on freeing up prices in the cereals and oilseeds sectors. On the inputs side, we seek to use our provision of fertilizer under the Agricultural Commodities program as a tool for pursuing our ongoing dialogue on fertilizer price policy and privatization of the marketing and distribution of fertilizer in Pakistan. In essence,

we are continuing a longstanding USAID program of working for higher, market oriented prices on both the input and output side. We anticipate that we will be able to demonstrate measurable increases in the quantity of fertilizer moved through private channels in the FY 84/85 period. We are particularly concerned with the oilseeds sector, where Pakistan has the potential for substantial foreign exchange savings through expanded domestic production, if sector policies are right. We are investing substantial levels of resources into defining the requisite policy changes which include a restructuring of roles for the major parastatals in the sector, an opening of oilseeds processing to the private sector and an elimination of the monopoly buying position of parastatal processors which has kept farmgate prices suppressed to the extent of serving as a clear disincentive to production. Our policy goals for FY 84/85 include GOP actions to rectify each of these major structural defects in the oilseeds sector over the coming 24 months. We are confident that by the end of the period we will be able to demonstrate:

- oilseed production responds to more market-oriented prices
- substantial increase in private sector oilseeds processing capacity utilization
- measurable reduction in public sector oilseeds processing capacity
- very substantial increase in the quantity of edible oil seed grown, processed and marketed entirely by the private sector in Pakistan

The most challenging policy objective for the USAID in the agriculture sector is probably not in the economic sphere, but rather in the institutional sphere. It would not be unfair to characterize agricultural research, agricultural education and agricultural extension in Pakistan as being qualitatively below the mean for Asian LDCs. Even more striking, however, is the poor institutional linkage between and among these essential institutional building blocks. USAID/Islamabad will be devoting substantial financial resources to qualitative improvements in each of these areas, but even more importantly, we will be coordinating our technical assistance, policy advice and policy suation on those key points in the system where decisions must be made if research, education and extension are to be productively and effectively linked into a national support system for agricultural technology and agricultural production. In the sixteen point summary of objectives we have listed some of the specific outputs we are aiming for in each of these areas, but

within the context of our sectoral policy dialogue, we expect to be able to demonstrate tangible evidence at the national and provincial levels of new research initiatives which reflect farm level priorities and new joint research/extension initiatives which are at present almost unknown in Pakistan. We also expect to be able to point to an entirely new agricultural curriculum at the Agricultural University in Peshawar which will be designed to produce skilled technical men and women who can bridge the research, extension and training gaps in the later years of the 1980s.

Fertility/Health: USAID's policy dialogue in this area will be targetted on three areas (a) concentrating public sector health investment increasingly on preventive rather than curative services and services with a potential for near term impact on fertility, (b) assisting the Federal Ministry of Health and provincial health services to manage and plan for their currently unmanageable recurrent costs and (c) promoting expanded reliance on private sector channels for the delivery of health and population services and commodities in Pakistan. In family planning, USAID, in concert with the multilateral donors, will be cooperating in an effort to encourage the GOP to support and strengthen its current family planning program organizational structure and to resist pressures to disband and reorganize the present system. Specific tools for the pursuit of the above objectives over the FY 84/85 period include an AID financed analysis of recurring cost policy in the health sector to be conducted jointly by US health economists and GOP health policy makers. AID will also be financing costs associated with mobilizing domestic private sector marketing and distribution skills to handle the promotion, distribution and sales of contraceptives on a nationwide basis. This initiative will include AID financing of private sector market research in the contraceptive field, a pioneering initiative in Pakistan. By the end of the FY84/85 period USAID anticipates that these policy initiatives will produce measurable changes of a substantial magnitude in the share of contraceptive material handled by the private sector as well as a significant increase in net contraceptive prevalence (to be measured in our ongoing program of prevalence surveys). On the recurring cost side, we anticipate that our policy initiatives will have resulted in a basic acceptance by the GOP health authorities of the need to build recurring cost assumptions into new programs and some progress (not as much as we would like) on increasing the total share of public health services provided on a fee-for-service basis. While we expect a modest increase over the next 24 months in user-paid services in public clinics, we anticipate substantial movement towards a change in the composition of public health services towards prevention and a corresponding increase in the share of curative services handled by private sector channels. This, in the longer run, is the underlying solution to the recurring cost problem in Pakistan's health sector and is at the center of our

bilateral policy dialogue in the sector. Our technical assistance to the GOP in recurrent cost management will incorporate a framework for measuring and evaluating progress on this crucial front.

PIPELINE MANAGEMENT AND RESPONSIVENESS TO GOP NEED FOR INCREASED AID FLOWS

The 1.625 billion dollar economic assistance program to Pakistan poses unusual challenges in terms of disbursement management. The political importance of the program makes it imperative that we avoid the pipeline buildup which has characterized the Agency's largest ESF program. The same political imperatives require that we preserve sufficient flexibility to permit us to respond to shifts in the balance of payments (BOP) needs of the government of Pakistan. The program presented in this ABS is built strongly to support both of these objectives. They are closely interrelated, and it is useful to begin with a review of the ways in which the program responds to the GOP's current and longer range BOP requirements and then to consider the implications for pipeline management.

(A) Responsiveness to GOP need for increased net aid flows

The ESF mandate of our assistance program to Pakistan emphasizes the importance of flexible US response to the need for continued economic and political stability in Pakistan. While we have jointly agreed upon an assistance program with a strong developmental thrust and an emphasis on investment in two key productive sectors of Pakistan's economy: agriculture and energy, we have also agreed to manage the program in ways which can be responsive to Pakistan's balance of payment needs. All of our balance of payments support in the FY 84/85 period (and beyond through the planning horizon of this ABS) is intended to be directly supportive of the development goals jointly agreed to by the two parties. This assistance includes commodity financing, but with distinct differences from AID's historic approach to CIP financing. Whereas the CIP programs in Southeast Asia in the 1960s and early 1970s were designed to provide consumption goods to sop up local currency and dampen inflation, and the Egyptian CIP program was substantially focussed on industrial raw materials to sustain operating levels in Egypt's public sector industries, the fast disbursing assistance in the Pakistan program is an integral part of our strategic concern with sectoral reform and adjustment in energy and agriculture. Over the FY 84/85 period AID will be financing fertilizer as part of a program to privatize and rationalize the fertilizer distribution and marketing system in Pakistan. We will be providing soybean oil in the context of a national level edible oil sector rationalization of edible oil processing and distribution. Energy commodities will be financed within the framework of a broadbased Mission/GOP effort at sectoral reform and adjustment in energy, with an emphasis on price rationalization and optimal exploitation of domestic energy resources.

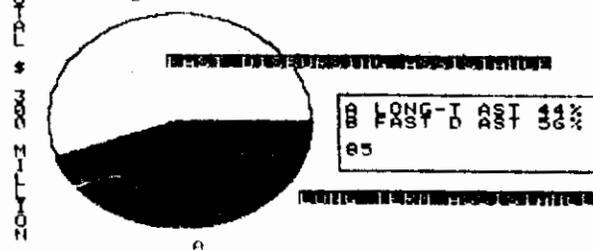
The Mission's approach to fast disbursing assistance permits us to be particularly responsive to Pakistan's balance of payments requirements in the FY 85/86 period when the more cautious forecasts of Pakistan's external accounts suggest that foreign exchange needs will be highest. Significantly, this flexibility has been achieved without sacrificing the development and policy content of the program and with maximum responsiveness to the expressed priorities of the Government of Pakistan.

The pie charts below provide a graphic sense of the dynamics of the fast-disbursing projects in the Mission's portfolio. They present the proportion of yearly obligations which go for the PL 480 Title I program and projects which, by their nature, are fast disbursing, i.e. Agricultural Commodities and Equipment, Private Sector Mobilization, Malaria Control II, and Population Welfare Planning and Social Marketing of Contraceptives which have a large commodity element. They, however, do not include the fast disbursing elements of other projects which have significant local cost financing and commodity components. For example, the Rural Electrification Project, which is included under the long-term assistance portion of the pie charts, will finance \$130 million dollars of commodities.

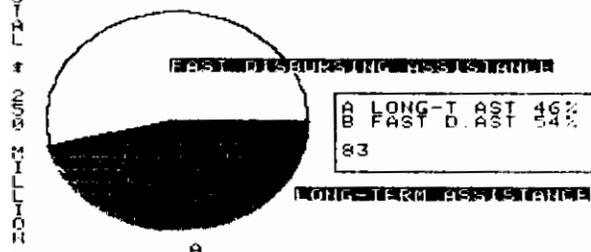
**FY 1982 U. S. ECONOMIC ASSISTANCE**



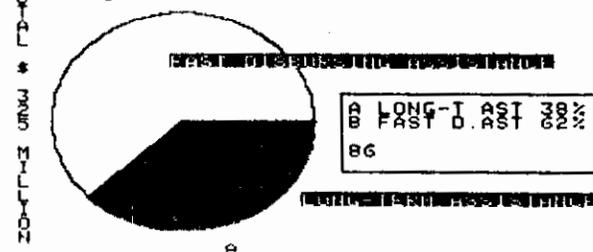
**FY 1983 U. S. ECONOMIC ASSISTANCE**



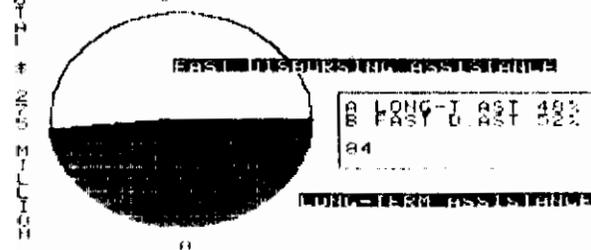
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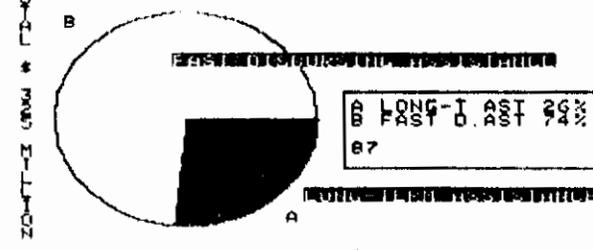
**FY 1985 U. S. ECONOMIC ASSISTANCE**



**FY 1986 U. S. ECONOMIC ASSISTANCE**



**FY 1987 U. S. ECONOMIC ASSISTANCE**



(B) Pipeline Management

The multi-year development program presented in this ABS has been designed with a keen appreciation of the Agency's legitimate concerns about pipeline buildup - especially in large ESF programs. In framing an action agenda with respect to pipeline management the Mission has found it useful to distinguish between two major categories of pipeline:

- Structural pipeline: The accumulation of obligated but unexpended funds which results from planned forward commitment of funds over a multi-year period. For example, providing full funding for a three year technical services contract in the first year of the contract's life results in structural pipelining of the second and third year expenditures. This category of pipeline does not reflect implementation failures or unanticipated delays, it merely reflects the Agency's decision to forward fund some categories of expenses.
- Problem pipeline: The accumulation of obligated but unexpected funds at a rate greater than planned and scheduled. For example, a sum obligated to cover civil works expenditures over a twelve month period which is not fully expended for thirty six months because of unanticipated implementation delays in project execution contributes to problem pipeline.

Management of structural pipeline by USAID/Islamabad begins with a basic Mission policy of minimizing forward funding. All our projects are incrementally funded, with annual replenishments in most cases. While certain categories of major contractual obligations are fully funded at the outset, funding for procurements, construction and local costs is all tranching on an annual or other appropriate basis. In AID's largest ESF program almost 90% of the pipeline was structural in nature, reflecting the fact that most of the portfolio was funded for life-of-project (LOP) at the outset. Large capital projects with a three year design gestation period and a six year implementation period produce massive structural pipeline when they are LOP funded. USAID/Islamabad has mitigated this largest single contributor to project pipeline by a firm and continuing commitment to incremental funding.

Management of problem pipeline (unplanned expenditure delays on obligated funds) is a mixture of art and science. Careful project design is our first-line defense against problem pipeline. Project designs are carefully vetted with host country authorities to

identify and remove bottlenecks before funds are obligated. Incremental funding, with tranches tied to project performance are our second line of defense. In the FY 84/85 timeframe the ABS budget reflects our best current judgement as to appropriate increments of funding for our projects. Performance reviews, annual monitoring reports and evaluations will permit us to modify incremental obligations where unusually good or unusually poor expenditure performance warrants funding changes. The unique six year character of our assistance agreement with Pakistan permits this kind of intra-year reallocation without inter-year costs to the program as a whole. It permits us to engage the GOP as a full partner in pipeline management without putting them in the position of taking decisions which could reduce the total assistance levels for Pakistan.

While the Mission has active programs and procedures to manage structural and problem pipeline buildup, we are also aware that even under the tightest management, impasses do occur in development programs which block the timely disbursement of obligated funds. We believe strongly that deob/reob authority for Pakistan (effectively making our annual ESF levels "no year money") will be an important supplement to our pipeline management program. This authority would permit USAID and the GOP to develop alternative uses for irreparably blocked resources in consultation with Congress. Positive Senate committee action on deob/reob for one ESF program has encouraged us to pursue similar treatment for Pakistan's ESF program. The Mission cannot achieve this goal unilaterally, but will work with AID/W to seek this important legislative change over the next 12 months.

#### OPIUM POPPY CONTROL OBJECTIVES

This ABS includes a total of \$20 million in funding for an initiative to eliminate opium poppy cultivation from an area of the Northwest Frontier Province which accounts for more than half of Pakistan's total illicit production of opium poppies. For the FY 84/85 period our specific objectives are several:

- definition with the Government of Pakistan of a protocol which articulates a clear and direct linkage between AID's development inputs and the GOP's enforcement of the poppy cultivation ban
- achievement of a substantial and visible development impact in most of the Union Council Areas within the project's target zone
- an observable decline in total poppy acreage with the project area (1984 crop vice 83 crop , and 1985 crop vice 84)

of sufficient magnitude as to demonstrate persuasively the GOP's willingness to completely eradicate poppy cultivation in the project area within the five year project life.

- progress on the establishment by the GOP of a Federal budget line for a "Special Development Plan for Poppy Growing Areas", which would direct additional resources (over and above past provincial totals) to areas where the government will pursue development - linked eradication of poppy cultivation
- a multilateralization of the donor effort on narcotics which would relieve the United States of the sole responsibility for pressing the case with the GOP on enforcement. This will probably be tied in to the Special Development Plan for Poppy Growing Areas, and will use that budgetary system to attract and coordinate other donor financing for opium control

In pursuit of these objectives over the FY 84/85 period, the Mission will make maximum efforts to insure cooperation and complementarity with the State Department's narcotics control activities in Pakistan. We will also be active in promoting multi-donor responses to the narcotics issue at the upcoming December meeting of the Paris Consortium for Pakistan. At the project level, we will be making special efforts rapidly to implement high-impact/high-visibility small infrastructure activities before and during the upcoming poppy growing season to establish rapport and credibility with the poor, mountain dwelling population with whom the project must work to develop viable alternatives to poppy cultivation. We will also be making special efforts to enhance provincial and district level administrative capacity to handle the accelerated development program which this project will finance. The Mission is confident that we will be able to demonstrate meaningful progress on reducing poppy acreage in FY 84/85 and (more importantly) in making at least preliminary headway on the long term problem of providing a credible economic alternative to poppies.

FY 1985 FY 1985 ANNUAL BUDGET SUBMISSION  
 TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)  
 COUNTRY/COUNTRY/OFFICE PAKISTAN

	FY 1983		FY 1984		FY 1985		PLANNING PERIOD		
	EST	CP	EST	APPL	1986	1987	1988	1989	
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION									
TOTAL	0	0	0	0	0	0	0	0	0
GRANTS	0	0	0	0	0	0	0	0	0
LOANS	0	0	0	0	0	0	0	0	0
POPULATION									
TOTAL	0	0	0	0	0	0	0	0	0
GRANTS	0	0	0	0	0	0	0	0	0
LOANS	0	0	0	0	0	0	0	0	0
(CENT. PROC. COMMOD.)									
TOTAL	0	0	0	0	0	0	0	0	0
GRANTS	0	0	0	0	0	0	0	0	0
LOANS	0	0	0	0	0	0	0	0	0
EDUCATION									
TOTAL	0	0	0	0	0	0	0	0	0
GRANTS	0	0	0	0	0	0	0	0	0
LOANS	0	0	0	0	0	0	0	0	0
SEL. DEV. ACT.									
TOTAL	0	0	0	0	0	0	0	0	0
GRANTS	0	0	0	0	0	0	0	0	0
LOANS	0	0	0	0	0	0	0	0	0
FUNCTIONAL SUBTOTAL									
GRANTS	0	0	0	0	0	0	0	0	0
LOANS	0	0	0	0	0	0	0	0	0
(DISASTER)									
TOTAL	0	0	0	0	0	0	0	0	0
GRANTS	0	0	0	0	0	0	0	0	0
LOANS	0	0	0	0	0	0	0	0	0
DA ACCOUNTS									
TOTAL	0	0	0	0	0	0	0	0	0
GRANTS	0	0	0	0	0	0	0	0	0
LOANS	0	0	0	0	0	0	0	0	0
(OF WHICH PVDs)									
TOTAL	0	0	0	0	0	0	0	0	0
ESF									
TOTAL	200000	225000	225000	250000	275000	275000	200000	150000	
GRANTS	133000	150000	150000	167000	183000	183000	94000	75000	
LOANS	67000	75000	75000	83000	92000	92000	106000	75000	
(CENT. POP. COMMOD.)									
TOTAL	200000	225000	225000	250000	275000	275000	200000	150000	
GRANTS	133000	150000	150000	167000	183000	183000	94000	75000	
LOANS	67000	75000	75000	83000	92000	92000	106000	75000	
(CENT. POP. COMMOD.)									
TOTAL	200000	225000	225000	250000	275000	275000	200000	150000	
GRANTS	133000	150000	150000	167000	183000	183000	94000	75000	
LOANS	67000	75000	75000	83000	92000	92000	106000	75000	
PL 480 TITLE I									
(TITLE III)	50000	50000	50000	50000	50000	50000	50000	50000	
PL 480 TITLE II	0	0	0	0	0	0	0	0	
HOUSING GURANTIES	0	0	0	0	0	0	0	0	
TOTAL PERSONNEL									
USDH WORKYEARS	29.3	36	33*	32*	32*	32*	35*	35*	35*
FNDH WORKYEARS	33.5	N/A	37	37	37	37	37	37	37

\* See Table IX Narrative



TABLE IV A  
NEW PROJECT NARRATIVES

Project Number: 391-0486

Project Name: Energy Commodities and Equipment

Project Funding: (all loan funds)

FY 1984: \$20 Million

FY 1985: \$20 Million

LOP: \$120 Million

Account: ESF

Project Purpose: To strengthen and rationalize the energy sector in Pakistan in ways which optimize the exploitation of domestic energy resources, enhance the role of the private sector in energy exploration/exploitation/distribution and increase the total availability of energy to support economic growth over the coming decade.

Background: In 1981 the Agency for International Development adopted two basic policy goals in the energy area:

- 1) to ease the immediate energy constraints to development in developing countries; and
- 2) to help those countries make the difficult transition to a mix of energy sources that will sustain their economies in the future.

Energy Assistance Policy Paper, 1981

In that same year the USG and the Government of Pakistan jointly agreed upon a six year program of economic assistance in which energy and agriculture were the sectoral foci of a \$1.625 billion assistance package. The Government of Pakistan continues to give number one priority (measured by share of investment budget resources) to energy development. USAID, similarly has developed three project initiatives which assist the GOP in the areas of fuelwood development, rural electrification and energy planning. In April of 1983, the GOP Minister of Finance sent an official letter of request to the Administrator of AID seeking his support for an initiative from AID which would complement these energy projects with a program of direct financing of key items of energy equipment from United States suppliers. The Minister cited the success of AID's Agricultural Commodities and Equipment project and asked that it serve as a model for a parallel effort in the energy sector. USAID/Islamabad has counselled the Government of Pakistan that we would insist upon carefully defined linkage between energy commodity financing and the pursuit of our ongoing sectoral dialogue with the GOP on energy policy. The existing energy portfolio has already served as a vehicle for initiating and sustaining a significant energy dialogue, and has already produced important results in terms of GOP decisions on coal exploitation and private sector initiatives in coal mining.

Project Description: The Energy Commodities and Assistance Project will provide \$120 million in loan assistance to the Government of Pakistan over the period FY1984 through FY1987 for the procurement of mutually agreed items of equipment from the United States which directly serve one or more of the project purposes of sectoral rationalization, optimization of domestic energy sources and enhanced private sector participation in all phases of energy operations in Pakistan. The funds will be provided on an annual basis to the GOP with terms and conditions appropriate to the end use. The process of mutual negotiation on the composition of annual tranches of this loan will be formally linked to periodic USG/GOP discussions on energy policy issues and will result in the development of appropriate policy goals and benchmarks over a multi-year period. The resources for the technical, economic and other analytical inputs into the policy dialogue will be drawn from the three energy projects in the mission's portfolio.

Approach to Policy Dialogue: The project will use AID's role as an annual financier of important energy commodities and equipment as the basis for framing and sustaining a continuing policy dialogue with the Government of Pakistan organized around two basic long term themes:

- overall sectoral rationalization (moving towards the right energy mix, optimizing the balance between imported and domestic energy sources, broadening the role of the private sector in energy development and energy distribution etc.)
- economic and financial policy reforms oriented at improving the efficiency of investment resource allocation, sound recurrent cost management, financial viability of energy enterprises, improved energy pricing policies, appropriate relative pricing among energy sources, etc.

The two themes are obviously interdependent: the right energy mix requires the right relative energy prices, for example. There is a distinction, however, between the two sets in that one set involves a relatively high component of technical/engineering analysis and the other is more purely economic and financial. This project will mobilize both technical and economic resources in the mission's other energy projects (especially Rural Electrification and Energy Planning and Development) to provide the mission and the GOP with the studies and analytical work to underpin our dialogue. It is not possible to fully anticipate the content of a multi-year policy dialogue with the GOP on energy issues, but the following discussion illuminates some of the major objectives of such a policy analysis and relates them to the Agency's formal policy objectives particularly in areas such as recurrent cost policy.

The existing electricity rate structure in Pakistan reflects important, but sometimes conflicting concerns of the GOP:

- lower rates for low income consumers with a rising rate schedule as consumption increases.
- lower rates for agricultural purposes, primarily tubewells.
- rates sufficiently high to cover recurrent costs and meet nearly half of capital expansion needs.

Problems do exist, however, with the rate schedule and USAID will use the required policy reviews to pursue needed policy changes. For example, the rates reflect average costs that are relatively low because of existing hydroelectric installations and gas fueled thermal facilities. The new generating facilities, both hydro and thermal, have much higher costs than existing plants. The new thermal plants will burn high priced oil and coal, and gas that will be priced more realistically in comparison with other fuels. The low rate for tubewells permits the use of relatively inefficient pumps and motors and results in excessive water usage. Residential use for air conditioners, etc, is rising very rapidly and the progressive rate structure is not sufficiently progressive to discourage such uses. Such conservation objectives will be pursued by USAID through a dialogue about pricing policies.

The rural electrification project has a master planning component that will result in recommendations for policy changes that will increase the development impact of the rural electrification program. The policy dialogue associated with this project, and especially the annual negotiations, will provide a forum for discussion and a means for implementing such recommendations.

There is room for more private sector involvement in the energy sector, both in the supply of fuel and the conversion of fuel to electricity. There is, for example, exploration and development of gas and oil in Pakistan by private companies. Most of the coal is mined by private companies and the Mission is encouraging the GOP to involve the private sector in mining coal on a large scale to supply power plants. USAID will also use the required policy reviews in this project to encourage GOP to explore ways for the private sector to finance electric generating plants and sell the power to the public system for distribution. The annual programming cycle for this project will present an opportunity to further this objective. The project may, indeed, finance equipment for private sector energy operations.



TABLE V - PRIORITY RANKING

NARRATIVE

The ranking of USAID/Pakistan's FY1985 Program seeks to balance the distinct but mutually supportive goals of the overall ESF program in Pakistan:

- support to Pakistan's most important economic development priorities.
- flexible response to the GOP's requirements for balance of payments and the GOP's concern for accelerated net aid flows
- contribution to the important and continuing USG/GOP dialogue on basic economic policies at the macro and sectoral levels
- sensitivity to the mutual US/Pakistan imperative to eradicate the cultivation of opium poppies which feed serious narcotics addiction problems in both countries
- managerial efficiency in the design, provision and monitoring of U.S. assistance resources

The ranking in Table V continues the strong commitment to sound investment in Pakistan's economic development and to bolstering its position to meet balance of payments requirements. This commitment is the essence of the six-year economic assistance package negotiated between the USG and the GOP and agreed to in August 1981. The ranking reflects the program's thrust towards building the institutional and structural basis for sustained, self-supporting and equitable economic growth. It maintains a flexible U.S. response to the need for continued economic and political stability in Pakistan.

The Social Marketing of Contraceptives is ranked first because it offers an exciting and innovative avenue of attack on the central problem in Pakistan's development: restraining population growth to levels which permit real gains in per capita income and meaningful improvements in the quality of life for Pakistan's poor majority. The ranking reflects the Mission's profound concern with the seriousness of Pakistan's 3% annual population increase and its implications for achieving meaningful development and sustainable growth rates. The premier ranking of this project also reflects the Mission's conviction that a private sector organization building on established private marketing, distribution and sales capacity in Pakistan must be at the core of a national strategy for contraceptive promotion, and that this private sector emphasis will be central to the success of the program. Irrigation Systems Management is ranked next since agriculture is the backbone of Pakistan's economy and reliable, soundly managed water resources are indispensable to sustained development in this sector. Irrigation Systems Management also provides important opportunities for engaging all levels of Pakistan authorities in policy discussions of water allocation, distribution, maintenance, and pricing decisions.

The Action Plan discusses the basic importance of energy to Pakistan's economy. In view of energy's indispensable role in supporting industrial development, private sector growth and advances in agricultural production, and in light

of the prospects for opening-up a vast new sector to private sector participation (e.g. coal mining and closer association with power generation), Energy Planning and Development is ranked next.

Production and trafficking in narcotics are of fundamental concern to the United States Government and to USAID/Pakistan. The social costs of narcotics abuse need no recounting here. It is significant, however, that the Government of Pakistan has become increasingly concerned by the exponential growth of domestic addiction in Pakistan and at the potential damage to Pakistan's international prestige posed by the narcotics trade here. Both governments recognize that successful control of opium poppy production in Pakistan is central to the realization of our broader bilateral and regional goals, and the high ranking of the Gadoon-Amazai Area Development Project reflects our mutual sense of urgency about this issue.

Next come three activities, one of which has a grant element as well as a loan element, which combine a development focus with significant balance of payments elements. Fast disbursing assistance is an essential element of the U.S. economic assistance commitment to Pakistan. The Mission appreciates this, however, for the reasons cited above, the activities mentioned heretofore are given precedence.

The Energy Commodities and Equipment project provides an important opportunity for the U.S. to engage the GOP in fundamental policy discussions in this area which is essential to all sectors and elements of society. It will bolster the advances made under the Energy Planning and Development Project mentioned earlier and provide an important opportunity to be responsive to the GOP's specific request for assistance, support an expansion of private sector productive investments, and support Pakistan's balance of payments position.

In addition to supporting a key sector of Pakistan's economy, and Pakistan's balance of payments, Agricultural Commodities and Equipment has enabled the Mission to support those elements of Pakistan's bureaucracy who are sincerely seeking an increasing role for the private sector in the production, marketing and distribution of fertilizer. Along with the edible oil imported under the PL 480 Title I program, it provides the principal source of counterpart funds essential to meeting many of the local costs needed for development projects. PL 480 also has provided a forum for discussing the private sector's role in food processing and a more efficient set of criteria for judging appropriate levels of public sector involvement in the economy.

Advances in agricultural productivity are essential for Pakistan's economic growth. Those advances will not be possible unless significant strides are made in improving local level research and integrating results into a responsive and functioning extension service and as long as no reputable institution exists to train personnel in the special conditions of the rich and potentially enormously productive western and northern areas of Pakistan. Agricultural Education, Research and Extension is the Mission's principal contribution to the long-term institutional development of Pakistan, the development of its human resources, and meeting the need to sustain long term gains in agricultural productivity.

Agricultural Production, Distribution and Storage will address directly an expansion of the private sector's role in agriculture and the pre and post-harvest requirements for increasing productivity. Although important in its own right, the full potential of this activity would be difficult to achieve in the absence of many of the activities which have been ranked higher.

Much of the discussion above touches upon the critical importance USAID/Pakistan attaches to the private sector's role in contributing to the achievement of the targets established for U.S. economic assistance to Pakistan. The Private Sector Mobilization Project is focused directly towards helping that sector expand its involvement in the economy.

Family planning, as mentioned earlier, is critical to the achievement of sound, broadly based, self-sustaining economic development. The Population Welfare Planning Project is an important element in the Mission's strategy to helping the GOP achieve its population growth rate targets. The significance of this essentially public sector program, however, will diminish somewhat as the achievements the Mission anticipates under private sector Social Marketing of Contraceptives Project make themselves felt.

Few activities will have a more fundamental or long lasting impact than improvements in Pakistan's human resource base and the management abilities of its private and public sector women and men. The Development Support Training Project provides the resources needed to promote these improvements. The significant amounts of institutional development and training support contained throughout the projects in the Mission's portfolio also support those ends. In addition, this project provides participant training management services to our entire portfolio.

Electricity is the preferred, cleanest, and most easily transmitted energy source for most aspects of Pakistan's industrial, economic, and social life. The Rural Electrification Project supports a major upgrading of the GOP's institutional capacity in this area. It also is helping to finance generation capacity which is sorely needed to meet the system's inability service current and projected demand from the private and agricultural sector.

The North West Frontier Province (NWFP) and Baluchistan are the two least developed areas of Pakistan. They also are the areas which have received the bulk of Afghan refugees. The projects assisting these areas are ranked next.

The next project, Forestry Planning and Development, supports a major effort to renew Pakistan's dwindling fuelwood resources. It also promotes an expansion of the private sector's role in Pakistan's economy by focusing on fuelwood production on private sector lands.

The modest ranking of Primary Health Care and Malaria Control II reflects special circumstances in Pakistan. The GOP is still developing its strategy in these areas, and it is difficult to project the pace of implementation under these two important social sector activities two years in advance.

Rural Roads, the only new start projected for FY1985, is ranked last due to the Mission's reluctance to undertake major new responsibilities, even in an area of such importance to agriculture and supporting private sector, in the face of insufficient staffing levels and major responsibilities. The Table IX Narrative describes the inadequacy of the approved FTEs to meet current workload responsibilities and prudently manage AID resources. If USAID/Pakistan is confined to the currently proposed FTE levels, this is one activity we would be forced to eliminate. Thereafter, the cuts might not parallel the priority ranking precisely, because the low-ranked and management intensive projects would be the prime candidates for curtailment. These would probably include some of our complex area development activities in Baluchistan and the Northwest Frontier.

USAID/PAKISTAN  
FY 1984 and FY 1985  
EVALUATION PLAN NARRATIVE

The renewed economic assistance relationship between the United States Government and the Government of Pakistan will be entering its third year at the beginning of this evaluation plan. During the course of this evaluation plan period the Mission will undertake two general categories of evaluations which very often are inter-related and overlap.

Process Evaluations - may involve a wide variety of activities such as: investigating critical implementation issues; recommending solutions to implementation problems; examining major design issues; assessing the need for redesign; identifying and when possible supplying information for design; providing information and recommendations for decisions concerning project extension, termination, incremental funding, or continuation under a new, follow-on project.

Impact Evaluations - are normally conducted late in the project life cycle and focus on the effect of the project on target beneficiaries. Both intended and unintended effects are investigated.

The Mission will stress the importance of using evaluation as a means to improve development of policies, strategies, and programs, as well as implementing the Mission's portfolio. In general, evaluations will focus on obtaining the information needed to make important decisions. Each evaluation will have a clearly stated purpose which describes in detail the specific reasons for conducting the proposed evaluation and its contribution to the overall Mission effort. It should be noted that this plan addresses only formal external evaluations planned for the period under discussion. Informal monitoring and data gathering efforts and in-house evaluations with the GOP and concerned agencies will also continue and increase slightly. This plan will cover evaluations planned for initiation and completion during FY 1984 and FY 1985. The major focuses of these evaluations will be implementation, design, balance of payments support, policy dialogue, involvement of the private sector and funding issues.

The Mission's objectives for this plan are to derive as many lessons as possible from evaluating the implementation of these new projects, lessons that can then be applied to their redesign and rescheduling, to the design of follow-on phases, and to new project designs as the Mission continues to develop a comprehensive program to meet the economic development needs of Pakistan. Evaluations during this plan's period will be primarily of the progress performance type. As far as actual implementation is concerned, we will accelerate the process of testing purpose measurement indicators, data collection, and analysis surveys. It will be most important at this early stage of the projects implementations: (1) to review the validity of the

implementation schedule; (2) to test project assumptions; as well as (3) to retest project design, at the input level and in terms of the input to output linkages. The Mission's ability to interact in this critical area will also be a focus of the planned evaluations. The evaluation plan has also taken into account current USAID/Pakistan and AID/W priorities in the area of research and private sector initiatives. Projects designed with components that address these priority areas will be evaluated in both FY 1984 and FY 1985.

An additional, but no lesser, priority to be addressed during evaluation activities will be the effectiveness of our quick disbursing projects in providing balance of payments assistance to the Government of Pakistan. Quick disbursing dollar assistance addresses Pakistan's serious short and medium term foreign exchange problems. At least two projects that address this concern will be evaluated during this period. The Agricultural Commodities and Equipment (391-0468) and Population Welfare Planning (391-0469) projects. In addition, at least one project in each of the sectors with which our program is involved will be evaluated.

In evaluating the Irrigation Systems Management Project (391-0467), we will be developing the evaluation around provisions of the second phase of project activity due to commence in FY 1985. The evaluation will examine the linkages between the current Irrigation Systems Management project activities and those proposed for the Command Area Management component. The planned evaluation will provide information which will enable the project managers and long-term contractors to be aware of any steps that need to be taken or problem areas that need to be addressed before the Command Area Management Component of the project becomes operational. Implementation issues and the technical assistance component will receive special attention in this initial evaluation.

The Agricultural Research Project (391-0296), is the oldest project in terms of implementation in USAID/Pakistan's current project portfolio. An evaluation will be made of the institutional performance of the entire agricultural research system in creating the institutional infrastructure that will produce relevant research programs. The evaluation will use the findings of the University of Minnesota's comprehensive evaluation of research institutional performance which was completed in April, 1983. The evaluation findings will assist in identifying the direction of future AID investments in agricultural research. Preliminary findings from this evaluation will assist in the design of the research component of the proposed Agricultural Education, Research and Extension Project (391-0477).

The Agricultural Commodities and Equipment Project (391-0468), was evaluated in FY 1983 and was shown to have met the goals and objectives designed for the first tranche of assistance. The next evaluation is scheduled for the first quarter of FY 1985. The FY 1985 evaluation will focus on rapidity of disbursements; the use of commodities; and progress of the policy studies being undertaken. The evaluation will identify the lessons learned from prior

years implementation experiences in order that they can be applied to the design of activities as well as the selection of commodities, mechanisms and procedures for future tranches. The evaluation will also help quantify the indicators for later measurement of the project impact on increasing agricultural sector productivity. This evaluation will further address the impact of the policy dialogue undertaken in connection with the prospect of expanding the private sectors access to and involvement in fertilizer distribution, and its success in helping effect macro and sectoral level policy changes. One area of special interest will be the evaluation of counterpart funds generated by the sale of commodities imported under this project. The generations themselves as well as their uses will be the focus of part of the evaluation. These activities are an extension and further refining of the goals and objectives of this quick disbursing balance of payments oriented project. The evaluation will also be concerned with whether or not the planned balance of payments support activity has met its primary objective.

The Tribal Areas Development Project (391-0471), is one of three projects in USAID/Pakistan's current portfolio that has an area development focus. This first evaluation scheduled for the second quarter of FY 1984, will focus on implementation issues, adequate and timely provision of technical assistance, how well the F.A.R. system is being utilized, and other issues that will surface as the project begins implementation. This evaluation will not only provide information of a project specific nature that will enable key decision-makers to reformulate the goals and objectives of the project if necessary but assist in the design of the Baluchistan Area Development Project (391-0479) and the extent to which further investment in area development activities is warranted.

The Population Welfare Planning Project (391-9469), is primarily designed to partially assist with overcoming deficiencies in program management, logistics, contraceptives, and research. This project scheduled for evaluation during the second quarter of FY 1984, is one of two projects in the Mission's portfolio dealing directly with population concerns. During the evaluation, issues such as implementation, provincially vs. federally administered population programs, end use of commodities, coordination with other donors, contraceptive supplies and distribution networks, and quality, reliability and usefulness of program service statistics will be addressed. The evaluation will also assess the degree to which this project has supported the GOP Special efforts in Population Planning and have been integrated into the overall planning and implementation effort.

The Rural Electrification Project (391-0473), will be evaluated during the fourth quarter of FY 1985. The first evaluation of this large and complex project will focus on design, implementation issues, preparation of the Master Plan, adequacy of technical assistance and institutional arrangements which support this technical assistance, ordering, shipping and utilization of commodities. This evaluation will also provide information on progress

made toward implementing the Guddu Combined Cycle Gas Turbine Generation Facility. Based upon information received during this evaluation, necessary changes, if any, can be made in the design of the project, implementation delays, correction in T.A. components, and expansion of planned project activities. It will also provide the information with which decisions will be made concerning funding and implementation of the fifth part of this project.

The following Table VII provides in tabular form the current planned evaluation schedule for FY 1984 and FY 1985. Regular monitoring and in-house/in-project mini evaluations will be conducted on a regular basis by project staff to ascertain how projects are functioning and if remedial actions needed to be taken. Information from these activities will also provide data for the larger scale external evaluation as well as determine when other formal evaluations should be scheduled.

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1985 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE: USAID/PAKISTAN

Project List (Project No. and Title)	Last Eval Completed (No./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source(\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	To AID/W (Qtr)	Start (Qtr)	To AID/W (Qtr)				
Agricultural Commodities and Equipment (391-0468) cont.				2	3	commodities; quality and usefulness of policy studies; role of this program as an instrument of policy dialogue with the GOP; programming and use of generated rupees; procurement arrangements including performance of PSA(s); rapidity of disbursements; adequacy and appropriateness of evaluation and other monitoring plans and procedures under other AID-financed projects in the agriculture sector for measuring beneficiary productivity.	Project 30	15	1-3 Consultants IQC/University (20 days)
Irrigation Systems Management (391-0467)						PACD 4/90 This large and complex project is designed to up-grade the irrigation systems management capabilities of the GOP at the federal as well as provincial level. This initial evaluation will provide information and data that will be used to make funding decisions about the command water management component of the project scheduled to begin implementation in FY 1985. In addition it will provide information on the status of commodity procurement activities; implementation of the FAR system including an examination of reimbursement and inspection criteria, and the adequacy of counterparts for all long-term consultants.			

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1985 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE: USAID/PAKISTAN

Project List (Project No. and Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source(\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	To AID/W (Qtr)	Start (Qtr)	To AID/W (Qtr)				
Tribal Area Development (391-0471) cont.	-	3	4			issues to be addressed: Strengths and weaknesses of the FAR system; Strengths and weaknesses of collecting basic farm level base line data for use in project moni- toring and evaluation activities.	Project 20 OE 5	10	1-2 Consultants: (20 days) AID/ASIA/TR (20 days)
Population Welfare Planning (391-0469)	-					PACD 9/87 Population growth continues to be the number one problem adversely affecting Pakistan's ability to increase its rate of economic dev- elopment. This evaluation will begin providing data and informat- ion to the PWD of the GOP as to how their renewed efforts are faring in this field. In addition the strengths and weaknesses of the federally administered program in Pakistan will be evaluated. Progress towards coordination of the population activities of other public and private sector organiz- ations, will be evaluated.	Project 30	15	2-3 Consultants IQC (20 days) ASIA/SER/COM ASIA/DP (20 days)
Agricultural Commodities and Equipment (391-0468)	-			1	2	No PACD Yearly TDD This project provides quick disber- sing assistance to the GOP as well as support to the most important sector of the economy - Agriculture It also provides the basis for much of the policy dialogue we will be having with the GOP concerning agriculture policies and trends. In addition the evaluation will meas- ure progress made toward achieve- ment of the purposes of the activity (actual compared with planned performance); end use of imported			

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1985 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE: USAID/ PAKISTAN

Project List (Project No. and Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source(\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	To AID/W (Qtr)	Start (Qtr)	To AID/W (Qtr)				
Agricultural Research (391-0296)	10/78	1	2			PACD 6/85 This project represents a major commitment to Agricultural Research in Pakistan. The number of Pakistanis trained upto M.S. and Ph.D levels has been significant in the past 4 years. Specifically the evaluation will focus on research activities at the federal as well as provincial level. In the area of training the evaluation will focus on the following priorities: previous vs. current criteria for selection of participants, retention of returned participants by sponsoring agency, effectiveness of training, and tests used to quality and assess strengths of participants to achieve/complete programs in allotted time. It will also assess a wide range of activities in the areas of construction, procurement, in-country training programs, PARC/NARC budgeting and staffing and how well coordinated are research activities at the federal and provincial levels.	20	15	2-3 Consultants/ IQC (30 days) AID/ASIA/TR (30 days)
Tribal Area Development (391-0471)	-	-	3			PACD 9/87 This project is the first regionally focused project to be implemented. We are planning 2 additional regionally focused projects and the results of this evaluation will provide useful data and information with which decisions can be made about other projects with a like focus. Some of the	20	10	1-2 Consultants (20 days) AID/W (20 days)
William D. McKinney Assistant Program Officer									

20%

TABLE VII - LIST OF PLANNED EVALUATIONS  
 FY 1985 ANNUAL BUDGET SUBMISSION  
 COUNTRY/OFFICE: USAID/PAKISTAN

Project List (Project No. and Title)	Last Eval Completed (No./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start (Qtr.)	To AID/W (Qtr)	Start (Qtr)	To AID/W (Qtr)				
Rural Electrification (391-0473)	-			4	4	PACD 9/88 This project aims for a major expansion of electricity into the rural areas of Pakistan. It will be multi-faceted in that it will assist in providing generating capacity as well as end use commodities. While focusing on issues initially concerned with start up activities, the evaluation will also cover progress made towards preparation of the Master Plan and its utilization. Progress made towards the reduction in line losses under the Energy loss reduction component, the adequacy of technical assistance teams, and the institutional arrangements made to undertake the T.A. activities.	Project 35	15	3-4 Consultant: IQC/DOE (25 days)

WORKFORCE AND OPERATING EXPENSES

- A. Table VIII - Operating Expense Summary
- B. Table VIII - Narrative
- C. Table VIII(a)(b) - Automatic Data Processing (ADP)
- D. Table IX - Workforce Narrative
- E. Table IX(a) - US Direct Hire Staffing
- F. Table IX(b) - FN Direct Hire Staffing

ORGANIZATION (Mission, including RIG/A and RIG/II)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		3,132.90	439.5	3,572.4	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,843.9*		1,843.9*	36.3
PT/TEMP U.S. BASIC PAY	U102	112	31.5*		31.5*	1.0
DIFFERENTIAL PAY	U103	116	427.2*		427.2*	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	4.0*		4.0*	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	280.9		280.9	51.0
RETIREMENT - U.S.	U107	120	129.1*		129.1*	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	36.9*		36.9*	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	31.2		31.2	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	28.2	61.6	89.8	17.0
POST ASSIGNMENT - FREIGHT	U112	22	203.5	24.1	227.6	17.0
HOME LEAVE - TRAVEL	U113	212	34.6	96.7	131.3	28.0
HOME LEAVE - FREIGHT	U114	22	31.1	30.2	61.3	28.0
EDUCATION TRAVEL	U115	215	7.6	9.9	17.5	12.0
R AND R TRAVEL	U116	215	18.2	119.2	137.4	38.0
ALL OTHER CODE 215 TRAVEL	U117	215	25.0	97.8	122.8	37.0
<u>FOREIGN NATIONAL DH</u>	U200		14.5	632.8	647.3	XXXXX
BASIC PAY	U201	114	9.1	178.3	187.4	34.8
OVERTIME, HOLIDAY PAY	U202	115		15.5	15.5	5.0
ALL OTHER CODE 11 - FN	U203	119		3.9	3.9	XXXXX
ALL OTHER CODE 12 - FN	U204	129	5.4	197.4	202.8	XXXXX
BENEFITS FORMER FN PERS.	U205	13		237.7	237.7	XXXXX
<u>CONTRACT PERSONNEL</u>	U300		110.0	926.8	1,036.8	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	80.0	24.0	104.0	2.0
ALL OTHER U.S. PSC COSTS	U303	255		3.2	3.2	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	30.0	744.4	774.4	80.0
ALL OTHER F.N. PSC COSTS	U305	255		155.2	155.2	XXXXX
<u>HOUSING</u>	U400		223.7	752.0	975.7	XXXXX
RENT	U401	235	62.6	237.5	300.1	49.5
UTILITIES	U402	235	42.6	208.5	251.1	XXXXX
RENOVATION AND MAINT.	U403	259		11.4	11.4	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	80.2	157.3	237.5	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	32.8		32.8	XXXXX
SECURITY GUARD SERVICES	U407	254		137.3	137.3	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	3.7		3.7	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.8		1.8	XXXXX

ORGANIZATION (Mission, including RIG/A and RIG/II)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>1,141.50</u>	<u>2,365.3</u>	<u>3,506.8</u>	XXXXX
RENT	U501	234		<u>28.2</u>	<u>28.2</u>	XXXXX
UTILITIES	U502	234	<u>127.3</u>	<u>299.1</u>	<u>426.4</u>	XXXXX
BUILDING MAINT./RENOV.	U503	259		<u>41.5</u>	<u>41.5</u>	XXXXX
OFFICE FURN./EQUIP.	U504	310	<u>100.0</u>	<u>339.7</u>	<u>439.7</u>	XXXXX
VEHICLES	U505	312	<u>75.0</u>		<u>75.0</u>	XXXXX
OTHER EQUIPMENT	U506	319	<u>134.0</u>		<u>134.0</u>	XXXXX
TRANSPORTATION/FREIGHT	U507	22	<u>55.0</u>		<u>55.0</u>	XXXXX
COMMUNICATIONS	U508	230	<u>58.2</u>	<u>188.8</u>	<u>247.0</u>	XXXXX
SECURITY GUARD SERVICES	U509	254		<u>115.4</u>	<u>115.4</u>	XXXXX
PRINTING	U510	24		<u>5.8</u>	<u>5.8</u>	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	<u>99.0</u>		<u>99.0</u>	35.0
SITE VISITS	U512	210	<u>1.2</u>	<u>2.5</u>	<u>3.7</u>	1.0
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210	<u>56.0</u>	<u>51.1</u>	<u>107.1</u>	27.0
CONFERENCE ATTENDANCE	U515	210	<u>10.9</u>	<u>8.6</u>	<u>19.5</u>	9.0
OTHER OPERATIONAL TRAVEL	U516	210	<u>48.2</u>	<u>198.2</u>	<u>246.4</u>	650.0
SUPPLIES AND MATERIALS	U517	26	<u>309.0</u>	<u>336.2</u>	<u>645.2</u>	XXXXX
FAAS	U518	257		<u>87.2</u>	<u>87.2</u>	XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	<u>67.7</u>	<u>663.0</u>	<u>730.7</u>	XXXXX
<b>TOTAL O.E. BUDGET</b>			<u>4,622.6</u>	<u>5,116.4</u>	<u>9,739.0</u>	XXXXX
RECONCILIATION * AID/W Funded			<u>(2,472.6)</u>		<u>(2,472.6)</u>	XXXXX
<b>OPERATING ALLOWANCE REQUEST</b>			<u>2,150.0</u>	<u>5,116.4</u>	<u>7,266.4</u>	XXXXX

## OTHER INFORMATION:

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

236.4  
Rs. 12.83 = \$1.00

ORGANIZATION ( RIG/A and RIG/II only )  
( \$ 000 )

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		633.6		633.6	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	377.9*		377.9*	8.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	82.3*		82.3*	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	7.9		7.9	2.0
RETIREMENT - U.S.	U107	120	26.5*		26.5*	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	7.6*		7.6*	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	5.7		5.7	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	16.5		16.5	1.0
POST ASSIGNMENT - FREIGHT	U112	22	30.0		30.0	1.0
HOME LEAVE - TRAVEL	U113	212	16.0		16.0	3.0
HOME LEAVE - FREIGHT	U114	22	14.0		14.0	3.0
EDUCATION TRAVEL	U115	215	6.0		6.0	4.0
R AND R TRAVEL	U116	215	18.2		18.2	10.0
ALL OTHER CODE 215 TRAVEL	U117	215	25.0		25.0	13.0
<u>FOREIGN NATIONAL DH</u>	U200		14.5		14.5	XXXXX
BASIC PAY	U201	114	9.1		9.1	1.3
OVERTIME, HOLIDAY PAY	U202	115				
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	5.4		5.4	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300					XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113				XXXXX
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		105.2		105.2	XXXXX
RENT	U401	235	62.6		62.6	9.5
UTILITIES	U402	235	42.6		42.6	XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				XXXXX
PURCHASES RES. FURN/EQUIP.	U405	311				XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252				XXXXX

ORGANIZATION ( RIG/A and RIG/II only )  
( \$ 000 )

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		109.0		109.0	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234				XXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXX
OFFICE FURN./EQUIP.	U504	310				XXXXX
VEHICLES	U505	312				XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22				XXXXX
COMMUNICATIONS	U508	230				XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24				XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	99.0		99.0	35.0
SITE VISITS	U512	210				
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210				
CONFERENCE ATTENDANCE	U515	210				
OTHER OPERATIONAL TRAVEL	U516	210				
SUPPLIES AND MATERIALS	U517	26				XXXXX
FAAS	U518	257				XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	10.0		10.0	XXXXX
TOTAL O.E. BUDGET			862.3		862.3	XXXXX
RECONCILIATION			(494.3)		(494.3)	XXXXX
* AID/W Funded						
OPERATING ALLOWANCE REQUEST			368.0		368.0	XXXXX

## OTHER INFORMATION:

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

236.4  
Rs.12.83 = \$1.00

ORGANIZATION (Mission, including RIG/A & RIG/II)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		<u>3,312.5</u>	<u>476.4</u>	<u>3,788.9</u>	<u>XXXXX</u>
U.S. CITIZENS BASIC PAY	U101	110	<u>2,199.3*</u>		<u>2,199.3*</u>	<u>40.0</u>
PT/TEMP U.S. BASIC PAY	U102	112	<u>48.5*</u>		<u>48.5*</u>	<u>2.0</u>
DIFFERENTIAL PAY	U103	116	<u>436.9*</u>		<u>436.9*</u>	<u>XXXXX</u>
OTHER AID/W FUNDED O.C. 11	U104	119	<u>2.0*</u>		<u>2.0*</u>	<u>XXXXX</u>
OTHER MISSION FUNDED O.C. 11	U105	119				<u>XXXXX</u>
EDUCATION ALLOWANCES	U106	126	<u>223.5</u>		<u>223.5</u>	<u>42.0</u>
RETIREMENT - U.S.	U107	120	<u>154.0*</u>		<u>154.0*</u>	<u>XXXXX</u>
LIVING ALLOWANCES	U108	128				<u>XXXXX</u>
OTHER AID/W FUNDED O.C. 12	U109	129	<u>44.1*</u>		<u>44.1*</u>	<u>XXXXX</u>
OTHER MISSION FUNDED O.C. 12	U110	129	<u>29.1</u>		<u>29.1</u>	<u>XXXXX</u>
POST ASSIGNMENT - TRAVEL	U111	212	<u>15.0</u>	<u>15.0</u>	<u>30.0</u>	<u>3.0</u>
POST ASSIGNMENT - FREIGHT	U112	22	<u>36.0</u>	<u>3.7</u>	<u>39.7</u>	<u>3.0</u>
HOME LEAVE - TRAVEL	U113	212	<u>48.8</u>	<u>63.6</u>	<u>112.4</u>	<u>21.0</u>
HOME LEAVE - FREIGHT	U114	22	<u>25.8</u>	<u>9.5</u>	<u>35.3</u>	<u>21.0</u>
EDUCATION TRAVEL	U115	215	<u>8.4</u>	<u>18.0</u>	<u>26.4</u>	<u>10.0</u>
R AND R TRAVEL	U116	215	<u>15.0</u>	<u>280.6</u>	<u>295.6</u>	<u>54.0</u>
ALL OTHER CODE 215 TRAVEL	U117	215	<u>26.1</u>	<u>86.0</u>	<u>112.1</u>	<u>48.0</u>
<u>FOREIGN NATIONAL DH</u>	U200		<u>20.9</u>	<u>582.0</u>	<u>602.9</u>	<u>XXXXX</u>
BASIC PAY	U201	114	<u>8.9</u>	<u>214.4</u>	<u>223.3</u>	<u>39.0</u>
OVERTIME, HOLIDAY PAY	U202	115		<u>17.6</u>	<u>17.6</u>	<u>4.0</u>
ALL OTHER CODE 11 - FN	U203	119		<u>7.8</u>	<u>7.8</u>	<u>XXXXX</u>
ALL OTHER CODE 12 - FN	U204	129	<u>12.0</u>	<u>236.0</u>	<u>248.0</u>	<u>XXXXX</u>
BENEFITS FORMER FN PERS.	U205	13		<u>106.2</u>	<u>106.2</u>	<u>XXXXX</u>
<u>CONTRACT PERSONNEL</u>	U300		<u>90.0</u>	<u>1,423.1</u>	<u>1,513.1</u>	<u>XXXXX</u>
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	<u>90.0</u>		<u>90.0</u>	<u>1.0</u>
ALL OTHER U.S. PSC COSTS	U303	255		<u>44.0</u>	<u>44.0</u>	<u>XXXXX</u>
F.N. PSC - SALARY/BENEFITS	U304	113		<u>1,129.1</u>	<u>1,129.1</u>	<u>162.5</u>
ALL OTHER F.N. PSC COSTS	U305	255		<u>250.0</u>	<u>250.0</u>	<u>XXXXX</u>
<u>HOUSING</u>	U400		<u>229.6</u>	<u>829.3</u>	<u>1,058.9</u>	<u>XXXXX</u>
RENT	U401	235	<u>100.1</u>	<u>247.2</u>	<u>347.3</u>	<u>53.0</u>
UTILITIES	U402	235	<u>42.1</u>	<u>246.9</u>	<u>289.0</u>	<u>XXXXX</u>
RENOVATION AND MAINT.	U403	259		<u>13.7</u>	<u>13.7</u>	<u>XXXXX</u>
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	<u>58.7</u>	<u>124.6</u>	<u>183.3</u>	<u>XXXXX</u>
TRANS./FREIGHT - CODE 311	U406	22	<u>22.7</u>		<u>22.7</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U407	254		<u>196.9</u>	<u>196.9</u>	<u>XXXXX</u>
OFFICIAL RESIDENCE ALLOW.	U408	254	<u>4.0</u>		<u>4.0</u>	<u>XXXXX</u>
REPRESENTATION ALLOWANCE	U409	252	<u>2.0</u>		<u>2.0</u>	<u>XXXXX</u>

ORGANIZATION (Mission, including RIG/A & RIG/II)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>1,352.7</u>	<u>2,203.4</u>	<u>3,556.1</u>	<u>XXXXX</u>
RENT	U501	234		<u>14.8</u>	<u>14.8</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>14.3</u>	<u>300.9</u>	<u>315.2</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259		<u>48.2</u>	<u>48.2</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>277.4</u>	<u>123.5</u>	<u>400.9</u>	<u>XXXXX</u>
VEHICLES	U505	312	<u>84.0</u>		<u>84.0</u>	<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>191.2</u>		<u>191.2</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>73.7</u>		<u>73.7</u>	<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>5.0</u>	<u>280.4</u>	<u>285.4</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254		<u>131.3</u>	<u>131.3</u>	<u>XXXXX</u>
PRINTING	U510	24		<u>7.8</u>	<u>7.8</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210	<u>170.0</u>		<u>170.0</u>	<u>57.0</u>
SITE VISITS	U512	210	<u>1.0</u>	<u>0.2</u>	<u>1.2</u>	<u>1.0</u>
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210	<u>71.0</u>	<u>60.1</u>	<u>131.1</u>	<u>18.0</u>
CONFERENCE ATTENDANCE	U515	210	<u>8.7</u>	<u>11.2</u>	<u>19.9</u>	<u>6.0</u>
OTHER OPERATIONAL TRAVEL	U516	210	<u>110.7</u>	<u>431.1</u>	<u>541.8</u>	<u>975.0</u>
SUPPLIES AND MATERIALS	U517	26	<u>282.5</u>	<u>334.8</u>	<u>617.3</u>	<u>XXXXX</u>
FAAS	U518	257		<u>96.0</u>	<u>96.0</u>	<u>XXXXX</u>
CONSULTING SVCS - CONT.	U519	259				<u>XXXXX</u>
MGT./PROP. SVCS. - CONT.	U520	259				<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U521	259				<u>XXXXX</u>
ALL OTHER CODE 25	U522	259	<u>63.2</u>	<u>363.1</u>	<u>426.3</u>	<u>XXXXX</u>
<b>TOTAL O.E. BUDGET</b>			<u>5,005.7</u>	<u>5,514.2</u>	<u>10,519.9</u>	<u>XXXXX</u>
RECONCILIATION (AID/W Funded)			<u>(2,884.8)</u>		<u>(2,884.8)</u>	<u>XXXXX</u>
<b>OPERATING ALLOWANCE REQUEST</b>			<u>2,120.9</u>	<u>5,514.2</u>	<u>7,635.1</u>	<u>XXXXX</u>

OTHER INFORMATION:

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

303.0  
Rs.12.83 = \$1.00

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

20%  
10%

ORGANIZATION (RIG/A and RIG/II only)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		714.7		714.7	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	431.1*		431.1*	9.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	86.4*		86.4*	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	1.0*		1.0*	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	18.0		18.0	4.0
RETIREMENT - U.S.	U107	120	30.2*		30.2*	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	8.7*		8.7*	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	8.2		8.2	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	12.6		12.6	2.0
POST ASSIGNMENT - FREIGHT	U112	22	24.0		24.0	2.0
HOME LEAVE - TRAVEL	U113	212	38.5		38.5	11.0
HOME LEAVE - FREIGHT	U114	22	18.3		18.3	11.0
EDUCATION TRAVEL	U115	215	4.2		4.2	2.0
R AND R TRAVEL	U116	215	15.0		15.0	2.0
ALL OTHER CODE 215 TRAVEL	U117	215	18.5		18.5	8.0
<u>FOREIGN NATIONAL DH</u>	U200		18.9		18.9	XXXXX
BASIC PAY	U201	114	8.9		8.9	2.0
OVERTIME, HOLIDAY PAY	U202	115				
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	10.0		10.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300					XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113				
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		142.2		142.2	XXXXX
RENT	U401	235	100.1		100.1	13.0
UTILITIES	U402	235	42.1		42.1	XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311				XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252				XXXXX

ORGANIZATION ( RIG/A and RIG/II only )

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		189.0		189.0	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234				XXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXX
OFFICE FURN./EQUIP.	U504	310				XXXXX
VEHICLES	U505	312				XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22				XXXXX
COMMUNICATIONS	U508	230				XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24				XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	170.0		170.0	57.0
SITE VISITS	U512	210				
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210				
CONFERENCE ATTENDANCE	U515	210				
OTHER OPERATIONAL TRAVEL	U516	210				
SUPPLIES AND MATERIALS	U517	26	6.0		6.0	XXXXX
FAAS	U518	257				XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROP. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	13.0		13.0	XXXXX
<b>TOTAL O.K. BUDGET</b>			<b>1,064.8</b>		<b>1,064.8</b>	<b>XXXXX</b>
RECONCILIATION (AID/W Funded)*			(557.4)		(557.4)	XXXXX
OPERATING ALLOWANCE REQUEST			507.4		507.4	XXXXX

OTHER INFORMATION:

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

303.0  
Rs.12.83 = \$1.00

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

20%  
10%

ORGANIZATION (Mission, including RIG/A & RIG/II)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UN</u>
<u>U.S. DIRECT HIRE</u>	U100		<u>3,673.1</u>	<u>759.3</u>	<u>4,432.4</u>	<u>XXXXX</u>
U.S. CITIZENS BASIC PAY	U101	110	<u>2,279.8*</u>		<u>2,279.8*</u>	<u>40.0</u>
PT/TEMP U.S. BASIC PAY	U102	112	<u>29.4*</u>		<u>29.4*</u>	<u>1.0</u>
DIFFERENTIAL PAY	U103	116	<u>435.3*</u>		<u>435.3*</u>	<u>XXXXX</u>
OTHER AID/W FUNDED O.C. 11	U104	119	<u>2.4*</u>		<u>2.4*</u>	<u>XXXXX</u>
OTHER MISSION FUNDED O.C 11	U105	119				<u>XXXXX</u>
EDUCATION ALLOWANCES	U106	126	<u>358.3</u>		<u>358.3</u>	<u>57.0</u>
RETIREMENT - U.S.	U107	120	<u>157.9*</u>		<u>157.9*</u>	<u>XXXXX</u>
LIVING ALLOWANCES	U108	128				<u>XXXXX</u>
OTHER AID/W FUNDED O.C. 12	U109	129	<u>45.2*</u>		<u>45.2*</u>	<u>XXXXX</u>
OTHER MISSION FUNDED O.C.12	U110	129	<u>30.1</u>		<u>30.1</u>	<u>XXXXX</u>
POST ASSIGNMENT - TRAVEL	U111	212	<u>16.8</u>	<u>122.2</u>	<u>139.0</u>	<u>7.0</u>
POST ASSIGNMENT - FREIGHT	U112	22	<u>91.0</u>	<u>30.6</u>	<u>121.6</u>	<u>7.0</u>
HOME LEAVE - TRAVEL	U113	212	<u>93.2</u>	<u>388.5</u>	<u>481.7</u>	<u>65.0</u>
HOME LEAVE - FREIGHT	U114	22	<u>57.2</u>	<u>57.3</u>	<u>114.5</u>	<u>65.0</u>
EDUCATION TRAVEL	U115	215	<u>2.5</u>	<u>10.5</u>	<u>13.0</u>	<u>4.0</u>
R AND R TRAVEL	U116	215	<u>42.0</u>	<u>49.9</u>	<u>91.9</u>	<u>20.0</u>
ALL OTHER CODE 215 TRAVEL	U117	215	<u>32.0</u>	<u>100.3</u>	<u>132.3</u>	<u>68.0</u>
<u>FOREIGN NATIONAL DH</u>	U200		<u>23.2</u>	<u>513.1</u>	<u>536.3</u>	<u>XXXXX</u>
BASIC PAY	U201	114	<u>9.3</u>	<u>221.2</u>	<u>230.5</u>	<u>39.0</u>
OVERTIME, HOLIDAY PAY	U202	115		<u>19.5</u>	<u>19.5</u>	<u>4.5</u>
ALL OTHER CODE 11 - FN	U203	119		<u>9.4</u>	<u>9.4</u>	<u>XXXXX</u>
ALL OTHER CODE 12 - FN	U204	129	<u>13.9</u>	<u>244.4</u>	<u>258.3</u>	<u>XXXXX</u>
BENEFITS FORMER FN PERS.	U205	13		<u>18.6</u>	<u>18.6</u>	<u>XXXXX</u>
<u>CONTRACT PERSONNEL</u>	U300		<u>90.0</u>	<u>1,522.0</u>	<u>1,612.0</u>	<u>XXXXX</u>
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	<u>90.0</u>		<u>90.0</u>	<u>1.0</u>
ALL OTHER U.S. PSC COSTS	U303	255		<u>44.0</u>	<u>44.0</u>	<u>XXXXX</u>
F.N. PSC - SALARY/BENEFITS	U304	113		<u>1,178.0</u>	<u>1,178.0</u>	<u>164.0</u>
ALL OTHER F N. PSC COSTS	U305	255		<u>300.0</u>	<u>300.0</u>	<u>XXXXX</u>
<u>HOUSING</u>	U400		<u>184.6</u>	<u>912.0</u>	<u>1,096.6</u>	<u>XXXXX</u>
RENT	U401	235	<u>36.9</u>	<u>239.7</u>	<u>276.6</u>	<u>43.5</u>
UTILITIES	U402	235	<u>50.5</u>	<u>265.0</u>	<u>315.5</u>	<u>XXXXX</u>
RENOVATION AND MAINT.	U403	259		<u>12.2</u>	<u>12.2</u>	<u>XXXXX</u>
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	<u>64.9</u>	<u>179.0</u>	<u>243.9</u>	<u>XXXXX</u>
TRANS./FREIGHT - CODE 311	U406	22	<u>25.6</u>		<u>25.6</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U407	254		<u>216.1</u>	<u>216.1</u>	<u>XXXXX</u>
OFFICIAL RESIDENCE ALLOW.	U408	254	<u>4.5</u>		<u>4.5</u>	<u>XXXXX</u>
REPRESENTATION ALLOWANCE	U409	252	<u>2.2</u>		<u>2.2</u>	<u>XXXXX</u>

ORGANIZATION (Mission, including RIG/A & RIG/II)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		<u>921.4</u>	<u>2,354.9</u>	<u>3,276.3</u>	<u>XXXXX</u>
RENT	U501	234		<u>14.8</u>	<u>14.8</u>	<u>XXXXX</u>
UTILITIES	U502	234	<u>4.8</u>	<u>332.5</u>	<u>337.3</u>	<u>XXXXX</u>
BUILDING MAINT./RENOV.	U503	259		<u>10.5</u>	<u>10.5</u>	<u>XXXXX</u>
OFFICE FURN./EQUIP.	U504	310	<u>15.1</u>	<u>114.2</u>	<u>129.3</u>	<u>XXXXX</u>
VEHICLES	U505	312	<u>71.0</u>		<u>71.0</u>	<u>XXXXX</u>
OTHER EQUIPMENT	U506	319	<u>53.7</u>		<u>53.7</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	22	<u>37.3</u>		<u>37.3</u>	<u>XXXXX</u>
COMMUNICATIONS	U508	230	<u>1.7</u>	<u>308.7</u>	<u>310.4</u>	<u>XXXXX</u>
SECURITY GUARD SERVICES	U509	254		<u>145.9</u>	<u>145.9</u>	<u>XXXXX</u>
PRINTING	U510	24		<u>9.4</u>	<u>9.4</u>	<u>XXXXX</u>
RIG/II OPERATIONAL TRAVEL	U511	210	<u>185.0</u>		<u>185.0</u>	<u>62.0</u>
SITE VISITS	U512	210	<u>2.6</u>	<u>5.9</u>	<u>8.5</u>	<u>2.0</u>
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210	<u>44.1</u>	<u>38.5</u>	<u>82.6</u>	<u>10.0</u>
CONFERENCE ATTENDANCE	U515	210	<u>8.2</u>	<u>12.6</u>	<u>20.8</u>	<u>4.0</u>
OTHER OPERATIONAL TRAVEL	U516	210	<u>115.4</u>	<u>458.2</u>	<u>573.6</u>	<u>1,058.0</u>
SUPPLIES AND MATERIALS	U517	26	<u>340.8</u>	<u>367.9</u>	<u>708.7</u>	<u>XXXXX</u>
FAAS	U518	257		<u>105.6</u>	<u>105.6</u>	<u>XXXXX</u>
CONSULTING SVCS - CONT.	U519	259				<u>XXXXX</u>
MGT./PROF. SVCS. - CONT.	U520	259				<u>XXXXX</u>
SPEC. STUDIES/ANALYSES CONT.	U521	259				<u>XXXXX</u>
ALL OTHER CODE 25	U522	259	<u>41.7</u>	<u>430.2</u>	<u>471.9</u>	<u>XXXXX</u>
TOTAL O.E. BUDGET			<u>4,892.3</u>	<u>6,061.3</u>	<u>10,953.6</u>	<u>XXXXX</u>
RECONCILIATION - (AID/W Funded) *			<u>(2,950.0)</u>		<u>(2,950.0)</u>	<u>XXXXX</u>
OPERATING ALLOWANCE REQUEST			<u>1,942.3</u>	<u>6,061.3</u>	<u>8,003.6</u>	<u>XXXXX</u>

OTHER INFORMATION:

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

292.2  
Rs.12.83 = \$1.00

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

NIL  
10%

ORGANIZATION ( RIG/A and RIG/II only)

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		719.9		719.9	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	441.8*		441.8*	9.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	86.9*		86.9*	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	1.2*		1.2*	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	20.1		20.1	4.0
RETIREMENT - U.S.	U107	120	30.9*		30.9*	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	8.9*		8.9*	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	8.0		8.0	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212				
POST ASSIGNMENT - FREIGHT	U112	22				
HOME LEAVE - TRAVEL	U113	212	41.0		41.0	5.0
HOME LEAVE - FREIGHT	U114	22	17.1		17.1	5.0
EDUCATION TRAVEL	U115	215				
R AND R TRAVEL	U116	215	42.0		42.0	12.0
ALL OTHER CODE 215 TRAVEL	U117	215	22.0		22.0	8.0
<u>FOREIGN NATIONAL DH</u>	U200		20.2		20.2	XXXXX
BASIC PAY	U201	114	9.3		9.3	2.0
OVERTIME, HOLIDAY PAY	U202	115				
ALL OTHER CODE 11 - FN	U203	119				XXXXX
ALL OTHER CODE 12 - FN	U204	129	10.9		10.9	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300					XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113				
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113				
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		87.4		87.4	XXXXX
RENT	U401	235	36.9		36.9	4.5
UTILITIES	U402	235	50.5		50.5	XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311				XXXXX
TRANS./FREIGHT - CODE 311	U406	22				XXXXX
SECURITY GUARD SERVICES	U407	254				XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254				XXXXX
REPRESENTATION ALLOWANCE	U409	252				XXXXX

ORGANIZATION ( RIG/A and RIG/II only )

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		208.0		208.0	XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234				XXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXX
OFFICE FURN./EQUIP.	U504	310				XXXXX
VEHICLES	U505	312				XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22				XXXXX
COMMUNICATIONS	U508	230				XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24				XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	185.0		185.0	62.0
SITE VISITS	U512	210				
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210				
CONFERENCE ATTENDANCE	U515	210				
OTHER OPERATIONAL TRAVEL	U516	210				
SUPPLIES AND MATERIALS	U517	26	8.0		8.0	XXXXX
FAAS	U518	257				XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	15.0		15.0	XXXXX
<b>TOTAL O.E. BUDGET</b>			<b>1,035.5</b>		<b>1,035.5</b>	<b>XXXXX</b>
RECONCILIATION AID/W Funded			(569.7)		(569.7)	XXXXX
OPERATING ALLOWANCE REQUEST			465.8		465.8	XXXXX

OTHER INFORMATION:

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

292.2  
Rs.12.83 = \$1.00

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

NIL  
10%

TABLE VIII - OPERATING EXPENSE NARRATIVE

SECTION A - Management Improvement

In the face of personnel constraints and in the interest of efficiency, the Mission continues vigorous management improvement efforts to achieve greater effectiveness in the use of available resources by developing and installing better, more economical and faster ways of working. Even so, it must be emphasized that USAID/Pakistan's program is large and growing. Savings realized by greater efficiency are expressed in terms of less growth in staff and lower attendant costs rather than absolute reductions in costs. In fact, we foresee necessary and substantial increases in operating costs. A few examples of Mission efficiency efforts follow:

- The program is concentrated mostly in the Agriculture and Energy sectors, so as to limit the requirements for USDH staff.
- We are automating Mission operations through use of automatic data processing systems. In order to manage A.I.D.'s second largest development program with minimum USDH and FSN staff, USAID/Pakistan has embarked on a plan for automation of the financial management, project tracking, programming and clerical systems. A word processing system (WANG OIS-140) will be installed by the beginning of FY1984 and will be linked to a WANG VS-90 by the second quarter of FY1984. The Mission will maximize the productivity of its U.S. and FSN professional staff while minimizing the number of clerical and financial management personnel. Otherwise both professional and clerical staff would have to increase dramatically with the expanding program through at least 1987. The \$400,000 investment in ADP equipment from Trust Funds and dollar accounts will save one USDH position in the Office of Financial Management (we project the need for four, rather than five if MACS were not installed). In addition, fewer secretarial positions will be required Mission-wide as a result of installing word-processing equipment. The total annual savings from ADP equipment will be on the order of \$250,000.
- We are upgrading personnel skills through job-related training opportunities and rely increasingly on FSN staff to perform duties that normally are performed by USDH personnel, thereby capitalizing on recent policy changes allowing greater responsibilities to be exercised by local staff. The current portfolio has eight projects to which FSN staff are assigned as project officers. The cost savings involved are estimated at \$160,000 per year.
- We are holding the use of appropriated OE and other dollar funds to a minimum by reliance on TRUST FUND and rupees for the vast majority of international travel and local support expenses and by using project funds to finance design work.

- We maximize in-country procurement resulting in a significant saving over U.S. prices and ocean freight charges. The savings are estimated at \$120,000 over the life of this program. Early delivery also promotes program effectiveness.
- We are reviewing some possible areas for joint administrative support with the Consulate General at Karachi in the area of housing assignment, housing maintenance and auto maintenance and operations and will do the same at an appropriate time in Lahore and Peshawar.
- We make greater use of service contracts for obtaining skilled and non-skilled personnel, rather than resorting to FSN direct employment, so as to fine-tune our support capability to actual needs.
- We monitor international and in-country travel and communications requests to assure the most economical means are used.

#### SECTION B - Justification for Funding Changes

The increase in FY1984 over FY1983 under Function Code U-300, (Contract Personnel) is due to the fact that 47 employees were shifted from service type contract to P.S. contracts.

Increase in FY1985 over FY 1984 under Function Code U-100, (U.S. Direct Hire) is due to increase in number of dependents eligible for education allowance, increase in post assignment and home leave travel.

#### SECTION C - Trust Funds

A scheme is under active consideration by Mission Management to provide extra benefits to FSN employees in lieu of CSR. A contingent payment of Dollars 984,000 and Dollars 90,500 (Equivalent Rupees) for FY1984 and FY1985 has been estimated as additional Severance Pay in lieu of CSR for FSN Direct Hire Employees. These amounts have not been included in Table VIII.

The final rupee deposit to the Trust Fund Account under our current Trust Fund Support Agreement with the GOP will be made on July 1, 1983. We estimate that there will be sufficient rupees on deposit to meet our requirements thru this fiscal year. An extension of our Trust Fund Support Agreements with the GOP for FY1984 and FY1985 are yet to be negotiated. Without this extension, OE dollar fund will be required to replace the trust funds budgeted for FY1984 and FY1985.

TABLE VIII(a) AND VIII(b)

DATA ON ACQUISITION, OPERATION AND USE OF  
AUTOMATIC DATA PROCESSING (ADP) AND WORD PROCESSING (WP)  
EQUIPMENT, SERVICES AND SYSTEMS

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1. Narrative Statement - ADP

The USAID Mission has purchased, with FY 83 Operating Expense funds, nine Apple II-E microcomputers and has placed an order for a Wang OIS-140 system.

Two of the Apple II microcomputers were purchased earlier this year and are being used in the Office of Financial Management and in the Office of Regional Legal Advisor. The remaining seven micros have just arrived and are being installed in different USAID offices where they will be used for project management, monitoring and design work. One of these will be a back-up unit.

The OIS-140 equipment is expected to arrive in Pakistan in August of this year. In FY 1984 the USAID plans to buy a VS-90 minicomputer (at an estimated cost of 162,000) which will be networked with the OIS-140. When the VS minicomputer is installed, some of the Apple microcomputers will be transferred to the regional liaison offices at Peshawar, Karachi and Lahore.

Also in FY 1984 the Embassy Communications Section, which is currently located in the USAID Building, will be relocated to the Chancery building which is about one mile away. The USAID plans to install a Wangnet (at an estimated cost of approximately \$45,000) to transmit outgoing and incoming cables to and from the Embassy.

Since in-house personnel will be trained to operate the ADP equipment, Mission anticipates no additional staff requirements other than the local hiring of a Systems Manager to be paid out of the OE Trust Funds and occasional assistance from SER/DM. SER/DM has agreed to conduct a training session in the first week of October FY 84 at the USAID to train Mission personnel on ADP equipment.

The hardware configuration follows:

<u>Qty</u>	<u>Description</u>
	<u>APPLE-II</u>
9	Apple II plus computer 64K 22 volts, 50 cycles, with two Apple Disk Drives with Controller and one 12" black/ green Monitor 220-volt
9	80 column board
9	CP/M Card
9	Printer Interface Card for Graphics Printout on the EPSON MX-100
9	Printer MX-100
	<u>WANG OIS-140</u>
1	Model 140-3 OIS with 80.4 MB Disk and Single Diskette
2	180 CPS Matrix High Speed Printer
3	35 CPS Letter Quality Printers
3	Automatic Twin Sheet Feeders for Letter Quality Printers
9	64-K WP Work Stations
4	64-K WP Work Stations with Archiving

2. Report on Obligations and Inventory of ADP Systems

	<u>Fiscal Years</u>		
	<u>1983</u>	<u>1984</u>	<u>1985</u>
	\$	\$	\$
<b>A. <u>Capital Investment</u></b>			
<b>a. <u>Purchase of ADP Equipment</u></b>			
i. 2 Apple computers purchased with Trust Fund rupees	17,600	-	-
ii. 7 Apple computers	37,400	-	-
iii. Wang OIS-140	183,000	-	-
iv. Wang VS-90 mini- computer	-	162,000	-
v. Wangnet	-	45,000	-
<b>b. <u>Purchase of Software and Supplies</u></b>	<u>9,600</u>	<u>10,000</u>	<u>20,000</u>
<b>Sub-Total</b>	<b>247,600</b>	<b>217,000</b>	<b>20,000</b>
<b>B. <u>Personnel</u></b>			
a. Compensation, benefits, travel	4,100	10,800	11,000
b. Workyears	0.66	2	2
<b>Sub-Total</b>	<b>4,100</b>	<b>10,800</b>	<b>11,000</b>
<b>C. <u>Equipment rental and other operating costs</u></b>			
a. ADP equipment rental	-	-	-
b. Supplies and leased software	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

	<u>Fiscal Years</u>		
	<u>1983</u>	<u>1984</u>	<u>1985</u>
D. <u>Commercial services</u>			
a. ADP Service Bureau	-	-	-
b. Systems analysis and programming	-	-	-
c. ADPE maintenance	-	5,800	11,600
Sub-Total	-	5,800	11,600
E. <u>Total obligations (A-D)</u>	251,700	233,600	42,600
F. <u>Inter-Agency Services</u>			
a. Payments	-	-	-
b. Offsetting collections	-	-	-
Sub-Total	-	-	-
G. <u>Grand Total</u>	251,700	233,600	42,600

3. Narrative Statement - WP

The USAID Mission has no WP equipment and does not plan to buy or rent a WP system through FY 1985.

4. Report on obligations for WP systems

	<u>Fiscal Years</u>		
	<u>1983</u>	<u>1984</u>	<u>1985</u>
A. Capital investment in WP	-	-	-
B. WP equipment rental and supplies	-	-	-
C. Other costs	-	-	-
Total	-	-	-

TABLE IX - WORKFORCE REQUIREMENTS

Narrative Justification for Higher USDH and FTE Work Year Levels

Both the funding levels and the program of projects to be included in USAID/Pakistan's 1982-87 development effort were established by agreement between the Administrator of A.I.D. and the GOP in August 1981. It consists of 20 distinct projects and activities and as a whole contains a high proportion of fast disbursing assistance. The Mission has been enjoined to structure its portfolio along development assistance lines and is adhering to Agency policy with regard to technology transfer and institution-building, private sector development, integration of PL-480 with the total program, and with respect to using the program to encourage policy changes. Thus, the nature of the program is staff-intensive. Nevertheless, the Mission and the country team are aware of the need to keep USAID/Pakistan's staffing profile within reasonable limits consistent with prudent management, security constraints, and other considerations. In consequence, the Mission has relied heavily on consultants for design work and has built its USDH staff slowly and carefully, primarily to provide for effective management and program implementation. The number of approved and MODE cleared USDH positions has increased from 17 at the beginning of FY82, to 36 at the beginning of FY1984. Personnel have been identified and assigned to 35 of the 36 positions. The increase has been weighted heavily towards the Offices of Energy and Engineering, and Agriculture and Rural Development which are responsible for designing and implementing the greater part of the portfolio. The ABS guidance limiting the Mission to 31 FTE work years and 35 USDH positions in FY84, if it becomes operationally binding, will require the Agency to cancel assignments, cancel return to post from approved home leaves or arrange for the early transfer of personnel on-board, in violation of assignment and length-of-tour precepts. If all approved positions remain valid and no new positions are allotted, the Mission will need a minimum of 36 FTE work years in FY1984. This is because all Mission USDH personnel are either recently assigned on their first tours or returning to post to begin their second tour. The only possible lapse between the 36 approved USDH positions and the FTE work year level would occur if the Assistant Civil Engineer is not assigned until some time in FY84 or if the newly identified Budget and Accounting position is not filled. Any lapse should be avoided since these positions are critical to implementation and responsible financial management. Any level below 36 FTE work years would erode our present implementation, institutional development and policy dialogue capacities, just as the need for these capacities is growing in step with the number of projects authorized.

However, even the currently approved level of 36 HSDH positions and an equivalent FTE work year level would be inadequate for prudent management of the program through 1985 and beyond. It would be risky to assume that the Mission's Office of Financial Management can cover our FY1982-87 \$1.625 billion portfolio with annual obligations of up to \$275 million (plus \$50.0 million annually in Title I), support more than 100 technical assistance

contractors, and manage sizable Trust Fund and Mondale Rupee accounts with a USDH staff of three, and a new and largely inexperienced FSN staff. There is a probable need for an additional USDH controller position in 1985.

The Mission is faced with coordinating and supporting large numbers of contractors who will be working on projects in Islamabad, Lahore, Peshawar, Quetta and Karachi. It is likely that projects in Lahore will have about 35 expatriate technicians, requiring a USDH to be stationed there to support and coordinate their efforts. In any event, the support of approximately 100 U.S. contractors is likely to require the addition of one USDH position in the Executive Office, either in Islamabad or Lahore. The Mission's operations in Peshawar may require a USDH position for similar oversight and support purposes.

Two highly visible and politically important projects are almost certain to require additional USDH staff. The first of these is the Narcotics-related Area Development Project in the NWFP, which is likely to be associated with a comprehensive GOP Special Development Plan for poppy-growing areas, and will be staff-intensive because of its political sensitivity and requirements for close coordination with other USG, GOP and donor agencies. As such it may require an additional project officer who is fully responsive to the USAID and who is knowledgeable about A.I.D. policies and procedures, i.e., not a contractor but a USDH professional.

In the private sector, a major project to develop a private financial institution is in the offing. This project brings with it a whole range of policy changes that will evolve into a much broader private sector program. To capitalize on and to support such a program it is entirely possible that the Mission would need to add at least one more private sector person to its staff. This individual should be able to speak for the U.S. government as a USDH, not as a contractor.

The Mission has been encouraged to think about efforts in Basic Education, closely linked with Women in Development (WID) concerns as part of its future portfolio. There is no doubt that education and WID matters are related intimately to the obstacles preventing equitable growth and stability in Pakistan. Still the Mission has been aware of the pitfalls in entering a new sector and is conscious of the demands on staff time such a new entry would make. Coupled with an uncertain cultural and policy environment, these concerns delay a decision to move forward. However, should the situation change along the lines indicated in the Sixth-Five Year Plan with its emphasis on social sectors, the Mission should be positioned to consider assistance. The effort would require at least one USDH position and a number of PSCs'.

The projects designed and managed by our Office of Agriculture and Rural Development (ARD) total more than \$676.0 million. Several of ARD's eight projects contain multiple elements which require full-time attention. While ARD relies heavily on contractors to produce technical outputs, the sheer diversity and magnitude of the program could well justify at least one additional USDH project manager.

The Energy and Engineering Office will be managing a complex portfolio of five multi-projects valued at \$430.0 million and providing engineering support for ARD and HPN projects as well -- all with four USDH positions. While some of the burden is carried by FSNs, the magnitude of E&E projects and the nature of the supervision required on numerous construction projects may justify an additional USDH positions.

USAID/Pakistan's USDH staff is smaller than those of three Missions in Asia, while the larger Missions have much smaller programs. This observation is not intended to question the USDH levels established for other Missions; rather it provides one objective indication that USAID/Pakistan is understaffed. In our view, there should be no unit-for-correlation either between the number of projects or the size of a program on the one hand and the size of the USDH staff on the other. But there is a legitimate correlation between a group of factors, e.g., the intensity and scope of the policy dialogue, the degree to which the program is cast in the D.A. model and the degree to which technology transfer, institution-building and private sector emphases are built into the program -- and the size of the program and its strategic importance -- that does provide a strong indication of the size of the staff needed to carry out a given program. USAID/Pakistan, by this group of indicators -- individually or collectively -- may need more staff. Our best estimate is that we are going to need through 1989 between four at a minimum and eight at a maximum additional positions over and above the current thirty-six to support priority projects and to respond to policy changes and development opportunities. However, no decision to seek approval for any new position over and above the present thirty-six will be made until a case-by-case of review has been completed by the Ambassador.

TABLE IX(a) WORKFORCE REQUIREMENTS (U. S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORK YEARS			
		FY 83	FY 84	FY 85	FY 86
<u>OFFICE OF THE DIRECTOR</u>					
011	Mission Director	1	1	1	1
012	Deputy Mission Director	1	1	1	1
850	Regional Legal Advisor	1	1	1	1
121	Project Manager	.75	1	1	1
121	Project Manager	.25	1	1	1
050	Secretary	1	1	1	1
<u>OFFICE OF MANAGEMENT</u>					
031	Executive Officer	.75	1	1	1
031	Deputy Executive Officer	.50	1	1	1
<u>OFFICE OF FINANCIAL MANAGEMENT</u>					
043	Controller	1	1	1	1
043	Deputy Controller	1	1	1	1
041	Accountant (Fin Anal) PT	.50	1	1	1
041	Accountant PT	.50	1	0	0
042	Budget/Accounts Officer	0	0	0	0
<u>OFFICE OF PROGRAM</u>					
023	Program Officer	1	1	1	1
023	Deputy Program Officer	1	1	1	1
023	Asst Program Officer	1	1	1	1
021	Program Economist	1	0	0	0

TABLE IX(a) WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORK YEARS			
		FY 83	FY 84	FY 85	FY 86
<u>OFFICE OF HUMAN RESOURCES &amp; TRAINING</u>					
601	Human Resources Development Officer	.75	1	1	1
<u>OFFICE OF PROJECT DEVELOPMENT &amp; MONITORING</u>					
940	Project Development Officer	1	1	1	1
940	Deputy Proj Dvl Officer	1	1	1	1
940	Asst Proj Dvl Officer	.33	1	1	1
940	Asst Proj Dvl Officer	1	0	0	0
931	Contracts & Proc Officer	.67	1	1	1
<u>OFFICE OF AGRICULTURE &amp; RURAL DEVELOPMENT</u>					
103	Agriculture Dvl Officer	1	1	1	1
103	Deputy Agr Dvl Officer	1	1	1	1
101	Agriculture Economist	1	1	1	1
103	Asst Agr Dvl Officer	1	1	1	1
122	Proj Manager (Rural Dev)	1	1	1	1
103	Asst Agr Dvl Officer	0	0	0	0
103	Asst Agr Dvl Officer	.75	1	1	1
122	Proj Manager (Rural Dev)	.25	1	1	1
<u>OFFICE OF HEALTH, POPULATION &amp; NUTRITION</u>					
502	Health Dvl Officer	1	1	1	1
502	Asst Health Dvl Officer	1	1	1	1
550	Population Officer	1	1	1	1

TABLE IX(a) WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORK YEARS			
		FY 83	FY 84	FY 85	FY 86
<u>OFFICE OF ENERGY AND ENGINEERING</u>					
251	General Engineering Officer	1	1	1	1
251	Dep Gen Engg Officer	.16	1	1	1
252	Asst Civil Engg Officer	.75	0	0	0
251	Energy Officer	.42	1	1	1
	TOTAL USAID <u>a/</u>	29.33	33	32	32
	<u>a/</u> Includes part time positions workyears				

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

SKILL CODE	POSITION TITLE	WORK YEARS			
		FY 83	FY 84	FY 85	FY 86
<u>OFFICE OF THE DIRECTOR</u>					
<u>Liaison Office, Lahore</u>					
020	Program Specialist	1	1	1	1
040	Cashier	0	1	1	1
<u>Liaison Office, Peshawar</u>					
020	Program Specialist	1	1	1	1
<u>Liaison Office, Karachi</u>					
020	Program Specialist	2	2	2	2
040	Cashier	1	1	1	1
070	Gen Serv Assistant	1	1	1	1
070	Supply Assistant	1	1	1	1
070	Shipment Assistant	2	2	2	2
<u>OFFICE OF MANAGEMENT</u>					
050	Secretary	.25	1	1	1
030	Admin Mgt Specialist	1	1	1	1
070	C&R Supervisor	1	1	1	1
030	Personnel Specialist	1	1	1	1
030	Personnel Assistant	.25	1	1	1
930	Procurement Agent	1	1	1	1
070	Supv Admin Spec (GSO)	1	1	1	1
070	Supply Advisor	1	1	1	1
070	Supply Assistant	1	1	1	1

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

SKILL CODE	POSITION TITLE	WORK YEARS			
		FY 83	FY 84	FY 85	FY 86
070	Shipment Assistant	1	1	1	1
070	Motor Pool Supervisor	1	1	1	1
<u>OFFICE OF FINANCIAL MANAGEMENT</u>					
040	Chief Accountant	1	1	1	1
040	Supv Voucher Examiner	1	1	1	1
040	Accountant	1	1	1	1
040	Cashier	.25	1	1	1
040	Financial Analyst	1	1	1	1
<u>OFFICE OF PROGRAM</u>					
020	Program Specialist	1	1	1	1
<u>OFFICE OF HUMAN RESOURCES AND TRAINING</u>					
600	Participant Training Spec	1	1	1	1
600	Participant Training Asst	1	1	1	1
<u>OFFICE OF PROJECT DEVELOPMENT &amp; MONITORING</u>					
120	Program Assistant	1	1	1	1
<u>OFFICE OF AGRICULTURE &amp; RURAL DEVELOPMENT</u>					
120	Program Assistant (Rural Dev)	1	1	1	1
120	Program Assistant	1	1	1	1
<u>OFFICE OF HEALTH, POPULATION &amp; NUTRITION</u>					
120	Program Specialist	1	1	1	1

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

SKILL CODE	POSITION TITLE	WORK YEARS			
		FY 83	FY 84	FY 85	FY 86
<u>OFFICE OF ENERGY AND ENGINEERING</u>					
120	Program Asst (Irrigation)	1	1	1	1
120	Program Spec (Forestry)	1	1	1	1
120	Program Spec (Energy)	1	1	1	1
250	Gen Engineer (Irrigation)	.75	1	1	1
	TOTAL	33.5	37	37	37

TABLE IX(a) WORKFORCE REQUIREMENTS (U. S. DIRECT HIRE) RIG

SKILL CODE	POSITION TITLE	WORK YEARS			
		FY 83	FY 84	FY 85	FY 86
<u>OFFICE OF REGIONAL INSPECTOR GENERAL/AUDIT</u>					
082	Regional Insp Gen/Audit	1	1	1	1
081	Audit Manager	1	1	1	1
081	Audit Manager	1	1	1	1
081	Auditor	1	1	1	1
081	Auditor	0	1	1	1
081	Auditor	1	0	0	0
<u>OFFICE OF REGIONAL INSPECTOR GENERAL /INSPECTIONS &amp; INVESTIGATIONS</u>					
082	Foreign Assistance Inspector	1	1	1	1
082	Foreign Assistance Inspector	0	1	1	1
082	Foreign Assistance Inspector	1	1	1	1
050	Secretary	1	1	1	1
TOTAL RIG		8	9	9	9

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

SKILL CODE	POSITION TITLE	WORK YEARS			
		FY 83	FY 84	FY 85	FY 86
<u>OFFICE OF RIG/AUDIT</u>					
080	Budget Analyst	1	1	1	1
<u>OFFICE OF RIG/II</u>					
080	General Investigator	.25	1	1	1
	Total	1.25	2	2	2

FY 1985  
PL-480 TITLE I NARRATIVE

I. Overview

The PL 480 Title I program in Pakistan is an essential element of the six year package of economic assistance negotiated by the United States Government and the Government of Pakistan in August, 1981. It consists of US\$ 50 million annually for the purchase of edible oil. This program is a key part of the strategy to provide balance of payments assistance and meets the standard objective of providing an essential food commodity to the population. The GOP has been encouraged to take measures to increase self-reliance in the production and processing of edible oil. Imports make up two-thirds of edible oil consumption, are growing at 9 percent annually, and account for 5 percent of total imports. The program of the last two years have increased the attention of the GOP to the oil-seed situation and have laid the ground-work for large scale initiatives.

Justification

The US\$ 300 million 6-year PL 480 program is part of the overall economic and military assistance package that was negotiated with Pakistan in August, 1981. The economic assistance package is justified on political grounds and is directed at meeting the immediate balance of payment needs and laying the foundation for long-term economic growth and development.

The PL 480 program provides an essential food commodity which is the second largest source of calories (after grain) for the population. Edible oil is the third largest imported commodity amounting to approximately 5 percent of total imports. Consumption of edible oil has been rising at about 7 percent annually and imports have been growing at about 9 percent annually. Consumption is rising because of three percent population growth, rising per capita income, rapid growth in the urban population and because of remittances from overseas workers, which permits the substitution of vegetable ghee for mustard oil in rural areas.

Production Trends and Import Requirements

The two major sources of domestic oil supply are mustard/rapeseed oil and cottonseed oil. Mustard seed and rapeseed are grown for direct consumption after a simple crushing process. This edible oil is consumed predominantly in rural areas and is not suitable for use in the manufacture of vegetable ghee, which is a hydrogenated cooking product. The other major domestic source of edible oil is cottonseed oil. This oil is produced from cottonseeds, which are the by-product of cotton production.

Approximately two-thirds of the total edible oil requirements of Pakistan are imported; most of the imported oil is used for manufacturing vegetable ghee. Pakistan imports more than 75 percent of its edible oil under commercial terms. PL 480 is the only concessional oil import. Last year, Pakistan had a current account deficit of US\$ 1,500 million. It is unclear whether Pakistan would have been able to import commercially the edible oil imported under PL 480. It is clear, however, that there is pressure on the balance of payments. The current account deficit is covered by foreign assistance and the External Fund Facility of the IMF. Balance of payments pressures are expected to increase because the EFF assistance finishes in November, 1983 and repayments will start in the near future. Edible oil prices currently are quite low but probably will rise in the future, thereby increasing pressure on the balance of payments. Overseas remittances, which now exceed the value of exports, are the major means by which Pakistan finances the trade deficit. These remittances are earned primarily in the Gulf area and are vulnerable to a decline in petroleum prices, and consequent lower levels of economic activity in those countries. Thus Pakistan's balance of payments is very precarious.

#### IV. Policy Environment

The USAID Mission has been using the PL 480 program as its main tool for improving the policy environment in the edible oil sector. The programs of the past several years have encouraged increased research activities, improved prices of non-traditional oilseeds, and led to the establishment of a high level GOP Oilseed Board and an enlarged pilot project for the production of oilseeds. The GOP has given the increased production of oilseeds a high priority in the 6th 5-Year Plan. Problems still exist in the overall policy environment, however. For example, even though prices of non-traditional oilseeds are comparable with world market prices, the marketing situation is very weak and farmers are unlikely to receive those prices. The processing of oilseeds is at a fairly primitive level because the price structure for byproducts does not result in a high quality protein meal which could command high prices from the poultry industry.

#### V. Current Program

The FY 1984-FY 1985 programs call for US\$ 50 million of edible oil in each year. The quantities will depend upon the prices at that time; current projections indicate quantity levels at 92,600 metric tons and 85,600 metric tons in FY 1984 and FY 1985. These quantities are less than the FY 1983 program and well within Pakistan's ability to absorb. They are not likely to be a significant disincentive to domestic production.

The overall policy objectives of the PL 480 program for FY 1983 were to liberalize price policies of the GOP and to increase the role of the private sector in the edible oil sector, thus increasing the efficiency of the edible oil industry. The Mission believes that oilseed production and edible

oil supplies will increase if a more competitive oilseed processing industry exists. This competition requires that the private sector play a larger role. Uncontrolled prices are necessary in order to provide the incentive for the private sector to make substantial investments in the production and processing of oilseeds. The self-help measures specifically stress this concern and benchmarks exist to measure progress. The self-help measures of the FY 1981 and FY 1982 programs still continue in effect.

The local currencies generated from the FY 1981 and FY 1982 programs have not been spent, with one small exception. The Mission is jointly programming the allocation of these funds with the GOP. The FY 1983 funds also will be deposited in a Special Account and jointly programmed.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XI

PL-480 TITLE I/III REQUIREMENTS

(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1983		Carry Into FY 1984		Projected FY 1984		Carry Into FY 1985		Projected FY 1985		Carry Into FY 1986	
	Agreement \$	Shipments MT	Agreement \$	Shipments MT	Agreement \$	Shipments MT	Agreement \$	Shipments MT	Agreement \$	Shipments MT	Agreement \$	Shipments MT
<u>TITLE I</u>												
Edible Oil	50	115	50	115	50	93	50	93	50	86	50	86
Total	50	115	50	115	50	93	50	93	50	86	50	86
<u>Of Which</u>												
<u>TITLE III</u>												
Total												

Comment: Quantities for FY 1984 and FY 1985 computed using USDA prices.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XII

Country/Office : PAKISTAN

PL-480 TITLE I/III

Supply and Distribution

(000 Metric Tons)

<u>STOCK SITUATION</u>	<u>FY 1984</u> <sup>1/</sup>	<u>ESTIMATED FY 1985</u> <sup>1/</sup>
Commodity - Edible Oil		
Beginning Stocks	50	50
Production	270	280
Imports	580	600
Concessions <sup>2/</sup>	93	86
Non-concessional	487	514
Consumption	850	880
Ending Stocks	50	50

Comment: <sup>1/</sup> Estimates related to Pakistan Fiscal Year (July 1 - June 30)

<sup>2/</sup> Imports under PL-480 TITLE I.